

HEON LEE

*Department of Economics, University of Missouri, 909 University Avenue,
118 Professional Building, Columbia, MO 65211-6040, U.S.A*

E-mail: heon.lee@mail.missouri.edu

Web: <https://leeheon.github.io>

EDUCATION

Ph.D. Economics	University of Missouri, Columbia, MO	2021 (Expected)
• Dissertation Title: Essays on Money and Banking: A Search-Theoretic Approach		
M.A. Economics	Kyung Hee University, Seoul, Korea	2015
B.A. Political Science	Kyung Hee University, Seoul, Korea	2012
B.A. International Trade	Kyung Hee University, Seoul, Korea	2012

RESEARCH INTEREST

Monetary Economics, Search Theory, Banking, Applied Time-series Econometrics

WORKING PAPERS

“Money Creation and Banking: Theory and Evidence” [**Job Market Paper**]

“On the Instability of Fractional Reserve Banking”

WORK IN PROGRESS

“Implementing Monetary Policy: the Role of Repo and Federal Funds Markets”

“Yield Curve Control: A Search-Theoretic Approach”

“Joint Fiscal and Monetary Policy without Commitment” (with Saroj Dhital)

CONFERENCE AND SEMINAR PRESENTATIONS (including scheduled*)

- “Money Creation and Banking: Theory and Evidence”
 - ◇ Southern Economic Association Meeting, 2020*; Korea International Economic Association Meeting, Winter 2019; Missouri Valley Economic Association Conference, 2019.
- “On the Instability of Fractional Reserve Banking”
 - ◇ Missouri Valley Economic Association Conference, 2020.

CONFERENCE DISCUSSIONS

Discussion of “Central Bank Digital Currency, Credit Supply, and Financial Stability”
by Young Sik Kim and Ohik Kwon, KIEA Annul Meeting, 2019

Discussion of “The Effects of Sector-Specific Credit Supply Shocks on the U.S. Economy”
by Maximillian Littlejohn, MVEA Annual Conference, 2020

AWARDS, HONORS AND FELLOWSHIP

University of Missouri

Harry Gunnison Brown Graduate Fellowship (best first-year performance)	2016
MU Korean Alumni Association Scholarship	2015

TEACHING EXPERIENCE

Teaching Assistant

Principle of Macroeconomics, University of Missouri	FA16 - FA20
Theory of Economic Development, Kyung Hee University	SP14 - FA14

OTHER EXPERIENCE

Research Assistant for Professor Tackseung Jun, Kyung Hee University	2012-2014
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SKILLS

MATLAB, STATA, SAS, R, EVIEWS, \LaTeX

LEADERSHIP POSITION

Vice President for Economics Graduate Student Association (EGSA)	2018-2020
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MISC

Military Service in Republic of Korean Army	2008-2010
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PERSONAL INFORMATION

Citizenship : Republic of Korea
U.S. Visa Status : F-1
Language : Korean (native), English (fluent)

REFERENCES

Chao Gu (chair) Professor Department of Economics University of Missouri, Columbia, MO, 65211 guc@missouri.edu	Joseph Haslag Professor and Kenneth Lay Chair Department of Economics University of Missouri, Columbia, MO, 65211 haslagj@missouri.edu
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Aaron Hedlund
Senior Economist (present)
Council of Economic Advisers, Executive Office of the President, Washington, D.C
Associate Professor (on leave)
Department of Economics
University of Missouri, Columbia, MO, 65211
hedlunda@missouri.edu

Ph.D. Dissertation Chapters and Abstracts

Chapter 1: Money Creation and Banking: Theory and Evidence

Abstract: This paper develops a monetary-search model where the money multiplier is endogenously determined. I show that when the central bank pays enough interest on reserves, the money multiplier depends on the nominal interest rate and the interest on reserves rather than the reserve requirement. The calibrated model can explain the evolution of the money multiplier and the excess reserve-deposit ratio in the pre-2008 and post-2008 era. Moreover, I find that the dramatic changes in the money multiplier after 2008 are driven by the introduction of the interest on reserves with the low nominal interest rate.

Chapter 2: On the Instability of Fractional Reserve Banking

Abstract: This paper develops a dynamic general equilibrium model to study the (in)stability of the fractional reserve banking system. The model shows that the fractional reserve banking system can endanger stability in the sense that equilibrium is more prone to exhibit endogenous cyclic, chaotic, and stochastic dynamics under lower reserve requirements, although it can increase welfare in the steady state. Introducing endogenous unsecured credit to the baseline model does not change the main results. I also provide empirical evidence that is consistent with the prediction of the model.

Chapter 3: Implementing Monetary Policy: the Role of Repo and Federal Funds Markets (in progress)