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IOWA STATE UNIVERSITY

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Personal Information:

Date of Birth: February 28, 1990
Citizenship: Korea, Republic of
Gender: Male

Doctoral Studies:

Iowa State University, 2015 to present
Ph.D. Candidate in Economics
Expected Completion Date: May 9, 2019

Prior Education:

M.A., Economics, Miami University, 2011-2012
B.A., Economics, University of Washington, 2008-2011

Employment:

2013-2015 Military Service, Sergeant, Analysis and Assessment Group
Republic of Korea Army Headquarters

Teaching and Research Fields:

Primary field: Empirical Corporate Finance
Secondary field: Behavioral Finance

Teaching Assistantships:

Agricultural Finance (Fall 2017)
Helped to prepare assignments and exam questions, proctored exams, and graded assignments and exams.

Intermediate Microeconomics (Fall 2018)
Led lab sessions, proctored exams, and graded assignments and exams.

Principles of Macroeconomics (Spring 2018, Fall 2017, Spring 2017, Fall 2016, Spring 2016, Fall 2015)
Provided review sessions for exams, proctored exams, and graded assignments and exams.

Principles of Microeconomics (Fall 2018, Spring 2018, Fall 2016, Fall 2015)
Provided review sessions for exams, proctored exams, and graded assignments and exams.

Research Papers:

“Financing R&D, Financial Constraints, and Employment” (Job Market Paper)

This study examines the speed of labor adjustment in high-tech and non-high-tech firms and the effect of balance sheet liquidity (cash holdings) on employment changes in response to demand shocks. It offers robust evidence that firms in the high-tech sector, which account for most R&D, adjust employment toward the target employment slowly. The finding supports that adjustment costs for labor in high-tech firms are high. This study also documents that firms with more cash holdings show fewer employment changes in response to consumer demand shocks. These effects are amplified within financially constrained firms. The results suggest that cash holdings may help financially constrained firms to maintain stable employment in response to consumer demand shocks, particularly for high-tech, young, and small firms.

“Contrast Effects in Investment and Financing Decisions” (with Elizabeth Hoffman, Submitted at Economic Journal)

Contrast effects, a bias caused by a prior stimulus, has not been extensively studied in a financial context. This study develops an experimental design to examine whether contrast effects distort the risk attitudes of individuals under a choice-based elicitation procedure. We find that individuals exposed to a positive stimulus amplify risk-seeking in investment decisions as opposed to individuals exposed to a negative stimulus. However, individuals behave similarly in making financing decisions regardless of different economic stimuli, which could suggest that financing decisions require a high cognitive load. On average, individuals spent 4% more time and changed their answers 4% more often in making financing decisions than investment decisions. The results suggest financing decisions may require a higher mental effort, and provide robust evidence that contrast effects can lead to mistakes in investment decisions.

“Emergence of Goods as Media of Exchange in Different Types of Trade Networks”

This study uses an agent-based computer model to examine how trade networks influence the emergence of goods as media of exchange in a decentralized economy. This model implements the evolutionary process of the Kiyotaki-Wright (KW) model (1989), which explains the endogenous emergence of multiple media of exchange. Unlike previous experimental findings, this paper finds that all the agents behave according to the KW model, where some agents prefer to accept a higher storage cost good over a lower storage cost good because they speculate having a shorter wait for trading their consumption goods. In this study, the KW model is expanded to different types of trade networks, and shows that trade networks can cause agents to adopt speculative strategies. This leads to changes in the emergence of multiple goods as media of exchange across different trade networks.

Research Papers in Progress:

“Automation Risk and Premium”

This paper develops an index of automatable occupations and links it to wage premiums between automatable labor and non-automatable labor. Central to this paper are the following three ideas: i) The study builds an objective index that measures substitutability of occupations by automation. ii) Using this index, the study shows that more jobs are susceptible to automation than other risks such as offshoring; iii) The study finds that the relative price between automatable labor and non-automatable labor (automation premium) sharply increased before the Great Recession, while the relative quantity sharply increased after the Great Recession. These findings show that automation is a significant threat to jobs and that the demand for non-automatable labor has consistently increased.

“The Economic Effects of Environmental Risks: The Case of the Indian Ocean Tsunami”

This paper examines how environmental risks lead to forced migration and change in consumption growth. The Indian Ocean Tsunami in 2004 not only affected Indonesia, but also other countries on the coast of Africa. For instance, in Tanzania and Kenya, environmental refugees of the tsunami moved internally from the coast to the inland. This study uses household panel surveys of Tanzania and Kenya to determine how environmental risks affect the creation of refugees. Using a difference in differences model, I find that environmental refugees increased the consumption growth of native individuals in Tanzania and Kenya. Unlike previous research, this study sheds light on both environmental and refugee risks of the next century and shows that environmental risks may have positive effects on consumption of native individuals in other circumstances.

“Fiat Money as a Medium of Exchange in Wilhite’s Four Different Trade Networks”

“Forecasting the State Tax Revenue of California”

“R&D Investment Sensitivity to Payout Policies: Cash Dividends and Stock Buybacks”

Miscellaneous:

Computer Skills: Stata, R, MATLAB, Python, Java, LaTeX/Beamer, NetLogo

Languages Skills: English (fluent), Korean (native)

References:

Peter Orazem (co-advisor)

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