

# Dongho Choo

## Personal Information

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| Address | • 245 LASB, 2935 Research Parkway, College Station, TX 77843  |
| Phone   | • +1 - 979 - 324 - 4163   |
| Email   | • dhchoo87@tamu.edu   |
| Website | • <a href="https://dhchoo87.github.io/dhchoo.github.io/">https://dhchoo87.github.io/dhchoo.github.io/</a> |

## Research Interests

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- Empirical Macro-Finance, Housing market, Monetary and Financial Economics
- Micro-foundations of Macroeconomics, Financial Econometrics, International Economics

## Education

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**Texas A&M University**, College Station, U.S.

- Ph.D. student in economics, fifth year, May 2023 (Expected Graduation)

**Korea University**, South Korea

- M.A. in Economics, Seoul, Korea University, February 2015
- Thesis: “Necessity of managing Non-Core liabilities: Evidence from commercial banks in South Korea”, 2015, Korea University

**Korea University**, South Korea

- B.A. in Information and Mathematics, Sejong, Korea University, September 2009  
(The early graduation of excellent students)
- B.A. in Economics, Seoul, Korea University, February 2013 (Dual Degree)

## Teaching Experience

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| Instructor         | • ECON 203 Principles of Macroeconomics (Summer 2021)   |
| Teaching Assistant | <ul style="list-style-type: none"><li>• ECMT 674 Economic Forecasting (Spring 2022)</li><li>• ECMT 475 Economic Forecasting (Fall 2021)</li><li>• ECON 410 Intermediate Macroeconomics (Spring 2021, 2020)</li><li>• ECMT 461 Introduction to Economic Data Analysis (Fall 2020)</li><li>• ECON 636 Macroeconomic Theory 1 (Fall 2019)</li><li>• ECMT 463 Introduction to Econometrics (Spring 2019, Fall 2018)</li></ul> |

## Skills

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| Software | Stata, R, MATLAB, Python, LaTeX |
| Language | English, Korean (Native)        |

## Research Experience

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Korea Development Institute  
(KDI), Sejong, South Korea  
(12/2014 – 07/2017)

**Research Associate**, Department of financial policy, KDI

- Investigate household debt vulnerability and propensity to consume from public and private survey datasets to develop monetary policy directions for stable household risk management.
- Organize KDI international conference, “Household Debt from an International Perspective: Issues and Policy Directions” on July 10, 2015.
- Review the literature on domestic legislation regarding the introduction of the Internet-primary bank, which conducts most of its business via online channels (e.g., ATM, the internet, mobile) and operates either few or no off-line offices, in Korea. Estimate related potential profits through the cases in Japan, the United States, and European Union.
- Establish literature review and arrange international data to recommend optimum policies to improve institutional structures of financial sector supervision and governance in Korea.

Korea University, Seoul,  
South Korea  
(09/2013 – 02/2015)

**Research Assistant** to Professor Kwanho Shin

- **Economic Growth, Financial Development, and Income Inequality**, (ADB, 2015)  
Run panel regression based on multilateral data on MF member countries using Stata to corroborate the relationship between financial development and income inequality.
- **Financial Integration in Asset and Liability Holdings in East Asia**, (ADB, 2015)  
Study the evolution of Intra-East Asian financial integration to examine the importance of regional financial integration using IMF’s investment survey data.
- **Capital Flows During Quantitative Easing: Experiences of Developing Countries**, (ADB, 2014)  
Empirically investigate whether quantitative easing (QE) by the US Federal Reserve System in 2014 may trigger financial instability in developing countries by examining the effect of QE on capital flows into developing Asia.

## Awards

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- Graduate Student Grant (7 semesters), Texas A&M University, 2019-2022
- Dean’s List (1 semester), Korea University, Graduate, 2015
- Research Assistant Scholarships (3 semesters), Korea University, 2014-2015
- Dean’s List (4 semesters), Korea University, Undergraduate, 2007-2009
- Work-Study Scholarships (3 semesters), Korea University, 2006-2007

## Seminar and Conference Presentations (\* Denotes Scheduled)

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| 2022 | Western Economic Association International 97 <sup>th</sup> Annual Conference* (virtual) |
| 2021 | Missouri Valley Economic Association 58 <sup>th</sup> Annual Meeting (virtual)           |

