

YUCHENG LIANG

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EDUCATION

Stanford Graduate School of Business
Ph.D. candidate in Economics

September 2015 - June 2020 (expected)

Peking University

B.A. in Economics

September 2011 - June 2015

B.S. in Applied Mathematics

September 2012 - June 2015

University of California, Los Angeles

Exchange Student

September 2013 - December 2013

RESEARCH AREAS

Behavioral economics, Experimental economics, Microeconomic theory

WORKING PAPERS

Learning from Unknown Information Sources

- Abstract: When an agent receives information generated by a source whose accuracy might either be high or low, standard economic theory dictates that she update as if the source has medium accuracy. In a lab experiment, I find that subjects' updating behaviors deviate from this benchmark. First, subjects under-react to information when the source is uncertain. Second, the under-reaction is more pronounced for good news than for bad news. These two patterns, *under-reaction* and *pessimism*, are consistent with a theory of belief updating where agents are insensitive and averse to compound uncertainty and ambiguity. I also find that subjects' reactions to information with uncertain accuracy are uncorrelated with their evaluations of bets with uncertain odds. This suggests that people have distinct attitudes toward uncertainty in information accuracy and uncertainty in economic fundamentals. The experimental results are validated using observational data on stock price reactions to analyst earnings forecasts, where analysts with no forecast records are classified as uncertain information sources.e distinct attitudes toward uncertainty in fundamentals and uncertainty in information accuracy.
- Presented at WISE 2018 (Xiamen), BEAT 2019 (Tsinghua), WZB, Hong Kong University, SITE 2019 (Stanford), EMCON 2019 (UChicago), Econometric Society European Winter Meeting 2019, PSE, Purdue, UCSD, CMU, NUS

Information-Dependent Expected Utility

- Abstract: In decision problems under uncertainty, the subjective evaluation of an outcome can depend on the information content of its realization. To accommodate this dependence, we introduce and axiomatize a model of information-dependent expected utility by allowing the utility of an outcome to flexibly depend on its information content in an (Anscombe-Aumann) act. Subjective beliefs are identified in a special class of our model where the utility of an outcome can be decomposed as the sum of consumption utility and information utility. Our model allows for both information seeking and information averse preferences, as well as a comparative theory of information preferences. For information seeking preferences, we introduce a Hidden Acts representation where the value of information is as if induced from the expected utility of the optimal choice in a fictitious future decision problem given that information.
- Presented at D-TEA 2017 (HEC Paris), the 2017 Econometric Society {Asian, China, North America Summer} Meetings

WORK IN PROGRESS

Social Comparison, Employee Attrition and Productivity: A Workplace Experiment (with Shannon X. Liu and Hugh Xiaolong Wu)

- Abstract: How should firms shape the social comparison process in the workplace to improve employee productivity and to reduce turnover? We conduct a 7-month field experiment in a multi-national spa chain with 160 stores and 5000 spa workers in China. We provide spa workers with bi-weekly messages on either the current performance of a co-worker with similar work experience (T1) or the performance trajectory of a senior co-worker (T2). First, we study how workers' outlook about their future performances and reference points for performance comparison depend on their knowledge about their co-workers' current and past performance. Second, we measure the effects of information treatments on the workers' beliefs about their own future productivity, reference points, stress levels, productivity, attrition, and pro-social behaviors.
- Status: Fieldwork completed (AEA RCT Registration ID: 0004281)

Truth-Telling and the Design of Flexible Commitment Contracts: A Field Experiment (with Shengmao Cao and Tony Fan)

- Abstract: We propose a novel commitment contract (CC) with exemption clauses to provide incentives for physical exercise while retaining flexibility. Like a traditional, rigid CC, some money is deposited into an account (by the participant or by a third party) and the participant is allowed to withdraw the money if she attends the gym. Unlike a rigid CC, if a participant reports that she did not go to the gym because of illnesses, injuries, unanticipated obligations, or other pre-specified conditions, she is allowed to withdraw the deposit as well. The participants' reports are not verified, so the effectiveness of such a CC depends on the participants' aversion to lying. We conduct a field experiment at the Stanford athletic facilities to evaluate the demand for and the effectiveness of a CC with exemptions, in comparison to a rigid CC and a control contract without incentives.
- Status: Pilot completed

GRANTS

Russell Sage Foundation Small Grants in Behavioral Economics \$6,594

TEACHING EXPERIENCE

Course Assistant for Professor Edward Lazear 2018, 2019

- Incentives and Productivity (Stanford GSB, MBA)

Teaching Assistant for Professor Alex White 2014

- Industrial Organization (Tsinghua, Graduate)

PROFESSIONAL SERVICE

Referee for *Theoretical Economics*

TECHNICAL SKILLS

MATLAB, Mathematica, Python, SAS, SQL, Stata, oTree

REFERENCES

Douglas Bernheim (co-Principal)	Professor, Stanford University	bernheim@stanford.edu
Muriel Niederle (co-Principal)	Professor, Stanford University	niederle@stanford.edu
Michael Ostrovsky	Professor, Stanford GSB	ostrovsky@stanford.edu
Charles Lee	Professor, Stanford GSB	clees8@stanford.edu