

Sangdong Kim

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Citizenship and Visa Status

South Korea (F-1)

Education

Ph.D. Economics, The Ohio State University, May 2026 (expected)

M.A. Economics, Seoul National University, South Korea, 2020

B.A. Economics, College of Liberal Studies, Seoul National University, South Korea, 2018

Teaching and Research Fields

Primary fields: Macroeconomics, Public Finance.

Research Papers

“Public Debt and Foreign Investment in Aging Developed Economies” (JMP)

This paper examines the government’s foreign investment, funding higher-return foreign asset accumulation by issuing low-yield domestic bonds, as a new strategy to manage public debt in aging developed economies. I develop an overlapping-generation 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 an 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 Japanese government’s 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)

We develop a model of monopsonistic labor markets 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 considering 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)

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”

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.

Conference and Seminar Presentations

2023 Midwest Macro Meeting (Clemson)

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

Teaching Experience

Spring 2025 Recitation Leader - Macroeconomics Theory 2B(Ph.D., Prof. Pok-Sang Lam)

Fall 2024 Recitation Leader - Macroeconomics Theory 1B(Ph.D., Prof. Julia Thomas)

Spring 2024 Recitation Leader - Principles of Microeconomics (Dr. Jeff Buser)

Fall 2022/23 Independent Instructor – Intermediate Macroeconomics Theory

SU 2022 Independent Instructor – Principles of Microeconomics

Departmental Graduate Associate Teaching Awards (2025)

Other Activities

Referee for: Journal of Money, Credit, and Banking

References

Professor Gabriel Mihalache (advisor)

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Professor Sean McCrary

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Professor Julia Thomas

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