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EDUCATION:

Ph.D. in Economics, University of California, San Diego, expected June 2007
C.Phil. in Economics, University of California, San Diego, August 2005
M.A in Economics, Yonsei University, Korea, February 2002
B.A in Economics, Yonsei University, Korea, February 2000

DISSERTATION:
Thesis Title: Essays on Investment-Specific Technology Shocks and Economic Fluctuations
Thesis Committee and References:

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DESIRED TEACHING AND RESEARCH:
Primary Fields: Macroeconomics, Monetary Economics
Secondary Fields: Applied Econometrics, Time-series Econometrics

TEACHING EXPERIENCE:

2003-present:	University of California, San Diego Teaching Assistant, Public Policy, Macroeconomics, Management Science Microeconomics, Monetary Economics, Introductory Macroeconomics
2000-2002:	Yonsei University Teaching Assistant, Microeconomics
1998-1999:	University of Minnesota, Morris Teaching Assistant, Econometrics, International Trade

RELEVANT POSITIONS HELD:

08/2005:	Research Assistant, University of California, San Diego for Nir Jaimovich
01/2002-08/2002:	Junior Economist, Bank of Korea

HONORS, SCHOLARSHIPS, AND FELLOWSHIPS:

2003-present:	University of California, San Diego, Tuition Scholarship

WORKING PAPER:

1. Is Investment-Specific Technological Change Really Important for Business Cycles? (Job Market Paper)

This paper re-examines the effect of investment-specific technology shocks (I-shocks) on the business cycles from a theoretical angle. I show that Greenwood, Hercowitz and Krusell's (GHK, 2000) influential specification may overstate the contribution of I-shocks to business cycles because it produces an unrealistically high volatility of capital utilization relative to output. The reason for this is that they only model one type of cost to increasing capital utilization, an accelerated depreciation. This paper introduces worker disutility for a longer nonstandard workweek as another cost of capital utilization, which generates volatility of capital utilization relative to output quite close to what we see in the data. Adding worker disutility to the GHK model reduces the importance of I-shocks by almost 60%, cautioning against the idea that I-shocks can be a sizable contributor to output fluctuation. In addition, this paper raises warning flags about the current use of the real price of equipment as the driving process for investment-specific technology in the RBC model. Using the structural VAR approach, this paper finds that a significant fraction of the real price of equipment is accounted for by other shocks besides I-shocks. This finding indicates that the current RBC models which use the real price of equipment as the driving process of investment-specific technology might overstate the contribution of I-shocks to economic fluctuations.

2. Quantifying the Contribution of Investment-Specific Technology Shocks to Business Cycles

This paper revisits the baseline structural VAR model which generates the result that investment-specific technology shocks (I-shocks) account for about 55% of the business cycles. I analyze whether the estimated I-shocks based on this baseline model represent true I-shocks. It turns out to be that the estimated I-shock based on the baseline model is significantly predicted by oil shocks and Federal funds rates. This implies that the effects of I-shocks in the baseline model are compounded by those of oil shock and monetary policy. When oil shocks and monetary policy are explicitly taken into account in the structural VAR model, the contribution of I-shocks to accounting for the business cycles declines from 55% to 16%.

3. Unveiling the New Aspects of 1973-1975 and 1981-82 Recessions

In this paper, I view the pronounced increase in the real price of investment goods during these two major postwar recessions as a serious challenge to the widely acknowledged causes of these two recessions, oil shocks and tight monetary policy. This is because it is conventionally perceived that oil shocks and monetary policy exert their effect on the economy through affecting investment demand. I present evidence that might help to explain how oil shocks and tight monetary policy could increase the real price of investment goods substantially during these two recessions. More specifically, I show that after the Fed changed its policy in a contractionary direction because of its inflationary concerns attributable to oil shocks, the major industries in the investment goods sector experienced a record-high increase in the cost of financing working capital, measured by interest expenses per net sales.

PRESENTATIONS:

10/12/2006 University of California, San Diego (Macro Seminar)

LANGUAGES:

English (fluent), Korean (native)