

## Jaewon Lee

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**Fields of Concentration:**

Primary Field(s): Industrial Organization

Secondary Field(s): Applied Econometrics

**Desired Teaching:**

Industrial Organization, Econometrics

**Comprehensive Examinations Completed:**

2018 (Oral): Industrial Organization, Econometrics (with distinction)

2017 (Written): Microeconomics, Macroeconomics

**Dissertation Title:** *Essays on Demand Estimation*

**Committee:**

Professor Philip Haile (Chair)

Professor Steven Berry

Professor Yuichi Kitamura

**Degrees:**

Ph.D., Economics, Yale University, 2024 (expected)

M.Phil., Economics, Yale University, 2019

M.A., Economics, Yale University, 2018

M.A., Economics, Seoul National University, 2016

B.A., Economics, Seoul National University, 2013

**Fellowships, Honors, and Awards:**

Samsung Scholarship, Samsung, 2016–2021

Alumni Association Award and Medal, Seoul National University, 2013

Social Science Korea Fellowship, National Research of Korea, 2012–2014

## Teaching Experience:

### *Yale University, Teaching Assistant:*

Econometrics II (Doctoral), Prof. Edward Vytlačil, 2023  
Microeconomics (Master's), Prof. Michael Boozer, 2022  
Firms, Markets, and Competition (Undergraduate), Prof. Philip Haile, 2018

### *Seoul National University, Teaching Assistant:*

Econometrics (Undergraduate), Prof. Yoon-Jae Whang, 2015, 2014, 2013  
Introductory Statistics for Economists (Undergraduate), Prof. Yoon-Jae Whang, 2014

## Research and Work Experience:

### *Yale University, Research Assistant:*

Prof. Steven Berry and Prof. Philip Haile, 2019–2021  
Prof. Jason Abaluck and Prof. Giovanni Compiani, 2019  
Prof. José-Antonio Espín-Sánchez, 2018  
Prof. Donald Andrews, 2017

### *Seoul National University, Research Fellow:*

The Social Science Korea Project for Globalization and Inequality in the Korean Economy, 2012–2014

## Working Papers:

“Computationally feasible identification-robust inference on discrete choice demand”, *Job Market Paper*  
“Distributional impacts of centralized school choice” with Suk Joon Son

## Work in Progress:

“Correct standard errors in demand estimation when using Hausman instruments”

## Publications:

“Long-term changes in old-age incomes: Results from cohort analyses” (2015) with Chulhee Lee, *Journal of Korean Economic Studies*, 33(3), 5–34, in Korean

## Languages:

English (fluent), Korean (native), Spanish (basic)

## References:

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## Dissertation Abstract

### **Computationally feasible identification-robust inference on discrete choice demand** **[Job Market Paper]**

I propose an approach to inference on the parameters of BLP-style demand models when instruments are potentially weak. Instrumental variables are essential for identification of such models. However, there have been growing concerns that the instruments may be weak.

I show how one can adapt the two-step identification-robust procedure proposed by Andrews (2018) to this problem. The first step provides an informal test of weak identification. The second step provides a confidence set that has correct coverage probability even under weak identification. Direct application of this approach introduces substantial computational complexity, however, because it requires grid search over a potentially large parameter space.

I show that under two assumptions (namely just-identification and homoscedasticity), the time complexity of the procedure is reduced from the total number of parameters to the number of a subset of parameters, often referred to as “nonlinear” parameters in the literature. The dimension reduction is accomplished by obtaining analytic representations of confidence sets involved in the procedure, and by using S-lemma to provide a fast way to check a set inclusion that the procedure requires.

Through Monte Carlo simulations, I show that the two-step confidence set, equipped with my dimension reduction technique, achieves the correct coverage probability. In contrast, the standard confidence set exhibits under-coverage under weak identification. It is also shown that the resulting confidence set still performs well when the true structural errors are heteroscedastic, although the technique is developed under the assumption of homoscedasticity.

**Distributional impacts of centralized school choice**

(with Suk Joon Son)

Informational frictions in centralized school choice can significantly influence its distributional consequences. Recognition of such frictions is also necessary to accurately measure welfare. We build a model of school applications, allowing applicants to consider only a limited set of schools and to have mistaken beliefs about their admission chances. Quasi-experimental variation and rich information in students' rank-ordered lists enable identification. Utilizing this model, we evaluate the impacts of centralized school choice in New York City on racial segregation and equity in welfare, further decomposing the contributions of various factors to these outcomes. We also quantify matching stability and deviations from truthful reporting. Our results show that while school choice improves welfare across races, these gains are substantially compromised by limited consideration. A counterfactual policy involving personalized school recommendations designed using our model is projected to recover 20–36% of the welfare losses.

**Correct standard errors in demand estimation when using Hausman instruments**

(Work in Progress)

Existing asymptotic results for the BLP estimator are based on the independence of the instruments across markets. However, I find that a class of instruments, commonly referred to as Hausman instruments, violates this assumption by introducing correlation across markets. Combined with the fact that prices are endogenous, this results in inaccuracies in the conventionally calculated standard errors. I confirm this phenomenon through Monte Carlo simulations. Then I apply techniques from spatial econometrics and time-series econometrics to address the across-market correlation, discussing methods to correctly calculate the standard errors for different subclasses of Hausman instruments.