HAN YAN

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EDUCATION

New York University, Stern School of Business — *New York, USA*
Ph.D. in Accounting — *2018 - 2023 (Expected)*

Erasmus University Rotterdam — *Rotterdam, Netherlands*
M.S. in Finance — *June 2016*

Shanghai University of Finance and Economics — *Shanghai, China*
B.A. in Management — *June 2014*

RESEARCH INTERESTS

Topic:	Banking, Climate Finance, Voluntary Disclosure, and Earnings Quality
Methodology:	Reduced Form and Structural Estimation

WORKING PAPERS

[1] Bank Accounting Discretion Over the Business Cycle
Job Market Paper

- **Committee:** Viral Acharya (Co-Chair), Mary Billings, Ilan Guttman, Stephen Ryan (Co-Chair)
- I document that banks with limited deposits understate loan loss provisions in good times and thus overstate these provisions in bad times, rather than smoothing their earnings over time.
- I show both *theoretically* and *empirically* that limit-deposit banks manage earnings to facilitate their risk-taking. They inflate earnings in good times to attract wholesale funding and expand lending, although they suffer from losing this funding and contracting lending in bad times.

[2] Climate Risk, Population Migration, and Banks' Lending and Deposit-Taking Activities
with Mary Billings and Stephen Ryan. Under review at Journal of Accounting and Economics

- Using proprietary *forward-looking* climate data, we find that both banks' lending and deposit-taking activities have exposed banks to increasing climate risk over time.
- We show that the results can be explained by population migrating *toward* climate-risky counties and banks leveraging their local information knowledge in those areas.

[3] CSR Commitment
with Mary Billings and Baruch Lev

- We show that firms that abnormally decreased their CSR activities during the 2008 financial crisis were penalized by the market but the punishment was mitigated by their past CSR performance.
- We further show that these firms provided more optimistic managerial guidance to maintain trust with investors.

[4] Social Connectedness, Information Flow among Rivals, and Proprietary Disclosure
with Mary Billings and Danye Wang

- Analyze whether and how *employee-level* connections shape *firm-level* information sharing decisions.
- Using social network data from Facebook, we show that firms whose employees are more socially connected with their competitors are more subject to information leakage, and thus more likely to disclose proprietary information.

PUBLICATIONS

[5] Do home purchase limits help? Government policy and housing prices in China
with Jilan Wu and Zhifang Shao. Journal of Urban Affairs (2022)

- Developed from my master thesis.
- Use difference-in-differences approach to analyze how geographically staggered home-purchase-limits policies imposed by the Chinese government affect housing prices.
- We find that these limits decreased housing prices, more so when they were more strictly enforced by local municipal authorities.

WORK-IN-PROGRESS

[6] Fake It Till You Make It: The Economic Benefits of Earnings Manipulation
with Ilan Guttman

- Build a dynamic investment model to capture the financing incentives for earnings manipulation.
- Use structural estimation to quantify the economic consequences of earnings manipulation.

TEACHING EXPERIENCE

New York University, Stern School of Business

- Instructor, Principles of Financial Accounting (Undergraduate) — *2021 Summer*

  68 Students Enrolled; Instructor Evaluation: 4.6/5.0

- Teaching Fellow for Prof. Mary Billings, Financial Accounting (MSQM) — *2022 Spring*
- Teaching Fellow for Prof. Julian Yeo, Financial Statement Analysis (EMBA) — *2021 Spring*
- Teaching Fellow for Prof. Julian Yeo, Financial Statement Analysis (MBA) — *2020 Fall*

HONORS AND AWARDS

AAA/Deloitte Foundation/J. Michael Cook Doctoral Consortium Fellow	*2022*
Hawaii Accounting Research Ph.D. Consortium Fellow	*2021*
NYU Stern Doctoral Fellowship	*2018 - 2023*
NYU Sterns Center for Global Economy and Business (CGEB) Research Grant ($5K)	*2020, 2021*
NYU Stern's Center for Sustainable Business (CSB) Research Grant ($5K)	*2020*
Erasmus Research Institute of Management Fellowship	*2014 - 2016*
China National Scholarship, Award for Academic Excellence	*2013, 2014*
Meritorious Prize in the Mathematical Contest in Modeling, U.S.	*2013*

INVITED CONFERENCES AND WORKSHOPS

Journal of Accounting and Economics (JAE) Conference	*2022*
AAA/Deloitte Foundation/J. Michael Cook Doctoral Consortium (*presenter*)	*2022*
LBS Trans-Atlantic Doctoral Conference (*presenter and discussant*)	*2022*
Duke University Accounting Theory Summer School	*2022*
Four-School Accounting Research Conference	*2022*
Hawaii Accounting Research Conference (*reviewer and discussant*)	*2022*
Accounting Theory Summer Camp	*2020 - 2022*
NYU Vincent C. Ross Institute of Accounting Research Conference	*2018 - 2022*
Columbia University Burton Conference	*2018, 2019*
NYU Accounting Summer Camp	*2018, 2019*

