

Jiawei Hu

CONTACT INFORMATION

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EDUCATION

The University of Texas at Dallas
PhD candidate in Management Science, Finance

Richardson, TX, USA
2020-present

Northeastern University
Master of Science, Finance

Boston, MA, USA
2018-2019

Central University of Finance and Economics
Joint program with **Victoria University**
Bachelor of Economics, International Trade and Economics
Bachelor of Business, Financial Risk Management

Beijing, China
Melbourne, Australia
2014-2018
2014-2018

RESEARCH INTERESTS

Behavioral Finance, Household and Real Estate Finance, Financial Economics, FinTech, Machine Learning in Finance, Asset Pricing

WORKING PAPERS

Local Gambling Preference and Excessive Mortgage Leverage

(Job market paper)

I study the role of borrower behavioral heterogeneity in excessive mortgage leverage. Using misreported simultaneous second liens as a revealed measure of excessive mortgage leverage, I show that such borrowing was more prevalent in areas with stronger local gambling preference. The effect is stronger where borrower incentives to obtain leverage are greater, including owner-occupied and purchase loans, and is not primarily driven by lender facilitation around the FICO 620 securitization cutoff. The findings suggest that borrower behavioral traits, distinct from broad aggregate borrowing conditions, contributed to excessive mortgage leverage and financial fragility.

Cumulative Prospect Theory and Stock Returns

(With Jun Li, Feng Zhao)

We strengthen the explanatory power of cumulative prospect theory for the cross-section of stock returns by allowing probability weights to vary over time. The shape of the option-implied empirical pricing kernel predicts time-varying probability weights. Quantitatively, ignoring such time variation could cost investors up to 28% in annual returns. The added explanatory power goes beyond existing return predictors and time-varying stock characteristics. We also propose a conditional trading strategy with substantially improved performance.

When Gender Disparities Meet Financial Technology in Financial Advisory

(With Xiaolin Wang, Feng Zhao, Zhiqiang (Eric) Zheng)

We examine whether financial technology can reduce gender disparities in financial advisory settings. Using data from a social trading platform, we find that female lead traders attract more investors than male lead traders after controlling for performance, risk, trader characteristics, and country and time fixed effects. This advantage is stronger among high-risk traders and in countries with greater female labor-force participation. We also find that investor flows respond more convexly to female traders' performance, and that facial attractiveness helps male lead traders but hurts female lead traders. The results suggest that platform-based fintech settings can reshape how investors evaluate advisor characteristics.

Expected Utility Theory and Prospect Theory in Skewness Preference

Building on Barberis et al. (2021), I develop a model that incorporates both expected utility and prospect theory components to study skewness preference. The model is used to explain both coskewness premium and idiosyncratic skewness premium. The prospect theory component is primarily responsible for idiosyncratic skewness premium, while both components matter for coskewness premium and operate with competing effects.

WORK IN PROGRESS

Heterogeneity in Mortgage Default: Insights from Second-Lien Misreporting

This project examines default behavior among primary-residence mortgage borrowers with simultaneous second liens during the housing boom, comparing borrowers who misreported the lien with those who reported it correctly. Preliminary evidence shows that misreporting borrowers are more liquidity-driven in default, while correctly reporting borrowers are more equity-driven. This heterogeneity implies meaningful differences in how borrowers value homeownership and how default risk should be assessed. To operationalize these insights, I am developing a machine learning-based Liquidity Shock Score that predicts borrower distress out of sample and complements traditional leverage measures in forecasting defaults.

Extracting Borrower Behavioral Traits from Credit Data: A Machine Learning Approach

Using monthly Equifax credit histories, this project develops borrower-level behavioral trait measures from large-scale credit data. Drawing on the behavioral and household finance literature, I focus on traits such as gambling preference, overconfidence, and present bias, inferred from credit usage patterns, delinquency dynamics, and responses to local shocks. I then link these estimated traits to mortgage outcomes to study how borrower behavior shapes household financial performance. This project bridges behavioral finance and household finance while highlighting the potential of machine learning methods in financial data analytics.

PROFESSIONAL SERVICE

Presentation:

Local Gambling Preference and Mortgage Misrepresentation: FMARC 2025 (doctoral), Boulder Summer Conference 2025 (poster), FMA European 2025 (doctoral; regular), IAFDS 2025 (doctoral), EFMA 2025, FMA Annual 2025 (doctoral consortium), SFA 2025

Cumulative Prospect Theory and Stock Returns: FMA European 2023

Discussant:

FMARC 2025 (doctoral), FMA European 2025, IAFDS 2025 (doctoral), EFMA 2025, SFA 2025, FMA European 2023

Session Chair:

FMA Annual 2024

Journal Referee:

International Review of Financial Analysis

TEACHING EXPERIENCE

Instructor

- Business Finance (FIN 3320)
- Personal Finance (FIN 3300)

Summer 2025, Spring 2026
Fall 2023, Fall 2024

Teaching Assistant

- Financial Modeling for Investment Analysis (FIN 6353)
- Options and Futures Markets (FIN 4340)
- Personal Finance (FIN 3300)
- Intermediate Financial Management (FIN 4310)
- Business in a Global World (BA1320)

Spring 2025
Spring 2025
Summer 2024
Spring 2024
Spring 2023, Summer 2023

- Derivatives Markets (FIN 6360)
- Applied Econometrics and Time Series Analysis (MECO 6312)

Spring 2023, Spring 2024, Spring 2025
Fall 2022

HONORS & AWARDS

GARP Risk Management Award Nomination

EFMA, 2025

The Best Research Proposal at the Responsible Use of Generative AI in Research Ideation Workshop

IAFDS, 2025

The Maria Strydom Best Presenter

IAFDS, 2025

Betty and Gifford Johnson Travel Awards

UTD, 2025

UT Dallas Graduate Studies Scholarship

UTD, 2020-2025

SKILLS

Computer skills: Stata, SAS, Matlab, R, Python, Mathematica, LaTeX

Certification: Graduate Teaching Certificate (The University of Texas at Dallas)

Qualification: Passed CFA Exam Level II

Languages: English, Mandarin

REFERENCES

Feng Zhao (Dissertation Chair)

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