

JIHEE KIM

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CURRENT APPOINTMENTS

Assistant Professor of Economics
School of Business and Technology Management, College of Business
Undergraduate Economics Minor Program
Korea Advanced Institute of Science and Technology (KAIST)

Daejeon, Korea
Aug 2013-Current

RESEARCH INTERESTS

Income and Wealth Inequality, Economic Growth Theory, Macroeconomic Theory, Civic Engagement

EDUCATION

Stanford University
Ph.D. in Management Science and Engineering
Thesis Title: “*Essays on Top Income Inequality*”
Thesis Advisors: Charles I. Jones and John P. Weyant

Stanford, CA
Sep 2006–Jun 2013

Stanford University
M.A. in Economics
Thesis: “*Ideas and Non-balanced Economic Growth*”

Stanford, CA
Jun 2011

Korea Advanced Institute of Science and Technology (KAIST)
B.S. in Computer Science
Graduated with honors (Summa Cum Laude)
Exchange Student, University of British Columbia, Fall 2003
Summer Session, University of California at San Diego, Summer 2002

Daejeon, Korea
Jul 2005

PUBLICATION (ECONOMICS RESEARCH)

**“A Schumpeterian Model of Top Income Inequality” with Charles I. Jones,
Forthcoming in the *Journal of Political Economy***

Top income inequality rose sharply in the United States over the last 40 years but increased only slightly in economies like France and Japan. Why? This paper explores a model in which heterogeneous entrepreneurs, broadly interpreted, exert effort to generate exponential growth in their incomes. On its own, this force leads to rising inequality. Creative destruction by outside innovators restrains this expansion and induces top incomes to obey a Pareto distribution. The development of the world wide web and a reduction in top tax rates are examples of changes that raise the growth rate of entrepreneurial incomes and therefore increase Pareto inequality. In contrast, policies that stimulate creative destruction reduce top inequality. Examples include research subsidies or a decline in the extent to which incumbent firms can block new innovation. Differences in these considerations across countries and over time may explain the varied patterns of top income inequality that we see in the data.

“The Effect of the Top Marginal Tax Rate on Top Income Inequality”

Top income inequality, defined as the income gap *within* the top 1% income group, has been rising in the United States since the 1980s. Coinciding with this rise, the large reductions in the top marginal tax rate exhibit a strong correlation with the increase in both top income inequality and top income shares. This paper identifies endogenous human capital accumulation as the link between changes in top marginal tax rates and increases in top income inequality. We develop an infinite-horizon, heterogeneous agent model, where human capital accumulation is endogenously characterized by a proportional random growth process which depends on the top marginal tax rate. If the top marginal tax rate decreases, the benefit of human capital accumulation effort will increase, thereby increasing the growth rate of human capital. Since this growth rate pins down the Pareto inequality measure of the top income distribution, a decrease in the top marginal tax rate will lead to a more unequal Pareto income distribution, while simultaneously increasing every top income. The calibrated model finds that the reduction of the top marginal tax rate from 70% to 40% can account for nearly two-thirds of the increase in top income inequality and 68.4% of the increase in the top 1% income share between 1980 and 2010.

“Ideas and Non-Balanced Economic Growth”

Employment, consumption expenditure, and R&D investment have grown faster in the service sector than in the manufacturing sector, resulting in the service-oriented economy. This paper shows that the difference in the idea production across sectors can cause the non-balanced sectoral growth. We build a two-sector growth model with endogenous technology. In this model, new ideas are produced using the current stock of ideas as an input, but the idea stock effect in idea production varies between sectors. Under the complementarity assumption between sectors, we show that this difference in idea production generates the non-balanced growth in R&D investment as well as in employment and consumption expenditure.

“Bargaining Power Changes and CEO Pay Inequality” (with Eun-Young Ko)

Inequality at the top of the income distribution in the United States has increased over the last four decades. The top executives, who form the largest group in the top percentile of the income distribution, have seen the same trend in their pays while the inequality in the firm size distribution has been relatively constant (Zipf's law). This is puzzling if CEO pays are assumed to be tied to the firm size. In this paper, we show that the gap between the CEO pay distribution and the firm size distribution can arise from the changes in the compensation bargaining structure. In particular, we present a theoretical model where the board of directors' weakening bargaining power can be a channel through which the CEO pay distribution departs from the firm size distribution and becomes more unequal.