REFERENCES

Stephen Ryan (Co-Chair)
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[1] Bank Accounting Discretion Over the Business Cycle
Job Market Paper

· **Abstract:** This paper documents cross-sectional variation in how banks exercise accounting discretion over the business cycle, and it examines the effects of this behavior on the banks' financial intermediation activities and financial stability. I first show that banks with limited deposits understate loan loss provisions in good times and thus overstate these provisions in bad times, while banks with large deposit bases do the opposite. The behavior of limited-deposit banks contrasts with prior findings that healthy banks manage provisions to smooth earnings over the business cycle. To explain this behavior, I present a stylized model in which banks with limited deposits understate provisions during good times to attract wholesale (i.e., nondeposit) funding and thereby enable additional lending. Consistent with this risk-taking channel, I find that during good times these banks delay provisions, especially when their performance declines, and this increases their wholesale funding and lending. I further show that this loan growth enhances the banks' ability to delay provisions and thus enables more wholesale funding and lending. This feedback channel interacts with the risk-taking channel, functioning as an "accounting accelerator". However, because wholesale funding is information sensitive and loan loss provisions cannot be delayed through bad times, the accounting-driven credit expansion in good times also exacerbates the severity of economic downturns, amplifying business cycle fluctuations and threatening financial stability.

[2] Climate Risk, Population Migration, and Banks' Lending and Deposit-Taking Activities
with Mary Billings and Stephen Ryan. Under review at Journal of Accounting and Economics

· **Abstract:** Existing research finds that climate-related natural disasters generally have had insignificant effects on banks. In contrast, using forward-looking measures of climate risk at the U.S. county-level, we provide evidence that banks' non-agency residential mortgage and small business lending as well as their branch openings and deposit-taking have exposed banks to increasing climate risk of three specific types (hurricanes, water stress, and wildfires) over time. We show that two channels help explain banks' increasing exposures to these risks. First, population has migrated toward the southeastern coastal and arid southwestern U.S. and banks' activities have followed this migration. Second, consistent with branch-located loan officers leveraging their local market knowledge, banks with larger deposit shares in climate-risky counties originate more small business loans in those counties. Lastly, we find that banks with high exposures to these climate risks on both sides of their balance sheets decrease their loans and increase their liquid assets when natural disasters occur in the areas they serve. Given the increasing frequency and severity of climate-related natural disasters, our results raise concerns about potential negative consequences for migrating households, for the banks and insurers that provide households with financial services, and for the financial system and society were banks and insurers to fail.

[3] CSR Commitment
with Mary Billings and Baruch Lev

· **Abstract:** This paper examines the importance of CSR commitment for firm value. Within the context of the 2007-2008 financial crisis, we show that firms that abnormally decreased their CSR engagement were penalized by the market ("market discipline effect") but the penalty was mitigated by their past CSR performance ("CSR insurance effect"). We find evidence that trading of mutual funds contributed to both effects. Moreover, we find that firms less committed to CSR engagement during the crisis temporarily provided more optimistic managerial guidance, but with larger forecast errors. The pattern is stronger for firms located in low-trust regions. These findings suggest that firms strategically substitute managerial guidance for costly CSR activities to maintain trust with investors. However, we further document that those firms suffer reduced productivity in the long run.

[4] Social Connectedness, Information Flow among Rivals, and Proprietary Disclosure
with Mary Billings and Danye Wang

- **Abstract:** Existing work finds that labor market restrictions hinder information transfer to competitors, both directly by reducing employee mobility and indirectly by making firms less likely to disclose proprietary information. Building on these findings, our paper provides evidence that the advent of social media altered managers' views about the flow of information among rivals, and thus decreased their perceived costs of proprietary disclosure. In particular, we document a positive relationship between the social connectedness of a firm's employees with employees at rival firms and its willingness to disclose information about its customers' identities. These results concentrate in firms operating in states that have not adopted the inevitable disclosure doctrine (IDD), which reduces companies' willingness to reveal proprietary information. Overall, our findings suggest that social media plays important roles in determining the information flow among rival firms and also in determining what information managers choose to share with investors.

[5] Do home purchase limits help? Government policy and housing prices in China.
with Jilan Wu and Zhifang Shao. Journal of Urban Affairs (2022)

- **Abstract:** Facing skyrocketing housing prices, the Chinese government implemented a policy of home purchase limits to maintain stability and sustainability in the residential property market. This paper aims at gauging the causal effect of the home purchase limits policy on housing prices, by replicating a quasi-experimental test with yearly data on 287 Chinese cities from 2007 to 2013. Based on a difference-in-differences matching estimator to control for observed and time-invariant unobserved city heterogeneity, we find that the policy led to decreased housing prices, and the decrease was contingent on the level of enforcement of the policy. The more strictly the policy was enforced, the more the housing prices dropped. Overall, our analyses highlight the importance of government intervention in the property market.