

Research Statement

I am a macroeconomist who studies how people make economic decisions in changing macroeconomic environments beyond their control and how those decisions, in turn, affect broad macroeconomic outcomes. I have been particularly interested in young adults, who are more vulnerable to exogenous macroeconomic shocks and more resource-constrained than older generations. My research so far has focused on macro-labor questions, such as how family structure during adolescence relates to employment instability in the post-school period among young adults. I also studied how changes in working arrangements toward a hybrid between work-on-site and work-from-home affect workers' productivity and economic growth. As the next project, I plan to study macro-finance, such as how younger generations make financial decisions in an economy where accumulating wealth and achieving financial goals have become increasingly challenging. Across these projects, I use macroeconomic structural models with empirical evidence to understand the economy, identify the mechanisms behind it, and evaluate how changes in economic environment or policy interventions may alter the individual and aggregate outcomes.

Current Research

Family Structure and Employment Instability

My job market paper, *Family Structure and Youth Employment Instability: Evidence on Job Quality and Match Stability*, examines whether family structure during adolescence relates to employment instability in young adulthood and, if so, in which labor market transitions the family-structure gap emerges. Existing literature on family structure has largely focused on economic outcomes such as educational attainment, wages, life-time earnings, and permanent income. My paper instead focuses on labor market dynamics after young adults leave school, asking where and how in the sequence of employment and unemployment transitions the family-structure margin arises.

Using detailed weekly employment histories from the National Longitudinal Survey of Youth 1997, I find that young adults from single-parent households experience higher unemployment rate after leaving school, and the gap is primarily driven by higher employment-to-unemployment transitions rather than systematically slower job finding rates. This pattern remains statistically significant even after conditioning on measures of human capital and financial resources, which indicates that the association between family structure and employment instability is not simply a reflection of observable covariates. I also find that the characteristics of jobs accepted by workers from single-parent households differ in both wage quality and match durability. I analyze these empirical evidence through an extended Baydur and Mukoyama (2020) job-ladder model in which the family-structure wedge parameter tilts the distribution of accessible job opportunities for workers from single-parent households.

My paper contributes to bringing a dynamic perspective to the study of intergenerational inequality by shifting attention from differences in stock variables to labor market transition dynamics. It provides a detailed picture of family-structure gaps behind wage inequality and differences in permanent income, and show how family-structure margins propagate through labor market transitions. As a result, it gives a better understanding of the reality workers from single-parent households face in the labor market, and it calls for relevant policy interventions.

Working Arrangements and Productivity Growth

A second strand of my research examines how changes in working arrangements affect workers' productivity and aggregate economic growth. My paper, *Work-From-Home, Worker Interactions, and Economic*

Growth, studies the effects of remote and hybrid working arrangements when worker interactions are an important channel for learning and improving productivity. I use Lucas and Moll (2014) model, in which workers differ in productivity and can improve through interactions with more skillful workers. Remote work means not only where workers work today, but also whom they encounter. Thus working from home affects whom they learn from and how workers' productivity distribution evolves over time. I compare WFH days among week days in a decentralized economy with the optimal outcome in the social planner's problem.

In this model, individually optimized choices are not always the same as the socially optimal outcomes. The private value of flexibility from remote work does not necessarily incorporate all of the learning and teaching opportunities generated through face-to-face interactions. The paper compares the individually optimized equilibrium and the socially optimal outcome at the aggregate level. The model predicts 100% remote work for the most skillful workers in the decentralized economy, but the social planner's outcome suggests that more skillful workers work on-site to internalize the externality of being on-site to teach less skillful workers through face-to-face interactions. A natural next step is to introduce heterogeneity across industries to compute optimal WFH days by industry once richer industry-level data on workplace interactions become available.

Young Adults and Financial Choices (Work in Progress)

My recent research interest extends to the financial decisions of young generations. I am particularly interested in risk-taking behavior among young investors regarding investments in lottery-like assets and cryptocurrency. These behaviors are distinct from those of older generations, as supported by several empirical studies. Rather than assuming younger generations are simply more risk-loving or irrational, I ask what economic environment drives their risk-taking decisions.

Recent literature suggests the housing market as one channel behind young adults' risk-taking behavior. When financial goals become more difficult to attain, investors are more likely to take risks to cross the certain threshold. Housing policy that aims to reduce house prices makes housing consumption more attainable, which in turn boosts young adults' risk-taking behavior, resulting in housing demand and offsetting the effectiveness of housing policy. Implementing housing policy without accounting for this mechanism could be misleading. Thus my working project develops a quantitative model to evaluate relevant policy while reflecting young investors' risk-taking behavior.

Future Research

My future research interests include intergenerational heterogeneity, policy evaluation, and welfare analysis. For example, one prospective project with Jinxin Wu examines effects of expanding free-tuition policy at highly selective U.S. universities and their implications. I hope to collaborate with economists across different fields so that I can explore a same research question from different angles and broaden methodological toolkit.

References

- Baydur, I. and Mukoyama, T. (2020). Job duration and match characteristics over the business cycle. *Review of Economic Dynamics*, 37:33–53.
- Lucas, R. E. and Moll, B. (2014). Knowledge growth and the allocation of time. *Journal of Political Economy*, 122(1):1–51.