

# Wonmun Shin

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## Education

2020 (expected)	Ph.D. in Economics	Columbia University
2012	B.A. in Economics ( <i>Valedictorian</i> )	Sungkyunkwan University

## Fields of Specialization

Primary Field: Macroeconomics  
Secondary Field: International Finance

## Job Market Paper

### “Housing and Consumption Volatility”

**Abstract:** Business cycles in emerging economies exhibit both greater volatility of housing prices and relative consumption compared to business cycles in rich countries. This paper provides evidence of a positive relationship between housing price and relative consumption volatility across countries, and explores that linkage by building a real business cycle model of a small open economy with both housing and rental markets. While housing consumption, as measured through rental prices, is a non-negligible portion of total consumption, the role of the rental market has largely been overlooked in studies of consumption volatility. By explicitly modeling separate housing and rental sectors, this paper is able to explain some new stylized facts that emerge when housing and non-housing consumption are disaggregated: first, housing consumption is more volatile than non-housing consumption in emerging countries; and, second, even after controlling for housing consumption volatility, non-housing consumption in emerging economies is still more volatile than that in rich countries. Simulation results suggest that cross-country variation in the volatility of shocks to credit prices and availability is a driving force in generating the observed relationship between house price and relative consumption volatility. The model also suggests that a financial friction stemming from constraints in housing-collateralized credit can explain excess non-housing consumption volatility in emerging countries, while rental market frictions may account for the greater housing consumption volatility observed.

## **Working Papers**

### **“A New Angle on Excess Consumption Volatility in Emerging Countries: Does House Price Matter?”**

**Abstract:** This paper focuses on house prices in order to explain *excess consumption volatility*, which is one of the stylized facts of the business cycle observed in emerging countries. The relative consumption volatility compared to output volatility is higher in emerging countries than in rich countries. Because house prices in emerging countries are more volatile than in advanced countries, this paper suggests house price fluctuation as a driving source of excess consumption volatility. To begin, I construct a cross-country dataset and suggest several findings. First, there is a positive relationship between house price volatility and relative volatility of consumption across countries. Second, house price volatility is also positively correlated with disaggregated consumption --- housing consumption and non-housing consumption — though housing consumption is more volatile than non-housing consumption in emerging countries. Then, I build a real business cycle model with two agents (homeowners and renters) to capture the above empirical findings. The result of the model suggests that house price volatility is a key factor in understanding excess consumption volatility and that the mechanisms behind it are a collateral effect and a rental price pass-through. The former is related to the borrowing capacity affected by house price change, and the latter is related to the link between house prices and housing consumption volatility.

## **Work in Progress**

### **“Can Monetary Policy Influence Household Consumption through Housing Prices?: Empirical Analysis of the Homeowner Balance Sheet Channel” (with Yejin Kim)**

**Abstract:** Under the circumstance of increasing concerns regarding debt deflation with a recent housing price decrease, this paper studies the impacts of a monetary policy shock such as a change in base rate of the central bank on household consumption through homeowner balance sheet channel — wealth effect and collateral effect. We estimate household consumption function using Korean Labor and Income Panel Data (2001-2012) with the instrument of housing supply in order to figure out the homeowner balance sheet channel in Korea, and find there is a significant effect of monetary policy through both wealth effect and collateral effect. Therefore, a central bank has to consider the homeowner balance sheet channel in addition to traditional monetary policy transmission mechanisms. Especially, the wealth effect shows a significant result across all income quantile groups whereas the collateral effect is significant in the low- and middle-income quantile groups, which implies the low- and middle-income quantile groups are more sensitive to the change in value of real estate assets. Thus, the monetary policy authority should take care of those groups in episode of housing price fall.

## **Honors and Awards**

2014-2019	World Star Grant, Sungkyunkwan University [ <i>5-year Ph.D. fellowship</i> ]
2019-2020	Dissertation Fellowship, Columbia University
2017	Wueller Teaching Award (runner-up), Columbia University
2014	Bank of Korea Research Competition, Bank of Korea
2005-2012	World Star Scholarship, Sungkyunkwan University [ <i>undergraduate</i> ]

## **Research and Work Experience**

2012-2014      Junior Economist, Bank of Korea  
2006-2008      Military Service, Republic of Korea

## **Teaching Experience**

Spring 2017      TA for 1st-year Ph.D. Macroeconomics (Prof. Schmitt-Grohé, Prof. Steinsson, Prof. Nakamura), Columbia University [*Evaluation: 5.12/6.00*, [Evaluation Report](#)]  
Fall 2016      TA for Intermediate Macroeconomics (Prof. Sala-i-Martin), Columbia University [*Evaluation: 5.78/6.00 (Wueller Teaching Award)*, [Evaluation Report](#)]  
2012-2014      Lecture Series on Financial Stability Report (Jeju National University, Pusan National University, University of Ulsan, Kangwon National University, Woosong University)

## **Presentations**

### ***Housing and Consumption Volatility (Job market paper)***

Midwest Macroeconomics Meetings (University of Georgia, 2019), Georgetown Center for Economic Research Conference (Georgetown University, 2019), Asian Meeting of the Econometric Society (Xiamen University, 2019), Young Economists Symposium (Columbia University, 2019), Midwest Macroeconomics Meetings (Michigan State University, 2019)

### ***A New Angle on Excess Consumption Volatility in Emerging Countries: Does House Price Matter?***

Economics Graduate Student Conference (Washington University in St. Louis, 2018)

## **Refereeing**

*Journal of International Economics*

## **Personal**

Languages: Korean (native), English (fluent)

Programming: Matlab, Python, R, Stata

## **References**

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