NAYEON KANG

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Wylie Hall	Placement Director: Ruli Xiao	rulixiao@iu.edu	(812) 855-3213
Indiana University	Placement Coordinator: Nadine Williams	econgrad@iu.edu	(812) 855-8453
100 South Woodlawn Avenue			
Bloomington, IN 47405			

EDUCATION

Indiana University-Bloomington
Ph.D. in Economics   2019-2025(expected)
Korea University, South Korea
M.A. in Economics   2014-2016
Korea University, South Korea
B.A. in Economics   2006-2011

RESEARCH INTERESTS

Behavioral Macroeconomics, Monetary Economics, Expectations Formation, Survey

REFERENCES

Professor Christian Matthes (Chair)
Professor of Economics
Indiana University Bloomington
matthesc@iu.edu

Professor Rupal Kamdar
Assistant Professor of Economics
Indiana University Bloomington
rkamdar@iu.edu

Professor Todd B. Walker
Walter Professor of Economics
Indiana University Bloomington
walkertb@iu.edu

Professor Daniela Puzzello
Professor of Economics
Indiana University Bloomington
dpuzzell@iu.edu

FELLOWSHIPS& AWARDS

Adam Smith Fellowship recipient, Mercatus Center	2024-2025
Daniel J Duesterberg Fellowship, Indiana University	2022
M L Wilson Willis Globe Scholarship, Indiana University	2022
Top-up Fellowship, Indiana University	2019-2020
Brain Korea 21 Plus Scholarship, National Research Foundation	2014-2016
Foreign Exchange Student Scholarship, Mirae Asset Foundation	2008-2009
Scholarship for Academic Excellence, Korea University	2006

SEMINARS& **CONFERENCES**	**2025** *(* denotes scheduled, † denotes virtual)* KAEA Workshop at 2025 ASSA Annual Meeting (San Francisco), MEA Annual Meeting (Kansas City), Midwest Macroeconomics Meeting (Kansas City)* **2024** KAEA Job Market Conference†, Indiana University Macro Brownbag **2022** Indiana University Hoosier Economics Conference, NBER Behavioral Macroeconomics Research Boot Camp for Graduate Students (participant)

JOB MARKET PAPER

The Fed *Explicitly* Speaks: Numerical Inflation Targeting and Smooth Diagnostic Expectations

This paper analyzes how the Federal Reserve's communication, particularly after adopting the explicit inflation target in 2012, has influenced short-term inflation forecasts. By effectively conveying trend inflation information, the Fed has reduced uncertainty given the updated information set, leading forecasters to rely more on current news and less on memory and the representativeness heuristic. This shift has reduced over-reaction in expectations and increased confidence. As forecasting behavior approaches rationality, forecaster disagreement, especially in the short term, decreases. Disagreement in long-term forecasts declines due to anchoring effects, whereas disagreement in short-term forecasts declines due to enhanced rationality.

WORKING PAPERS

Rationally Inattentive Behavior in Different Times

I examine whether the economic agents with rational inattention in the DSGE model behave differently depending on the size of aggregate economic volatility. This is verified by comparing the pre-Great Moderation with the Great Moderation period characterized by large reduction in aggregate volatility. Households and firms with rational inattention optimally choose deviated responses that are different from the profit (utility)-maximizing response under perfect information. Their deviated behavior pattern is consistent across the two periods. The DSGE model with rational inattention consistently reproduces empirical findings. Both firms and households pay more attention to the aggregate economic conditions in the pre-Great Moderation than in the Great Moderation. The fact in turn leads to faster behavior adjustment of firms and households in the pre-Great Moderation period.

PAPERS IN
PROGRESS

Diagnostic Expectations in ECB Survey

Misperception or Misconception? Dissonance in Households' Inflation Forecasts (with *Sergii Drobot*)

TEACHING	**Sole Instructor**	
	ECON-B251 *Fundamentals of Economics for Business1*	SP '23-FA '24
	Teaching Assistant	
	ECON-B251 *Fundamentals of Economics for Business1*	FA '20, FA '21, SP '22
	ECON-E370 *Statistical Analysis for Business and Economics*	SP '20
	Grader	
	ECON-E370 *Statistical Analysis for Business and Economics*	SP '21, FA '22, SP '25

LANGUAGES	English (Fluent), Korean (Native), Japanese (Intermediate)

PROFESSIONAL EXPERIENCES	**Korea Fiscal Information Service, South Korea**	
	Researcher	2017-2023
	Samsung Economic Research Institute, South Korea	
	Research Associate	2016-2017
	Hyundai Motor Company, South Korea	
	Associate	2011-2014

SOFTWARE SKILLS	Matlab, R, Stata, Python

PERSONAL INFORMATION	Korea citizenship (F1 visa holder)

Last updated: March 21, 2025