

## **SEHO KIM**

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### **EDUCATION**

Ph.D. Economics, University of Maryland at College Park, 2018-Present  
M.A. Economics, Seoul National University, South Korea, 2018  
B.S. Mathematical Sciences, *magna cum laude*,  
Korea Advanced Institute of Science and Technology (KAIST), South Korea, 2016

### **FIELDS OF SPECIALIZATION**

Primary: Macroeconomics, Firm Dynamics  
Secondary: Corporate Finance, Computational Economics

### **WORK IN PROGRESS**

“Macroeconomic Implications of a Size Dependent Bankruptcy Reform”

*Abstract:* Chapter 11 reorganization in the U.S. Bankruptcy Code was designed to rehabilitate efficient but financially distressed businesses. Using novel bankruptcy data, I show that direct bankruptcy costs during Chapter 11 are higher than the costs during Chapter 7. However, I find no evidence of higher Chapter 11 costs for small businesses, as measured by their liabilities. Using a general equilibrium model with bankruptcy decisions of firms, I evaluate a recent business bankruptcy reform, called the Small Business Reorganization Act, which reduces the bankruptcy costs in Chapter 11 for small businesses. I find that the bankruptcy reform has moderate but negative consequences on aggregate consumption, output, and productivity. A lower Chapter 11 cost not only helps distressed firms to reorganize, but also prompts normal firms absent the reform to reorganize. These unintended consequences distort capital allocation, so the welfare of the economy declines.

“Pecuniary Externalities with Asset-Based and Earnings-Based Credit Constraints” with Thomas Drechsel

*Abstract:* The presence of prices in credit constraints gives rise to pecuniary externalities: policy can improve upon market outcomes in which households and firms do not internalize price changes. This paper examines the pecuniary externalities that result from different specific forms of credit constraints. Asset prices in collateral constraints may lead to ‘over-borrowing.’ Credit constraints that are earnings-based – which recent research has shown to be common empirically – may result in ‘under-borrowing.’ The intuition behind this new theoretical result is that higher input prices translate into lower earnings, all else equal. Most notably, if wages rise in an expansion, an agent whose borrowing space is tightened by a larger wage bill can obtain less credit. This in turn cools off the expansion relative to the social optimum. Across a range of examples and extensions, optimal macroprudential policy is shown to depend critically on the specific nature of financial constraints.

“Misallocation and Productivity Dispersion: Implications from an Industry with Locally Segmented Markets”

*Abstract:* This paper studies the relationship between misallocation of production inputs and productivity dispersion in an industry with locally segmented markets. In a standard model with CES demand, constant returns to scale technology, and a single market, dispersion in revenue productivity is a sufficient statistic for measuring misallocation. I show that revenue productivity dispersion is not a sign

of misallocation if it comes from firms operating in different markets. Any reallocation across firms operating in different markets increases a consumer's utility in one market but decreases the utility of consumers living in other markets. Therefore, any reallocation of resources across markets represents a movement along a Pareto efficient frontier. I quantify the extent to which revenue productivity dispersion across markets can over-estimate misallocation using Korean ready-mixed concrete industry data. I show that dispersion in revenue productivity substantially over-estimates the size of misallocation.

#### **PRE-DOCTORAL PUBLICATION**

"The Effects of Third-Party Transfers in Sequential Anchored Bargaining," *International Journal of Game Theory*, 48(1), 143-155, 2019, with Suchan Chae

#### **TEACHING EXPERIENCE**

Instructor, Principles of Macroeconomics (undergraduate), University of Maryland, Summer 2020 and Winter 2021

Teaching Assistant, Money and Banking (undergraduate), University of Maryland, Fall 2019

Teaching Assistant, Intermediate Macroeconomic Theory and Policy (undergraduate), University of Maryland, Fall 2018 and Spring 2019

Teaching Assistant, Studies in Economic Statistics (graduate), Seoul National University, Spring 2017

#### **RESEARCH AND PROFESSIONAL WORK EXPERIENCE**

Research Assistant, Prof. Thomas Drechsel, University of Maryland, Fall 2020-Present

Research Assistant, Prof. Şebnem Kalemli-Özcan, University of Maryland, Summer 2019

Research Assistant, Prof. Chul-In Lee, Seoul National University, Fall 2017 and Spring 2018

Research Associate, Arthur D. Little, South Korea, Summer 2014

Summer Intern, Cheil Worldwide, South Korea, Summer 2013

#### **GRANT AND AWARDS**

First-Year Research Fellowship, Department of Economics, University of Maryland, Summer 2019

Graduate Assistantship, Department of Economics, University of Maryland, 2018-Present

Full Scholarship for a Meritorious Student, Seoul National University Alumni Association, Fall 2016 and Spring 2017

Brain Korea 21 Research Scholarship, Seoul National University, Spring 2016-Spring 2017

National Science and Engineering Scholarship, Korea Student Aid Foundation, 2009-2015

#### **LANGUAGES**

English (fluent), Korean (native)

#### **COMPUTATIONAL SKILLS**

MATLAB, Julia, Python, STATA, SAS, Eviews

*Updated: March, 2021*