Longji Li

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EDUCATION		
	Ph.D. in Economics, American University	2024
	Master of International Affairs, Pennsylvania State University	2017
	M.S. in Banking and International Finance, City, University of London	2013
	B.S. (Hons) in Accounting and Finance, Lancaster University	2012

FIELDS	
	Fiscal Policy, Firm Productivity and Market Power, Text Analysis

WORK EXPERIENCE		
	Research Officer	2021-
	International Monetary Fund (IMF), Washington, DC, USA	present
	Research Department's Structural and Climate Policies Division	
	Research Assistant	2018-
	American University, Washington, DC, USA	2021
	Economics Department	
	Macroeconomic Research Intern	2017
	Institute of International Finance (IIF), Washington, DC, USA	
	Global Macroeconomics Department	
	Researcher (Remote)	2016
	State Council of the People's Republic of China, Beijing, China	
	Development Research Center	

WORKING PAPER	
	"Labor Market Exposure to AI: Cross-Country Differences and Distributional Implications" (2023), *IMF Working Paper.*

POLICY PUBLICATION	
	"Digitalization During the COVID-19 Crisis" (2023), *IMF Staff Discussion Notes.*
	"Countering the Cost-of-Living Crisis" (2022), *IMF World Economic Outlook*
	Co-authored a box for Chapter 1 on "**Market Power and Inflation During COVID-19**"
	"Labor Market Tightness in Advanced Economies" (2022), *IMF Staff Discussion Notes.*

WORK IN PROGRESS	
	"Artificial Intelligence Implications for the Future of Work" (2023), *IMF Staff Discussion Notes.*

JOB MARKET PAPER	
	Title: Shaping Economies Through Tax News: Analyzing the Influence on Economic Aggregates, Firm Behavior, and Financial Markets

Abstract: This paper focuses on the economic consequences of "anticipated" shocks to taxes, specifically news or foresight about future shifts in tax policy. I apply an advanced topic model known as seeded Latent Dirichlet Allocation (LDA). This model offers advantages over unsupervised LDA and lexicon-based methods, providing a more

nuanced interpretation of tax policy discourse. By analyzing a large corpus of news articles and presidential documents, I create two indices that separately quantify the intensity of news related to tax increases and decreases over time, starting from the Truman administration. Comparative analysis indicates that the metrics derived from seeded LDA are reliable. They can effectively forecast tax shocks as identified in the narrative-based approach by Romer and Romer (2010), as well as a commonly cited tax news measure by Leeper et al. (2012). The study incorporates both macroeconomic and firm-level perspectives, presenting empirical evidence that tax foresight significantly influences economic aggregates, corporate behavior, and financial markets. First, news of tax hikes stimulates output in the short term, and the effect of such news varies across different economic states. Second, firms with greater market power are more reactive to news of tax hikes, accelerating investment at a faster pace than their counterparts. Third, firms that are heavily reliant on government purchases show increased stock price volatility when attention to tax policy among investors is high. Finally, both stock and bond markets exhibit immediate responses when there is news of tax hikes, as these are viewed as steps toward fiscal responsibility and sustainable economic growth.

SKILLS

Programming: STATA, Python, R, SQL, LaTeX
Languages: Chinese, English
Firm Financial Databases: Orbis, Compustat, Worldscope

REFERENCES

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