

## Muran Chen

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### Education

Georgetown University, Ph.D. in Economics.	(expected)May 2020
New York University, M.A. in Economics.	May 2014
Renmin University of China, Bachelor in Agricultural Economics.	June 2012

### Fields of Specialization

Primary: Macroeconomics.

Secondary: Computational Methods, Consumer Behavior.

### Working Papers

#### **"Cyclical Price Volatility: Role of Shopping Behavior and Customer Capital".**

(Job market paper)

Dispersion in price growth rates rises during recessions. I explain this empirical phenomenon from the perspective of consumer shopping behavior and seller's customer accumulation. I document the facts that (1) consumers switch more across sellers during recessions, and (2) sellers set higher prices after a growth in the customer base. Motivated by these facts, I propose a novel mechanism that a change in shopping behavior results in a change of the customer base of sellers, which then shifts the distribution of price growth. I build a general equilibrium model in which firms accumulate customer capital and households endogenously decide search effort. Calibrated to match the moments from shopping behavior and cross-sectional distribution of price and customer base, the model explains 30% of the rise in price growth dispersion in the data during the Great Recession.

#### **"Shopping and Price Dispersion".**

This paper studies the consumer price search behavior and how it shapes price distribution using a micro-level transaction dataset. I document the cross-sectional distributions of two types of prices: the posted price across retailers, and purchase price across households. I find that (1) distribution of purchase price is more concentrated with lower mean, and (2) the difference between the two distribution is positive related to the measured shopping effort. Using a standard price search model, I show that the gap between the two price distributions suggests strongly that consumer price search is directed sequential search, not random search.

### "Consumption Growth and Wealth Effect in the Great Recession".

In this paper, I document the fact that higher income groups suffer a higher consumption drop in the US during the last recession. I show empirically that this is a result of a combined response to both transitory and permanent income changes. The consumption of lower-income groups is more sensitive to transitory income shocks while the high-income groups are more responsive to wealth change caused by the fluctuations in asset prices, especially housing prices. I incorporate these findings into a life-cycle general equilibrium model with housing. The model generates the same pattern in consumption growth of households in different income groups as in the data after a decline in housing price.

### Scholarships and Awards

Georgetown University Graduate School Merit-Based Scholarship.	2014-2019
Georgetown University Department of Economics Summer Research Fellowship.	2016

### Teaching Experience

#### Teaching Assistant, Georgetown University, Fall 2015-Spring 2019.

Macroeconomics I (PhD Core), Fall 2015, Fall 2016, Fall 2017, Fall 2018.

Macroeconomics II (PhD Core), Spring 2016, Spring 2017, Spring 2018.

International Finance (undergraduate), Spring 2015.

### Skills

Matlab, Python, SQL, Stata, Eviews, Latex.

### References

Prof. Mark Huggett (Main Advisor)  
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