Chen(Lilly) Li

Isenberg School of Management
UMass Amherst
121 Presidents Dr
Amherst, MA, 01002

(774) 420-4562
chenli@umass.edu
http://chenli-umass.com

EDUCATION

University of Massachusetts Amherst
Ph.D. Candidate in Finance — 2019 – Expected May
Worcester Polytechnic Institute
M.S. in Financial Math — 2015
Shanghai University of Finance and Economics
B.A. in Financial Engineering — 2013

RESEARCH INTERESTS

Empirical Corporate Finance, Labor and Finance, Fintech and Digital Assets

WORKING PAPERS

Artificial Intelligence in Recruitment: Examine the Effects on Hiring and Firm Outcomes *(Job Market Paper)*

This paper examines the impact of AI-recruitment tools on human capital acquisition and firm outcomes. I construct a novel dataset by linking hand-collected firm announcements on adopting AI tools for interviewing and evaluating candidates to micro-level data from the U.S. Census Bureau. Exploiting a staggered difference-in-differences design, I find that the adoption of AI recruitment tools is associated with a 2.1% improvement in the quality of new hires and a 2.9% increase in racial diversity. Effects are stronger among young new hires, with larger increases in worker quality and demographic diversity. Turnover rates among new hires decline by 2.8% after adoption. Revenue and productivity gains are concentrated in firms that attract higher-quality workers rather than those experiencing increases in diversity alone. These findings suggest that AI recruitment tools can enhance workforce quality and retention rates, leading to improved revenue performance.

Conference presentations:
2025 FMA- PhD Consortium (Scheduled)
2024 FMA Annual Meeting (New Ideas Session)
Seminar presentations:
University of Massachusetts Amherst

Thy Bust, My Boom: Micro Evidence on Small Firms' Tech Evolution after Dot Com Bubble Burst *(Semifinalist for the 2025 FMA Best Paper Award)*

With John Bai and Wenting Ma

This study investigates the impact of mass tech layoffs on non-tech firms. Using micro-level data from the U.S. Census, we find that non-tech firms in regions affected by tech layoffs experienced significant employment growth, particularly among small firms with fewer than 50 employees. This employment growth drives long-term gains in revenue and productivity for a subset of small firms that successfully hire displaced high-skill workers and navigate the challenges of adopting new technologies. These results highlight a crucial, yet often overlooked, externality: disruptions in the tech sector labor market can act as a catalyst for technology advancement and growth in traditionally less dynamic sectors.

Conference presentations:
2026 AFA (scheduled)
2025 FMA (scheduled)
2025 SFA (scheduled)
2025 FSRDC Annual Research Conference (scheduled)

Labor and Finance Group Conference (coauthor)
the 3rd FWFS-GNY Conference
Seminar presentations:
University of Massachusetts Amherst
Northeastern University (coauthor)

Local Income Uncertainty and Peer-to-Peer (P2P)
with Jue Wang

This paper investigates the effect of local income uncertainty on borrowing and lending behavior in peer-to-peer (P2P) credit markets. Using loan-level data from Prosper Marketplace LLC, we examine the relationship between state-level income uncertainty—distinguishing between employed and unemployed households—and consumer loan volumes. We find that rising income uncertainty narrows the loan volume gap between traditional intermediaries and P2P platforms. We further explore the role of the COVID-19 pandemic and the CARES Act in shaping borrower and lender responses. Our results show that the CARES Act, by reducing income uncertainty, increased borrowing from traditional institutions relative to P2P platforms. During the pandemic, lenders exhibited heightened caution toward unemployed applicants, while P2P credit remained an important financing channel for employed borrowers.

Seminar presentations:
University of Massachusetts Amherst

PUBLICATION

Sector Option Correlation Premiums and Predictable Changes in Implied Volatility
with Apoorva Koticha and Joseph M. Marks, the Journal of Derivatives, Spring 2023

We examine options listed on sector ETFs that constitute the S&P 500 and find evidence of predictability in implied volatilities associated with abnormally high or low implied correlations. We show that sector implied volatilities evolve to maintain stable relations between sector correlation premiums and the correlation premium on the S&P 500, allowing the calculation of a sector-specific, idiosyncratic correlation premium. The sector-specific correlation premium is a more reliable signal of future changes in sector implied volatility relative to simple level measures of the volatility or correlation premiums due to its focus on correlation rather than volatility, and its adjustment for aggregate levels. Moreover, we find that one-day reversals in sector implied volatilities are related only to reversals in the sector-specific correlation premium, and that information extracted from stock implied volatilities has little or no predictive ability for sector implied volatility. The predictable variation in sector implied volatilities associated with the sector-specific component of the correlation premium forms the basis for profitable trading signals that dominate strategies based directly on sector volatility premiums.

WORK IN PROGRESS

Technology Disruption and New Firm Creation

CONFERENCE AND SEMINAR PRESENTATIONS (including by co-authors)

2025: Southern Finance Association Annual Meeting (Scheduled); Financial Management Association Annual Meeting (Scheduled); Federal Statistical Research Data Center Annual Conference (Scheduled); Labor and Finance Group Conference; the 3rd FWFS-GNY Conference; Bentley University, Northeastern University; University of Massachusetts Amherst

2024: Financial Management Association Annual Meeting (New Ideas session), University of Massachusetts Amherst

CONFERENCE DISCUSSION

2025: Southern Finance Association Annual Meeting (Scheduled)
2024: Financial Management Association Annual Meeting

AWARDS AND GRANTS

Isenberg School of Management Doctoral Travel Grant	2024 - 2025
Isenberg School of Management Doctoral Travel Grant	2023 - 2024
Graduate School Doctoral Assistantship, UMass Amherst	2019 - present
Fellowship, UMass Amherst	2019

TEACHING EXPERIENCE

Instructor

FIN301 Corporate Finance, 4.3,4.5,4.2,5.0/5.0	Summer 2024, Winter 2023/2024
FIN304 Finance Modeling, 4.1,4.1,4.0/5.0	Spring 2022/2023, Fall 2024
FIN305 Investment	Summer 2025

Teaching Assistant

Corporate Finance, Advanced Corporate Finance	2019 - 2021

INDUSTRY EXPERIENCE

Financial Recovery Technologies, Data Analyst	2015 - 2018

ACADEMIC SERVICES

Special Sworn Status Researcher, U.S. Census Bureau	2023 - present
Ad Hoc Referee, Journal of Alternative Investment	2022 - 2024
Research Assistant, UMass Amherst	2019 - 2023

ADDITIONAL INFORMATION

Citizenship: China; U.S. Permanent Resident
Computer: Stata, SAS, Python, Latex, Matlab, SQL, R
Languages**:** English (Fluent), Chinese (Native)

REFERENCES

- **Prof. Anya Mkrtchyan (Co-Chair)**
  Associate Professor
  University of Massachusetts Amherst
  Isenberg School of Management
  amkrtchyan@umass.edu

- **Prof. John (Jianqiu) Bai**
  Associate Professor
  Northeastern University
  D'Amore-McKim School of Business
  j.bai@northeastern.edu

- **Prof. Christoph Bauner**
  Assistant Professor
  University of Massachusetts Amherst
  Department of Resource Economics
  cbauner@umass.edu

- **Prof. Wenting Ma (Co-Chair)**
  Assistant Professor
  University of Massachusetts Amherst
  Isenberg School of Management
  wentingma@umass.edu

- **Prof. Ina Ganguli**
  Professor of Economics
  University of Massachusetts Amherst
  Department of Economics
  iganguli@umass.edu