

# ZHIFENG CAI

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75 Hamilton St, New Brunswick, NJ 08901

April 2026

## EMPLOYMENT

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**Associate Professor**

Department of Economics, Rutgers University

*2024 – Present*

**Assistant Professor**

Department of Economics, Rutgers University

*Fall 2017 – 2024*

**Research Analyst**

Federal Reserve Bank of Minneapolis

*Fall 2013 – May 2017*

## EDUCATION

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**Ph.D. in Economics**

University of Minnesota

*2011 – 2017*

**Bachelor of Economics**

University of Hong Kong, First Class Honor

*2008 – 2011*

## FIELDS OF INTEREST

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Macroeconomics, Theory, Artificial Intelligence, Data Economy, Information Frictions, Financial Frictions, Market Microstructure

## WORKING PAPERS

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- [The AI Skill Trap](#), 2026
  - AI raises short-run productivity but slows skill formation. A data-quality externality generates an *AI skill trap*: workers become AI-dependent and fail to accumulate expertise. In a calibrated model, a constrained planner that internalizes the externality eliminates the trap and substantially raises long-run welfare
- [Generative AI and Data Quality: Implications for Productivity, Labor Displacement, and Policy](#), 2024
  - Conditionally accepted at *Review of Financial Studies*
  - Will AI put us out of work? Not as alarming as it seems: the usefulness of AI depends on how good the data is, and adoption of AI could itself depress the quality of that data
- [Financial Development and the Housing Kuznets Curve](#), with [Feng Dong](#) and Haoning Sun, 2024
  - R&R at *International Economic Review*
  - We document that the house price-to-rent ratio first increases then decreases with financial development. A simple model of financial frictions with a land sector can account for this pattern
- [Quits and Optimal Unemployment Insurance](#), with [Jonathan Heathcote](#), 2024 [[CEPR WP](#)]

- Optimal design of unemployment insurance during the era of the Great Resignation, when many workers quit their jobs
- [Labor Participation, Human Capital Accumulation, and the Business Cycle](#), with [Rosemary Kaiser](#), 2024
  - In a quantitative life-cycle model with endogenous labor participation, subsidies for job search among the elderly population can enhance overall welfare
- [Self-fulfilling Resignation: Business-Cycle and Policy Implications](#), 2023
  - Can people quit their jobs because they expect others are doing the same? Yes, and this has new business-cycle and policy implications

## PUBLICATIONS

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- [Public Disclosure and Private Information Acquisition: A Global Game Approach](#), with [Feng Dong](#)  
*Journal of Economic Theory*, Volume 210, June 2023, 105670
- [College Tuition and Income Inequality](#), with [Jonathan Heathcote](#)  
*American Economic Review*, 2022, 112(1): 81–121
- [Secular Stagnation, Financial Frictions, and Land Prices](#)  
*Journal of Monetary Economics*, Volume 124, November 2021, 66–90
- [A Model of Secular Migration from Centralized to Decentralized Trade](#), with [Feng Dong](#)  
*Economic Theory*, 2021, 72, 201–244
- [Dynamic Information Acquisition and Time-Varying Uncertainty](#)  
*Journal of Economic Theory*, Volume 184, November 2019, 104947

## WORK IN PROGRESS

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- Efficient College Admission Policies, with [Jonathan Heathcote](#)

## VISITS

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- University of Hong Kong, February 2023
- Opportunity & Inclusive Growth Institute (OIGI), Federal Reserve Bank of Minneapolis, Spring 2021 (virtual)
- University of Pennsylvania, Fall 2020 (virtual)
- Hong Kong Baptist University, July 2019
- Federal Reserve Bank of Minneapolis, February 2019

## PRESENTATIONS

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- 2026 – Federal Reserve Bank of Minneapolis
- 2025 – University of Hong Kong
- 2024 – DC Search and Matching Workshop, University of Arkansas, ESIF-AI+ML (Cornell)
- 2023 – University of Hong Kong, City U of Hong Kong, Baptist U of Hong Kong, Midwest Macro Meeting, Asian-Pacific Search and Matching Workshop
- 2022 – Midwest Economic Theory Meeting, Labor Firms and Macro Workshop
- 2021 – Society of Economic Dynamics (SED) Meeting

2019 – Federal Reserve Bank of Philadelphia, Tsinghua Finance and Theory Workshop, Midwest Finance Meeting, UIBE, International Macro Workshop (UIBE), National University of Singapore, Hong Kong Baptist University

2018 – CEPR Workshop in Paris, Rutgers University

2017 – Wharton, USC Marshall, University of Hong Kong, City University of Hong Kong, Hong Kong Baptist University, Queensland University, Rutgers University

## REFeree ACTIVITIES

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– *American Economic Review: Insights, American Economic Journal: Macroeconomics, Econometrica, International Economic Review, Journal of Monetary Economics, Journal of Economic Theory, Journal of Financial Markets, Review of Economic Dynamics, European Economic Review*

## ADVISING

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– Yan Xue (UCAS), Maria Sole Pagliari (ECB)

## TEACHING

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– Rutgers University, 2017–present: *Intermediate Macroeconomics, Ph.D.-Level Macroeconomic Theory*

– University of Minnesota, 2012–2017: *Intermediate Microeconomics, Macroeconomic Theory, Chinese Economy*

## GRANTS AND FELLOWSHIPS

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– Research Council Grant, Rutgers University, 2018

## MISCELLANEOUS

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– Languages: Mandarin (native), English (fluent), Cantonese (basic)

– Skills: Fortran, Matlab, Stata, Python

– Nationality: China

– Permanent Residence: United States