

Lintong Li

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Department of Economics
Princeton University
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Graduate Studies

Princeton University *2017-present*
PhD Candidate in Economics
Expected Completion Date: June 2024

REFERENCES

Professor Nobuhiro Kiyotaki Department of Economics Princeton University 609-258-4031 kiyotaki@princeton.edu	Professor Richard Rogerson Department of Economics Princeton University 609-258-4839 rdr@princeton.edu
Professor Mark A. Aguiar Department of Economics Princeton University 609-258-4006 maguiar@princeton.edu	Professor Wei Xiong Department of Economics Princeton University 609-258-0282 wxiong@princeton.edu

Prior Education

Peking University, China *2012-2017*
B.S. in Physics, B.A. in Economics

Fields

PRIMARY Macroeconomics
SECONDARY Macro-Finance, Labor Economics

Job Market Paper

“Aggregate Demand and Irreversible Investment”

This article studies the propagation of aggregate shocks through the interaction between financial frictions and the partial irreversibility of fixed capital and relevant policies. In response to adverse shocks to the level of revenue productivity, firms find it costly to shrink since fixed capital is partially irreversible. This limits cash flow from liquidating fixed capital and tightens the financing constraint on working capital. Insufficient working capital further lowers marginal product of capital and triggers additional fire sales when the marginal value of liquid wealth is high. Credit spreads and default risks rise given unbalanced and unprofitable production. Misallocation and extra default lead to additional output loss and lower capital prices. In the presence of monopolistic competition, lower aggregate demand(output) enters revenue productivity and creates an endogenous feedback loop. I provide empirical evidence consistent with the model at the firm, sector, and aggregate level. Quantitative results show that 2 percent TFP shock generates a maximum of 3.9 percent drop in output. A counter-cyclical fiscal policy can mitigate the recession by boosting aggregate demand, resulting from a rich interaction between liquidity, asset price, and financial frictions.

Working Papers

“Richer and Busier? The Facts, Causes and Consequences of Labor Supply in China” With Qing Huang.

Research Experience

2018 Research Assistant to Prof. Stephen Redding
2016 Research Assistant to Prof. Richard Freeman

Teaching

Princeton ECO 315: Topics in Macroeconomics
TA for Prof. Kiyotaki, Spring 2021, Spring 2022, Spring 2023
ECO 301: Intermediate Macroeconomics
TA for Prof. Aguiar, Fall 2021; TA for Prof. Zaidi, Spring 2023
ECO 101: Introduction to Macroeconomics
TA for Prof. Blinder, Fall 2019

Presentations

2023 Peking University, CCER SI

Honors, Scholarships Fellowships, and Grants

Mr. and Mrs. Yan Huo *94*95 Graduate Fellowship, Princeton University	<i>2023–2024</i>
Princeton University Graduate Fellowship, Princeton University	<i>2017-2023</i>
Tung OOCCL Scholarship, Peking University	<i>2015</i>
Freshman Scholarship, Peking University	<i>2013</i>

Languages

Chinese (native), English

Last updated: Oct 2023