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DOCTORAL STUDIES Massachusetts Institute of Technology (MIT)
 PhD, Economics, Expected completion June 2027
 DISSERTATION: *Essays on Macroeconomics and Firm Heterogeneity*

DISSERTATION COMMITTEE AND REFERENCES

Professor Iván Werning
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Professor Jonathan A. Parker
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PRIOR EDUCATION Williams College 2019
 B.A. *summa cum laude* in Economics (highest honors), Mathematics

CITIZENSHIP United States **GENDER:** Male

FIELDS Primary Fields: Macroeconomics, Finance

TEACHING EXPERIENCE 14.02 Principles of Macroeconomics 2024-26
 Teaching Assistant to Ricardo Caballero (rating 6.3/7)
 14.451 Dynamic Optimization Methods with Applications (part of
 PhD Econ Macro Core)
 Teaching Assistant to Fernando Alvarez (rating 6.1/7)
 15.454 Fundamentals of Financial Mathematics (Sloan MFin) 2023
 Teaching Assistant to Paul F. Mende

MIT Economics

WILLIAM CHEN

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RELEVANT POSITIONS	Research Assistant to Professor Lawrence D.W. Schmidt	2024
	Research Assistant to Professor Simon Jäger	2022
	Research Analyst on DSGE Team at Federal Reserve Bank of NY	2019-21
FELLOWSHIPS, HONORS, AND AWARDS	George and Obie Shultz Fund	2024-26
	Castle Krob Fellowship in Economics	2022
	MIT Presidential Graduate Fellowship	2021
	David A. Wells Prize in Political Economy	2019
	(Best Economics Undergraduate Thesis, Williams College)	
	Kaneda Prize for Young Outstanding Economist	2019
PROFESSIONAL ACTIVITIES	(Best Paper, Carroll Round Conference)	
	Carl Van Dyne Prize	2018
	Referee for: <i>American Economic Journal: Macroeconomics</i> ; <i>Journal of Money, Credit, and Banking</i> ; <i>Quarterly Review of Economics and Finance</i>	
	US Census Bureau: Special Sworn Status	
PUBLICATIONS	“Digital Currency and Banking-Sector Stability” with Gregory Phelan, <i>Journal of Financial Stability</i> , June 2025.	
	“Liquidity Provision and Financial Instability” with Gregory Phelan, <i>Journal of Money, Credit and Banking</i> , March-April 2024.	
	“Should Monetary Policy Target Financial Stability?” with Gregory Phelan, <i>Review of Economic Dynamics</i> , July 2023.	
	“International Coordination of Macprudential Policies with Capital Flows & Financial Asymmetries” with Gregory Phelan, <i>Journal of Financial Stability</i> , October 2021.	
	“Damped Infinite Energy Solutions of the 3D Euler & Boussinesq Equations” with Alejandro Sarria, <i>Journal of Differential Equations</i> , September 2018.	
WORKING PAPERS	“Price Rigidity and Investment Irreversibility in Customer Markets: Evidence from Credit Supply Shocks” (Job Market Paper)	

This paper argues that investment irreversibility in tangible capital leads to greater output price rigidity. The mechanism is that irreversibility strengthens the customer-market incentive: selling more output today builds a sticky customer base, which insures against bad shocks to future demand. Greater ex-ante investment in the customer base then leads a firm to choose higher price changes when financial constraints tighten. These higher price changes make markups more countercyclical and thereby increase output price rigidity. To show that this connection is empirically relevant, I use the bankruptcy of Lehman Brothers as a natural experiment in the credit supplied to firms and find that, while firms in industries with low irreversibility cut prices, firms in industries with high irreversibility do not. Abstracting from general equilibrium effects, aggregate prices are almost 40% more rigid after reductions in credit supply than if all industries had low irreversibility.

“Belief Disagreement in Production Networks”

This paper studies the macroeconomic impact of belief disagreement between firms in different sectors of a production network when firms choose labor quantities before sectoral TFP disturbances are realized. Belief disagreement reduces aggregate output by causing firms to miscoordinate their labor choices, which in turn further reduces output through spillovers. A hypothetical vignette experiment run on US small businesses provides empirical evidence that disagreement between firms in a production network can affect firms’ price and input decisions.

RESEARCH IN PROGRESS

“Price and Quantity Frictions in Firm-to-Firm Contracts” (with Shlok Goyal and Baiyun Jing)

This paper documents price and quantity frictions in a novel dataset constructed from services and supply contracts between firms. We use large language models to classify the structure of how prices and quantities can change in these contracts.

“Business Cycles with Irreversibility and Endogenous Demand Uncertainty”

This paper develops a quantitative model to study the aggregate implications of micro-level investment irreversibility when firms can reduce their idiosyncratic demand uncertainty by investing in a sticky customer base.

“Solving Nonlinear Macro Models with Exogenous Dispersed Information” (with Shlok Goyal)

This paper applies neural networks to solve nonlinear macroeconomic models in which agents have exogenous dispersed information. We show that these models can be solved when we include the entire history of posterior beliefs as part of the state space, and we handle the resulting curse of dimensionality with neural networks to approximate equilibrium policy functions.