

University of Minnesota - Twin Cities

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Curriculum Vitae Fall 2023

Entian Zhang

Personal Data

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Contact Information

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Citizenship: China (F-1 visa)

Major Fields of Concentration

International Economics, Macroeconomics

Education

| <i>Degree</i> | <i>Field</i> | <i>Institution</i> | <i>Year</i> |
|---------------|---|------------------------------------|-------------|
| PhD | Economics | University of Minnesota (expected) | 2024 |
| MA | Economics | University of Michigan | 2018 |
| BS | Electronic Engineering (With Distinction), Economics | Peking University | 2016 |

Dissertation

Title: "Financial Frictions and Sourcing Decisions"

Dissertation Advisor(s): Professor Timothy Kehoe and Professor Manuel Amador

Expected Completion: Summer 2024

References

| | | |
|-------------------------|----------------------------------|---|
| Professor Timothy Kehoe | (612) 625-1589 tkehoe@umn.edu | Department of Economics University of Minnesota 4-101 Hanson Hall 1925 Fourth Street South Minneapolis, Minnesota 55455 |
| Professor Manuel Amador | (612) 624-4060 amador@umn.edu | |
| Dr. Doireann Fitzgerald | doireann.fitzgerald@gmail.com | Senior Research Economist Federal Reserve Bank of Minneapolis 90 Hennepin Avenue Minneapolis, Minnesota 55401 |

Honors and Awards

- 2019-2020 *Silverman Fellowship*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2016 *Excellent Graduate*, Peking University, Beijing, China
- 2016 *Excellent Undergraduate Dissertation*, Peking University, Beijing, China
- 2013-2016 *Top Scholarship for Excellent Academic Performance*, Peking University, Beijing, China

Teaching Experience

- Sept 2019-May 2020 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for Principles of Microeconomics
- June 2020-Aug 2020 *Writing Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught Economic Development

Research Experience

- Oct 2022- Current *Research Assistant*, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research assistant for Dr. Mallika Thomas.
- June 2023-Aug 2023 *Summer intern*, International Monetary Fund, Washington, DC, supervised by Dr. Hui Tong. Studied how financial frictions shape trade flow after the US-China trade tension.
- Jan 2022-Sep 2022 *Research Assistant*, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research assistant for Dr. Jane Olmstead-Rumsey.
- Sept 2020-Dec 2021 *Research Assistant*, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research assistant for Dr. Christian Moser.

Papers

- Zhang, Entian, "Financial Frictions and Sourcing Decisions", Job Market Paper.
- Tong, Hui and Entian Zhang, "US-China Tensions and Trade Relocation: The Role of Financial Frictions"
- Zhang, Entian, "Internal Migration and Innovation in China"

Computer Skills

Matlab, Python, Stata, SQL

Languages

Chinese Mandarin (Native), English (Proficient)

Abstract(s)

Zhang, Entian, “Financial Frictions and Sourcing Decisions,” job market paper

This paper studies the impact of financial frictions on firms' sourcing decisions of intermediate inputs. I set up a general equilibrium Baumol-Tobin inventory management model where heterogeneous firms pay for inputs before production and are subject to borrowing limits. The model implies that financial frictions restrict the sizes of orders made by the firms and distort the sourcing decisions by inducing firms to source from countries where they can make small and frequent orders. I then use Chinese firm-level data to validate the model. I find that (i) when sourcing a same product from a same country, more financially constrained firms make smaller orders; (ii) the import orders from neighboring countries (regions) of China are smaller and more frequent comparing to those from other countries, and firms tend to source from neighboring countries (regions) when financially constrained. The model is parameterized to match key features of the Chinese firm-level data. I find that financial reforms aimed at improving firms' access to external finance and policies that reduce the fixed costs of importing can mitigate the distortion in order sizes and sourcing decisions, thereby increase the gains from trade.