

# Ruomeng (Ron) Liu

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## Employment

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**University of Nebraska – Lincoln**, College of Business, Lincoln, NE

Assistant Professor of Finance

2018 - Present

## Education

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**Rice University**, Jesse H. Jones Graduate School of Business, Houston, TX

Ph.D. in Finance

2018

M.A. in Finance

**Michigan State University**, East Lansing, MI

B.A. in Finance

*Summa Cum Laude*

B.A. in Mathematics

2012

## Research Interests

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Asset pricing, cross-section of expected returns, market microstructure, trading in over-the-counter markets

## Publications

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**Signaling in Over-the-Counter Markets: Benefits and Costs of Trade Disclosure** (with Kerry Back and Alberto Teguia) presented at the 2017 WFA meeting; *accepted* at *Journal of Financial and Quantitative Analysis*

- Transparency leads the market intermediary with private information on asset value to engage in costly signaling.
- Costly signaling lowers transaction spreads and increases trading volume, market liquidity, and investor welfare.

**Increasing Risk Aversion, Habits, and Life-Cycle Investing** (with Kerry Back and Alberto Teguia) *accepted* at *Mathematics and Financial Economics*

- Increasing relative risk-aversion (IRRA) preferences generate more reasonable aversion to large bets given fixed aversion to small bets.
- Investors with IRRA preferences have risky asset allocation decreasing in age.

## Working Papers

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**Asset Pricing Anomalies and the Low-risk Puzzle** (job market paper)

- Returns to long-short portfolios formed on a broad set of cross-sectional anomalies are negatively correlated with contemporaneous market excess return.
- The beta anomaly is a driving force behind numerous cross-sectional return puzzles.

**Finding Friends in Need: the Effect of Local Banks on Growth in Economic Distress**  
available upon request; presented at the 2015 Eastern Finance Association meeting

- Distance still matters: local banking accessibility positively impacts economic growth coming out of distress.
- Banks with a comparative advantage processing soft information has a greater effect fostering local economic growth.

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## Work in Progress

### Repeat Trading in Over-the-Counter Markets

### Institutional Investors and the Beta Risk Premium

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## Teaching Assistance

### Rice University

- Core Finance, Prof. James Weston, Full-time MBA 2016
- Applied Finance, Prof. Kevin Crotty, Professional MBA 2015
- Core Finance, Prof. Sebastien Michenaud, Professional MBA 2014

### Michigan State University

- Intro to Investments, Prof. Geoffrey Booth, Undergraduate 2011
- Finite Mathematics and College Algebra, Prof. Jennifer Powers, Undergraduate 2011

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## Research Assistance

- Prof. James Weston 2016
- Prof. Yael Hochberg 2015
- Prof. Kevin Crotty 2013 - 2015

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## Awards

- Ph.D. fellowship, Rice University 2012-2018
- All University Award: Top senior finance major, Michigan State University 2012
- Financial Markets Institute Scholar, Eli Broad College of Business, MSU 2010-2012
- L.C. Plant Award Scholarship, Department of Mathematics, MSU 2011

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## Conferences and Presentations

- American Finance Association Meeting, Atlanta, GA – Presentation 2019
- Western Finance Association Meeting, Whistler, BC – Presentation 2017
- Eastern Finance Association Meeting, New Orleans, LA – Presentation and Discussion 2015
- Rice Finance Department, Houston, TX – Presentation 2014, 2016, 2017

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## Programming Skills

Python, SAS, SQL, Mathematica, L<sup>A</sup>T<sub>E</sub>X

## References

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