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Education

Ph.D. Economics, University of California, Davis, 2018-2024 (expected)

M.A. Economics, Yonsei University, 2016

B.S. Business Administration/Economics, Yonsei University, 2014

References

Professor Alan M. Taylor (co-chair)
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Professor Sanjay R. Singh (co-chair)
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Professor Nicolas E. Caramp
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Research Interest

Macroeconomics, Monetary Economics, Macro-Finance

Job Market Paper

The Determinants of Bond-Stock Correlation: the Role of Trend Inflation and Monetary Policy

Abstract I show that Treasuries' role as hedge assets is determined by the level of trend inflation and the conduct of monetary policy, using a Generalized New Keynesian habit model. A novel prediction from the model is that when trend inflation is high, nominal bonds exhibit a positive correlation with stock returns, making them risky assets. As trend inflation rises, inflation exhibits more countercyclical pattern because any transitory inflation generates temporary output loss due to endogenous cost-push effects, which emerge in Generalized New Keynesian Phillips curve. When countercyclical inflation prevails, bond returns drop when stocks underperform, leading to a positive bond-stock correlation. The model explains the shift in US bond-stock correlation from positive to negative in 1997 as a consequence of stabilized trend inflation.

Working paper

Optimal Unconventional Monetary Policy and Trend Inflation

Abstract I study optimal unconventional monetary policy in a New Keynesian model with trend inflation. A standard New Keynesian model is extended to feature heterogeneous households, financial intermediaries, and unconventional monetary policy. By optimally designing both conventional and unconventional policy, a central bank can completely stabilize both the output gap and inflation, and restore a divine coincidence despite the endogenous cost-push wedges from trend inflation, which is not possible with only one policy tool. Furthermore, optimal unconventional monetary policy at the ZLB highlights the importance of aligning long-run inflation target with policy makers' objectives between stabilizing output gap and inflation because of the policy trade-offs.

Financial Networks, Funding Liquidity Risk and the Bank Lending Channel of Monetary Policy

Abstract This paper examines the impact of bank funding liquidity risk on bank lending in response to monetary policy changes. It finds that the extent of this impact varies depending on banks' exposure to funding liquidity risk. Banks within an internal banking network, with lower funding liquidity risk, are less affected by monetary policy changes. They experience more stable deposit flows and have easier access to wholesale funding, albeit at higher costs. In contrast, regional banks without such network relationships are more vulnerable to monetary policy shocks and adjust their lending more significantly. These findings highlight the role of funding liquidity risk in shaping the diverse effects of monetary policy across the banking sector.

Work-in-progress

Monetary Policy and Financial Stability (with Nicolas Caramp, Andrés Sarto and Dejanir Silva)

Publications

Did Capital Replace Labor? New Evidence from Offshoring (with Paul M.S. Choi and Kee Beom Kim), *The B.E. Journal of Macroeconomics*, 2019, 19(1):1-22

Abstract Neoclassical theory explains the global decline of the labor income share by capital-labor substitution due to the affordable relative price of capital. Based on the Morishima elasticities of substitution among capital, labor disaggregated into high-, medium-, and low-skill groups, and imported and domestic intermediate inputs, offshoring appears to disproportionately affect job polarization globally and in developed economies. These findings in favor of the globalization hypothesis are buttressed by multivariate panel regressions. Lastly, offshoring might reinforce technological changes, a double-edged sword that can boost productivity growth but exacerbate wage inequality.

Research Experience

Research Assistant for Professor Alan Taylor (UC Davis) and Sanjay Singh (UC Davis), Fall 2022-Fall 2023

Research Assistant for Professor James Cloyne (UC Davis) and Sanjay Singh (UC Davis), Summer 2020

Research Assistant for Professor Paul M.S. Choi (Ewha Woman's University), 2013-2016

Presentations

EGSC, Yonsei Macro Meeting , Federal Reserve Board, Midwest Macro Meetings, UC Davis brown bag seminar, Yonsei Young Macroeconomist Workshop, 90th WEAI, Korea Allied Economic Associations (15th, 16th)

Honors and Awards

Dissertation Fellowships, Federal Reserve Board, June-September 2023

Dean's Summer Graduate Fellowship, UC Davis, Summer 2022 (declined)

Graduate Student Association Travel Award, UC Davis, Spring 2022

Economics Department Graduate Student Research Award, UC Davis, Spring 2021, Winter 2023, Spring 2023

Best First Year PhD Student Award, UC Davis, Department of Economics, 2019

Teaching Experience

UC Davis Microeconomic Theory (core Ph.D course), Computational Methods (Ph.D course), Principles of Microeconomics, Intermediate Microeconomics, Intermediate Macroeconomics, Money and Banking, Financial Economics, Econometrics, Development Economics

Yonsei History of Economic Thoughts, Introduction to Economics, Public Finance

Skills

Programming: Matlab, Julia, R, Stata

Language: English, Korean