

# CHOONGRYUL YANG

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## EDUCATION

Ph.D. Candidate, Economics, University of Texas at Austin, May 2020 (Expected)  
Dissertation Title: *“Essays on Monetary and Fiscal Policy”*  
M.S., Economics, University of Texas at Austin, May 2016  
M.A., Economics, Sogang University, February 2013, South Korea  
B.A., Economics, Sogang University, *Summa Cum Laude*, February 2011, South Korea

## TEACHING AND RESEARCH FIELDS

**Fields:** Macroeconomics, Monetary Economics  
**Sub-Fields:** Finance

## RESEARCH PAPERS

### Working Papers

“Rational Inattention, Menu Costs, and Multi-Product Firms: Micro Evidence and Aggregate Implications,”  
(*Job Market Paper*), 2019

How does the number of products sold by a firm affect its decisions regarding price setting and information acquisition? Using a firm-level survey from New Zealand, I show that firms that produce more goods have both better information about aggregate inflation and more frequent but smaller price changes. To characterize the implications of these empirical findings for the ability of monetary policy to stimulate the economy, I develop a new dynamic general equilibrium model with rationally inattentive multi-product firms that pay a menu cost to reset their prices. I show that the interaction of the menu cost and rational inattention frictions leads firms to adopt a wait-and-see policy and gives rise to a new selection effect: firms have time-varying inaction bands widened by their subjective uncertainty about the economy such that price adjusters choose to be better informed than non-adjusters. This selection effect endogenously generates a distribution of desired price changes with a majority near zero and some very far from zero, which acts as a strong force to amplify monetary non-neutrality. I calibrate the model to be consistent with the micro-evidence on both prices and inattention and find two main quantitative results. First, the new selection effect leads to real effects of monetary policy shocks in the one-good version of the model that are nearly as large as those in the Calvo model. Second, in the two-good version of the model, as firms optimally choose to have better information about monetary shocks, the real effects of monetary policy shocks decline by 20%.

“Dynamic Rational Inattention and the Phillips Curve,” (joint with Hassan Afrouzi), 2019

We develop a tractable and portable method for characterizing the solution to dynamic multivariate rational inattention models in linear quadratic Gaussian settings. We apply our framework to propose an attention driven theory of the Phillips curve, the slope of which is endogenous to how monetary policy is conducted. We show that the Phillips curve is flatter when the monetary policy is more hawkish: rationally inattentive firms find it optimal to ignore monetary policy shocks when the monetary authority commits to stabilize nominal variables. Moreover, we show that an unexpectedly more dovish monetary policy leads to a completely flat Phillips curve in the short-run and a steeper Phillips curve in the long-run.

“The Persistent Employment Effects of the 2006-09 Housing Collapse,” (joint with Saroj Bhattarai and Felipe Schwartzman), 2019, FRB-Richmond Working Paper 19-07

We show that the housing wealth collapse of 2006-09 had a persistent impact on employment across counties in

the US. In particular, localities that had a larger loss in housing net-worth during that period had more depressed employment as late as 2016, without a commensurate population response. The use of IVs and controls to identify the causal impact of the wealth shock amplifies those results, leading to an estimate that a 10 percent change in housing net worth between 2006 and 2009 causes a 4.5 percent decline in local employment by 2016, as compared with a 2006 baseline. We do not find a long-term causal impact of the shock on wages. Sectoral results indicate, however, that the results are unlikely to be purely a result of persistently low demand, since, contrary to the short-run effects, the effect over the longer horizon is less concentrated in the non-tradeables sectors and is instead more prominent in the high-skilled services sector.

“Macroeconomic Effects of Capital Tax Rate Changes,” (joint with Saroj Bhattarai, Jae Won Lee, and Woong Yong Park), 2019, CESifo Working Paper No. 7630

We study aggregate, distributional, and welfare effects of a permanent reduction in the capital tax rate in a dynamic equilibrium model with capital-skill complementarity. Such a tax reform leads to expansionary long-run aggregate effects but is coupled with an increase in the skill premium. Moreover, the expansionary long-run aggregate effects are smaller when distortionary labor or consumption tax rates have to increase to finance the capital tax rate cut. An extension to a model with heterogeneous households shows that consumption inequality increases in the long-run. We study transition dynamics and show that short-run effects depend critically on the monetary policy response: whether the central bank allows inflation to directly facilitate government debt stabilization and how inertially it raises interest rates. Finally, we contrast the long-term aggregate welfare gains with short-term losses and show that welfare gains for the skilled go together with welfare losses for the unskilled.

