Thiên Tung Nguyễn

Date July 2013

Contact Information
The Wharton School, University of Pennsylvania — Citizenship: U.S.A.
2300 Steinberg Hall – Dietrich Hall — Phone: (714) 280–3527
3620 Locust Walk — Email: thien@wharton.upenn.edu
Philadelphia, PA 19104-6367 — Webpage: https://fnce.wharton.upenn.edu/profile/1035

Research Interests Macroeconomics; Financial Markets; Asset Pricing; Public Finance; Financial Institutions

Education

The Wharton School, University of Pennsylvania
Ph.D. in Finance (expected) — **May 2014**

University of California, San Diego
B.A. in Joint Major Mathematics and Economics — **June 2005**
- Phi Beta Kappa

Publications

1. "Fiscal Policies and Asset Prices", *with* M. M. Croce, H. Kung and L. Schmid. ***Review of Financial Studies**, 25(9), 2012.* (Lead article)
2. "The Market Price of Fiscal Uncertainty", *with* M. M. Croce and L. Schmid. ***Journal of Monetary Economics**, 59(5), 2012.*

Working papers

3. "Fiscal Policy and the Distribution of Consumption Risk", *with* M. M. Croce and L. Schmid, February 2011 (submitted)
4. "Bank Capital Requirements: A Quantitative Analysis", 2013
(JOB MARKET PAPER)

Works in progress

5. "Optimal Robust Taxation with Endogenous Growth", *with* M. M. Croce, T. Karantounias and L. Schmid, 2012
6. "Global Entropy", *with* M. M. Croce and L. Schmid, 2012
7. "Can Differences in Rates of Innovation Explain the Carry Trade?", *with* Colin Ward, 2013

Presentations

2014: "Bank performance, financial stability and the real economy" conference, Naples, Italy (scheduled)
2013: AEA, WFA
2012: SED
2011: UNC–Chapel Hill

Related Experience

Federal Reserve Bank of New York
Ph.D. Summer Intern — **Summer 2013**

Federal Reserve Bank of San Francisco
Research Associate I — **2005–2007**

Honors, Awards and Fellowships

Wharton Doctoral Student Travel Grant
The Wharton School, University of Pennsylvania — **2012, 2013**

Winkelman Fellowship (Schoolwide competitive fellowship)
The Wharton School, University of Pennsylvania — **2011–2012**

Rodney L. White Center for Financial Research Grant
The Wharton School, University of Pennsylvania — **2011**

Dean's Fellowship for Distinguished Merit
The Wharton School, University of Pennsylvania — **2008–2012**

Teaching Experience

The Wharton School, University of Pennsylvania

Teaching Assistant

- FNCE 921 (PHD) – Introduction to Empirical Methods in Finance, Prof. Amir Yaron, Spring 2012, Spring 2013
- FNCE 101/602 (UNG/MBA) – Monetary Economics and the Global Economy, Summer 2010, Spring 2011
- FNCE 235/725 (UNG/MBA) – Fixed Income Securities, Fall 2011
- FNCE 100 (Honor UNG) – Corporate Finance, Fall 2010

Academic Service

Referee: Economica, Journal of Monetary Economics

Programming

C, C++, Fortran, Matlab, Mathematica, SQL, Stata, S-Plus, R

Language

Bilingual: Vietnamese–English

References

Franklin Allen
Nippon Life Professor of Finance and Economics
The Wharton School
University of Pennsylvania
Phone: 215-898-3629
Email: allenf@wharton.upenn.edu

Mariano Massimiliano Croce
Assistant Professor of Finance
Kenan-Flagler Business School
UNC at Chapel Hill
Phone: 919-448-5818
Email: mmc287@gmail.com

Itay Goldstein
Professor of Finance
The Wharton School
University of Pennsylvania
Phone: 215-746-0499
Email: itayg@wharton.upenn.edu

João F. Gomes
Howard Butcher III Professor of Finance
The Wharton School
University of Pennsylvania
Phone: 215-898-3666
Email: gomesj@wharton.upenn.edu

Urban Jermann
Safra Professor of International Finance
and Capital Markets
Professor of Finance
The Wharton School
University of Pennsylvania
Phone: 215-898-4184
Email: jermann@wharton.upenn.edu

Amir Yaron (Chair)
Robert Morris Professor of Banking
Professor of Finance
The Wharton School
University of Pennsylvania
Phone: 215-898-1241
Email: yarona@wharton.upenn.edu

Research Abstracts

1. "Bank Capital Requirements: A Quantitative Analysis"
(JOB MARKET PAPER)

This paper examines the welfare implications of bank capital requirements in a general equilibrium model in which a dynamic banking sector endogenously determines aggregate growth. Due to government bailouts, banks engage in risk-shifting, thereby depressing investment efficiency; furthermore, they over-lever, causing fragility in the financial sector. Capital regulation can address these distortions and has a first-order effect on both growth and welfare. In the model, the optimal level of minimum Tier 1 capital requirement is 8%, greater than that prescribed by both Basel II and III. Increasing bank capital requirements can produce welfare gains greater than 1% of lifetime consumption.

2. "Fiscal Policy and the Distribution of Consumption Risk"
(with Mariano Massimiliano Croce and Lukas Schmid) [Submitted]

This paper studies fiscal policy design in an economy in which (i) the representative household has recursive preferences, and (ii) growth is endogenously sustained through innovations whose market value depends on the tax system. By reallocating tax distortions through debt, fiscal policy alters both the composition of intertemporal consumption risk and the incentives to innovate. Tax policies aimed at short-run stabilization may substantially increase long run tax and growth risks and reduce both average growth and welfare. In contrast, policies oriented toward long-run stabilization increase growth, wealth and welfare by lowering the slope of the term structure of equity yields.

3. "Fiscal Policies and Asset Prices"
(with Mariano Massimiliano Croce, Kung Howard and Lukas Schmid)
***Review of Financial Studies**, 25(9), 2012* (Lead article)

The surge in public debt triggered by the financial crisis has raised uncertainty about future tax pressure and economic activity. We examine the asset pricing effects of fiscal policies in a production-based general equilibrium model in which taxation affects corporate decisions by: (1) distorting profits and investment; (2) reducing the cost of debt through a tax shield; and (3) depressing productivity growth. In settings with recursive preferences, these three tax-based channels generate sizable risk premia, making tax uncertainty a first-order concern. We document further that corporate tax smoothing can substantially alter the effects of public expenditure shocks.

4. "The market price of fiscal uncertainty"
(with Mariano Massimiliano Croce and Lukas Schmid)
***Journal of Monetary Economics**, 59(5), 2012*

Recent fiscal interventions have raised concerns about US public debt, future distortionary tax pressure, and long-run growth potential. We explore the long-run implications of public financing policies aimed at short-run stabilization when: (i) agents are sensitive to model uncertainty, as in Hansen and Sargent (2007), and (ii) growth is endogenous, as in Romer (1990). We find that countercyclical deficit policies promoting short-run stabilization reduce the price of model uncertainty at the cost of significantly increasing the amount of long-run risk. Ultimately these tax policies depress innovation and long-run growth and may produce welfare losses.