## Research: Working Papers

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### Information Effects in the Monetary Policy: Based on Credit Spreads and House Prices (2022)

*Abstract:* Commonly used instruments for the identification of monetary policy shocks are likely to combine the true policy shock with information about the monetary authority's feedback rule. I show that this endogenous effects of monetary policy can give rise to the empirical puzzles reported in the literature and propose a new approach to estimating central bank preferences that account for credit spreads and house prices. To investigate whether the Federal Reserve has responded systematically to credits spreads and house prices, I use a text analysis to directly measure the FOMCs objective from counting the word expressed by policy makers in their internal meetings. Next, I re-construct the Romer and Romer (2004) narrative shocks with two changes to their estimation framework and use the Local Projection estimation to trace the effects of shocks that control the endogenous response of monetary policy to credits spreads and house prices. I find that during the Great Moderation period, a monetary tightening is unequivocally contractionary, with persistent deterioration of domestic demand, labor and credit market conditions, as well as of house prices. Central to this result is that the failure to account for these endogenous reactions induce a confounding in the response of all real variables to monetary policy shocks. This indicates a systematic component of monetary policy characterized by a direct and economically significant reaction to changes in house prices and corporate credit spreads.

## Research: Works in Progress

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### Cross-State heterogeneity in the house price fluctuations and the role of monetary policy (2021)

*Abstract:* The main point of this paper reveals whether the heterogeneous variation in house prices across the different regions in the U.S. reflects a national phenomenon or rather an area-specific housing market until the recent period. To show the heterogeneous responses of house prices, I differentiate the growth in house prices that are common across all states from those that are regional or state-specific through the multi-level dynamic factor model. In the next step, this paper studies what extent to which monetary policy can explain the variation in common factor of house prices over the period including the pandemic era. With the obtained national factor, I measure the role of monetary policy accounting for the variation in house prices using the FAVAR estimation. Based on the statistical results, I argue that regional components are behind most of the volatility for the earlier period (1984 -2000). Then the national factor accounts for a sizable portion of the variation in house prices for the following period (2001-2012), but this ratio had been moderately decreased over the five years, from 2013 to 2018. A year and a half since the onset of the COVID-19 pandemic, this pattern has been rebounded. House prices have risen at record levels in recent years, hitting the peak increase, which could be largely explained by the national phenomenon rather than area-specific factors.

### Asymmetrical role of monetary policy shocks on house prices in the U.S. (2020)

*Abstract:* Most of the conventional literature studying housing market and monetary policy have primarily focused on the linear responsiveness of house prices to monetary policy shocks. However, several evidences suggested that the responses depend on the nature of the policy shock - contractionary versus expansionary - and on the state of economy - boom versus recession. In this paper I fill this gap and use a Local-Projection method to estimate asymmetric effects of monetary policy in the U.S. housing markets based on the two framework, state-dependent and policy-dependent models. Contractionary monetary policy shocks have a significantly stronger effect on house prices than expansionary shocks. Depreciation in house prices as a contractionary monetary policy shock occurs is more robust and clearly seen in the high-unemployment state than in the low-unemployment-state.

### Necessity of managing Non-Core liabilities: Evidence from commercial banks in South Korea (2015)

*Abstract :* In this paper, I construct panel data using the balance sheets of 15 domestic banks and find out how the proportion of non-core liabilities over the bank assets can have an impact on the default risk in each bank. According to the panel analysis, the default risk increases as banks use non-core liabilities for their primary financing purposes. The non-core liabilities have been widely used as the main financing method for banks when the economy is in a boom state. However, once a shock happens to the economy, especially in the financial market, refinancing to maturity would be limited, which can lead to serious liquidity risk and a credit crunch.

## References

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**Dr. Tatevik Sekhposyan** (Chair)

- Department of Economics, Texas A&M University
- tsekhposyan@tamu.edu

**Dr. Zhang, Yuzhe**

- Department of Economics, Texas A&M University
- zhangeager@tamu.edu

**Dr. Sarah Zubairy**

- Department of Economics, Texas A&M University
- szubairy@tamu.edu

**Dr. Kim, Hwagyun**

- Department of Finance, Texas A&M University
- hkim@mays.tamu.edu

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