## **Work in Progress**

“Income Inequality and Government Spending Multipliers,” 2018

## **HONORS, SCHOLARSHIPS, AND FELLOWSHIPS**

Spring 2020	Dissertation Writing Fellowship, Graduate School, University of Texas at Austin
Summer 2018	Dissertation Fellowship, Federal Reserve Bank of Boston
June 2018	Professional Development Award, University of Texas at Austin
2018 – 2019	Travel Grants (x4), Department of Economics, University of Texas at Austin
May 2018	Summer Research Fellowship, Department of Economics, University of Texas at Austin

## **RESEARCH EXPERIENCE AND OTHER EMPLOYMENT**

Summer 2019	Research Assistant for Professor Saroj Bhattarai, University of Texas at Austin
Summer 2018	Dissertation Fellow, Federal Reserve Bank of Boston
2016 – 2017	Research Assistant for Professor Saroj Bhattarai, University of Texas at Austin
2013 – 2014	Research Associate, Department of Macroeconomic Policy, Korea Development Institute
2012 – 2013	Research Assistant for Professor Yoonsoo Lee, Sogang University, South Korea

## **TEACHING EXPERIENCE**

### **University of Texas at Austin**

Fall 2019	Macroeconomic Theory, Teaching Assistant for Professor Olivier Coibion
Fall 2018	Macroeconomics I (Ph.D. Course), Teaching Assistant for Professor Andrew Glover
Spring 2018, 2019	Macroeconomics II (Ph.D. Course), Teaching Assistant for Professor Saroj Bhattarai
Fall 2017	Economic Statistics, Teaching Assistant for Professor Valerie Bencivenga
Fall 2017	Teaching Methodology Course, Department of Government
Spring 2017	Macroeconomic Theory, Teaching Assistant for Professor Andrea Civelli
Fall 2016	Introduction to Econometrics, Teaching Assistant for Professor Steve Trejo
Spring 2015, 2016	Introduction to Macroeconomics, Teaching Assistant for Professor Shalah Mostashari
Fall 2015	Microeconomics (Master Course), Teaching Assistant for Stephanie Houghton
Fall 2014	Introduction to Microeconomics, Teaching Assistant for Wayne R Hickenbottom

## Sogang University

Fall 2011, 2012     Intermediate Macroeconomics, Teaching Assistant for Professor Yoonsoo Lee  
Spring 2011, 2012     Principles of Economics, Teaching Assistant for Professor Yoonsoo Lee

## PROFESSIONAL ACTIVITIES

### Conferences and Presentations:

December, 2019     *(scheduled)* Econometric Society European Winter Meeting 2019, Erasmus University  
Rotterdam, Netherlands, *Job Market Paper*  
December, 2019     *(scheduled)* Federal Reserve Bank of Dallas, Dallas, TX, *Job Market Paper*  
October, 2019     Midwest Econometrics Group Conference, Ohio State University, OH, *Job Market Paper*  
May, 2019     Midwest Macroeconomics Meetings, University of Georgia, GA, “The Persistent  
Employment Effects of the 2006-09 Housing Collapse”  
August, 2018     Federal Reserve Bank of Boston, Boston, MA, *Job Market Paper*  
June, 2018     Society for Economic Dynamics 2018 Annual Meeting, Mexico City, Mexico, “Dynamic  
Rational Inattention, the Phillips Curve and Forward Guidance”  
June, 2018     24<sup>th</sup> International Panel Data Conference, Sogang University, Seoul, South Korea,  
“Income Inequality and Government Spending Multipliers”  
June, 2018     KAEA-KEA Joint International Conference, SKKU, Seoul, South Korea, “Dynamic  
Rational Inattention, the Phillips Curve and Forward Guidance”  
May, 2018     Midwest Macroeconomics Meetings, University of Wisconsin-Madison, WI,  
“Macroeconomic Effects of Capital Tax Rate Changes”  
March, 2018     Midwest Economics Association 2018 Annual Meeting, Evanston, IL, “Dynamic  
Rational Inattention, the Phillips Curve and Forward Guidance”  
October, 2017     12<sup>th</sup> EGSC, Washington University in St. Louis, St. Louis, MO, “Income Inequality and  
Government Spending Multipliers”  
July, 2017     Sogang University, Seoul, South Korea, “Dynamic Rational Inattention, the Phillips  
Curve and Forward Guidance”

**Referee:** *Review of Economics and Statistics* (x2), *The B.E. Journal of Macroeconomics*

## SKILLS

Programs: Fortran (MPI, OpenMP), MATLAB, Stata, Gauss, EViews  
Languages: English (fluent), Korean (native)

## REFERENCES

Olivier Coibion (Chair)  
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