

# SANGDONG KIM

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## EDUCATION

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Ph.D. in Economics, The Ohio State University	2026 ( <i>expected</i> )
M.A. in Economics, Seoul National University, South Korea	2020
B.A. in Economics, College of Liberal Studies, Seoul National University, South Korea	2018

## RESEARCH INTERESTS

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Macroeconomics, Public Finance, Demographic Transition

## WORK IN PROGRESS

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### **Public Debt and Foreign Investment in Aging Developed Economies** (*Job Market Paper*)

*Abstract:* This paper examines the government's foreign investment, funding higher-return foreign asset accumulation by issuing low-yield domestic bonds, as a strategy to manage public debt in aging developed economies. I develop a overlapping generations model with incomplete markets and a rich fiscal structure to analyze the strategy's implications for debt sustainability, macroeconomic outcomes, and welfare. Calibrating the model to Japan's post-1995 transition, I first find a critical intertemporal trade-off of the strategy. In the short run, the policy requires additional debt issuance, which crowds out capital, suppressing wages and growth. However, the long-run accumulation of high-yielding foreign assets improves the fiscal outlook, leading to a lower eventual debt-to-GDP ratio and higher capital stock. Second, the strategy was welfare-improving from a utilitarian perspective but created heterogeneous effects, making early generations worse off. The welfare improvement is robust to the risk of foreign returns. Third, I show that government foreign investment can weaken the standard  $r < g$  condition for public debt sustainability by reducing the effective cost of borrowing. This study suggests that other aging economies might consider similar strategies.

### **Granular Search in Monopsonistic Labor Market** with *Sean McCrary*

*Abstract:* We develop a model of labor market equilibrium with the granular search protocol, à la Jarosch, Nimczik and Sorkin(2024), where the firm size distribution is endogenously determined. We introduce a simple static model to show that the monopsonist's effective Nash bargaining power is endogenously determined by the firm's relative size. Monopsonistic firms choose the optimal vacancy postings taking into account the wage determination, ending up with overposting vacancies to suppress wages. We then extend the model to a dynamic model and solve its stationary equilibrium. The dynamic model delivers a rich set of policy implications, including the effect of minimum wage policy on the wage distribution and the effect of competition policy on the labor market equilibrium. Specifically, we show that the increase in wages upon the entry of a new firm is more amplified in the presence of granular search protocol since the new firm's entry reduces the incumbent firm's effective bargaining power as well as their employment size.

### **Sovereign Partial Default in Continuous Time** with *Gabriel Mihalache*

*Abstract:* We formulate and solve a tractable, continuous time version of the sovereign *partial default* model of Arellano, Mateos-Planas and Ríos-Rull (2023). We compute our model using both traditional continuous time methods and, with an eye towards larger state space applications, on a deep neural network. We show that our formulation allows for a tight characterization of debt and default dynamics, as well as the length and severity of crisis events.

### **Strategic Demand for Inventors**

*Abstract:* This paper develops a simple Schumpeterian growth model where firm-level strategic demand for inventors can be described. All firms should produce the latest invention to be the monopolist in output market, and inventor is the only input of innovation. In the model, innovating firms can determine their demands for inventors to strategically deter their competitors' innovation. Using a tractable model with Stackelberg competition in inventor market, I study the effect frontier firm's strategic demands on the aggregate growth. Compared to the non-strategic model, frontier firms' strategic hiring decisions can worsen the aggregate growth and the top income inequality. The mechanism is intensified when fixed cost of R&D is high.

*Presented at: Midwest Macro Spring 2023 (Clemson)*

## **TEACHING**

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### **Independent Instructor**

- Intermediate Macroeconomics Theory (2022 Fall, 2023 Fall)
- Principles of Microeconomics (2022 Summer)

### **Recitation Leader**

- Macroeconomics Theory 2B (Ph.D., Prof. Lam) (2025 Spring)
- Macroeconomics Theory 1B (Ph.D., Prof. Thomas) (2024 Fall)
- Principles of Microeconomics (Undergraduate, Dr. Buser) (2024 Spring)

### **Teaching Award**

- Departmental Graduate Associate Teaching Awards (2025)

## CONFERENCES

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2023 Midwest Macro Spring (Clemson)

2022 Princeton Initiative: Macro, Money and Finance (Princeton)

## COMPUTATION AND DATA

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Julia, Python, Stata

## REFERENCES

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**Gabriel Mihalache** (*advisor*)

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