WORK - IN - PROGRESS (ECONOMICS RESEARCH)

- (1) *"Preferences for Redistribution in a Relative Effort Game and Information Effect"* (with Junhyun Sung and Songyi Han)
- (2) *"The Effect of Chinese Shadow Banking on Commodity Futures"* (with Yonghwan Jo and Francisco Santos)
- (3) *"Information Nudges in Charitable Giving"* (with Junhyun Sung and Simon Seongbin Yun)

INTERDISCIPLINARY RESEARCH

Principal Investigator for Project BudgetWiser (Jan. 2014-Current)

Project BudgetWiser aims to help the public better understand a government budget and to increase public interests and participation on fiscal or tax policy issues. Currently, my research team is taking the following interdisciplinary approaches:

- (1) Design a public survey to measure the current status of public awareness and interests in fiscal and tax policies
- (2) Run behavioral economics and experimental research to understand how fiscal or tax policy preferences are influenced by one's economic status, informedness of the status, economic rationality, etc.
- (3) Build a crowdsourced budget visualization system (BudgetMap)
- (4) Build a news reader application with fact-oriented budgetary discussion support (Factful)

Project BudgetWiser Publications

- (1) [Workshop Paper] **Micro-NGO: Crowd-Driven Social Activism Via A Chat-Based Online Platform**
Sungchul Lee, Jihee Kim, Juho Kim
CSCW 2017 Workshop on Crowdsourcing Law and Policy.
- (2) [Full Paper] **BudgetMap: Engaging Taxpayers in the Issue-Driven Classification of a Government Budget**
Nam Wook Kim, Jonghyuk Jung, Eun-Young Ko, Songyi Han, Chang Won Lee, Juho Kim, Jihee Kim.
CSCW 2016: ACM Conference on Computer-Supported Cooperative Work and Social Computing
- (3) [Full Paper] **Factful: Engaging Taxpayers in the Public Discussion of a Government Budget.**
Juho Kim, Eun-Young Ko, Jonghyuk Jung, Chang Won Lee, Nam Wook Kim, Jihee Kim.
CHI 2015: ACM Conference on Human Factors in Computing Systems. *Honorable Mention Award (top 5%)*.
- (4) [Extended Abstract] **BudgetMap: Issue-Driven Navigation for a Government Budget**
Nam Wook Kim, Chang Won Lee, Jonghyuk Jung, Eun-Young Ko, Juho Kim, Jihee Kim
CHI 2015 Extended Abstracts.
- (5) [Workshop Paper] **BudgetWiser: Gamification Design Opportunities in the Government Budget Domain**
Nam Wook Kim, Jihee Kim, Juho Kim, Chang Won Lee, Eun-Young Ko, Jonghyuk Jung
CHI 2015 Workshop on Researching Gamification.

Other Projects

- (1) [Workshop Paper] Changing News Media Landscape in South Korea
Hongjun Lim, Choongho Chung, Jihee Kim, Juho Kim, Sue Moon, Meeyoung Cha
WWW 2017 Workshop on Social News On the Web.
- (2) [Full Paper] Content-Aware Kinetic Scrolling for Supporting Web Page Navigation.
Juho Kim, Amy X. Zhang, Jihee Kim, Robert C. Miller, Krzysztof, Z. Gajos.
UIST 2014: ACM Symposium on User Interface Software and Technology.

PAST EMPLOYMENT

Research Assistant for Prof. Charles I. Jones, Stanford University
For papers '*Beyond GDP? Welfare across Countries and Time*',
'*Intermediate Goods and Weak Links in the Theory of Economic Development*',
and '*Life and Growth*'

Stanford, CA,
Summer 2010, 2011

TEACHING EXPERIENCE

@KAIST

ECN 312 Intermediate Macroeconomics (Spring 2014, Spring 2015, Spring 2017)
ITM 512/ECN 301 Econometrics (Graduate/Undergraduate Fall 2013)
ECN 301/MSB 301 Econometrics (Undergraduate, Fall 2014, Fall 2015, Fall 2016, Spring 2017)

@Stanford University, Teaching Assistant

E60 Engineering Economy (Winter 2007, 2010)
MS&E 107/207 Interactive Management Science (Head TA) (Fall 2009-2012, Summer 2012)
MS&E 201 Dynamic Systems (Spring 2008)
MS&E 223 Simulation (Spring 2010-2012)
MS&E 241 Microeconomic Analysis (Winter 2008, 2011, 2012)
MS&E 248 Economics of Natural Resources (Fall 2007)
MS&E 249 Economic Growth and Development (Head TA) (Summer 2007-2012, Fall 2008)
MS&E 296 Sustainable Mobility – Energy Efficiency in Transportation (Spring 2010)

SCHOLARSHIPS & HONORS

The Samsung Scholarship

Full tuition and stipends for Ph.D. studies

Sep 2006 – Jun 2010

KAIST Undergraduate Scholarship

Merit-based scholarships for 6 semesters

Mar 2002– Jun 2004

SEMINAR PRESENTATIONS

2017: Korea Institute for International Economic Policy (Jan)
2015: Korea Institute of Public Finance (Apr), Yonsei University (May), Sogang University (Nov)
2014: Korea University (Apr)
2013: Sungkyunkwan University (Feb), Bank of Korea (Feb), KDI School of Public Policy (Feb), KAIST (Feb)
University of Mannheim (Feb)
2012: Stanford Macroeconomics Lunch Seminar (Dec), Federal Reserve Bank of San Francisco (Dec)
2011: Stanford Macroeconomics Lunch Seminar (Sep)

CONTACT INFORMATION

Office Contact Information

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REFERENCES

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