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Citizenship: South Korean, F-1 Visa

Fields of Concentration:

Industrial Organization (Primary field)
Urban Economics, Labor Economics, Applied Microeconomics (Secondary fields)

Desired Teaching

Industrial Organization
Urban Economics
Labor Economics
Applied Econometrics

Comprehensive Examinations Completed:

2015 (Oral): Industrial Organization, Labor Economics
2014 (Written): Microeconomics, Macroeconomics

Dissertation Title: *Government Incentives and Firm Location Choices*

Committee:

Professor Philip Haile
Professor Steven Berry
Professor Mitsuru Igami

Expected Completion Date: May 2019

Degrees:

Ph.D., Economics, Yale University, 2019 (expected)
M.Phil., Economics, Yale University, 2015
M.A., Economics, Yale University, 2015
B.A., *magna cum laude*, Economics & Mathematics, Yale University, 2013

Fellowships, Honors and Awards:

Yale University Dissertation Fellowship, 2018-2019
Yale University Graduate Fellowship, 2013-2018
Yale University Economic Growth Center Fellowship, 2013-2018
Mirae Asset Global Investor Scholarship, 2007-2013
Richard U. Light Fellowship, 2008

Teaching Experience:

Teaching Fellow for undergraduate courses:

Intermediate Microeconomics (Instructors: L. Samuelson, E. Chalioti), Fall 16, Spring 17, 18
Introductory Microeconomics (Instructors: P. Goldberg, S. Berry), Spring 16, Fall 17
Introductory Macroeconomics (Instructor: R. Fair), Fall 15

Research and Work Experience:

Research Assistant to Professor Dean Karlan, Yale University, 2012-2013
Research Assistant to Professor Gustav Ranis, Yale University, 2012
Sergeant, Korean Augmentation to the U.S. Army, 2009-2011

Working Papers:

“Government Incentives and Firm Location Choices”, (November 2018), *Job Market Paper*

Work In Progress:

“Vacant Storefronts and Gentrification” (September 2018)
“Competition and the Prolonged Process of Postdoctoral Training in Life Sciences” with Jeff Qiu and Masayuki Sawada, (September 2018)

Languages: Korean (native), English (fluent), Chinese (basic)

References:

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Dissertation Abstract

Government Incentives and Firm Location Choices (Job Market Paper)

State governments in the United States have been increasingly using business incentives such as grants and tax abatements to compete for firms. I examine the welfare consequences of this competition. The welfare effects hinge on how states and firms value each other. Firm location choices would be efficient without competition if firm and state preferences are aligned: then firms would choose to locate in states with the highest valuations for attracting firms. Introducing competition in such a situation would benefit firms but would reduce overall welfare due to the deadweight loss of taxation. More generally, welfare losses may arise when firm choices are unresponsive to incentives or when states with different valuations for firms make strategic offers that are insufficiently different to yield efficient location choices. In such cases, states face a type of prisoner's dilemma, and overall welfare would improve if states could commit not to offer incentives. On the other hand, competition may improve welfare despite the deadweight loss of taxation when states have sufficiently heterogeneous valuations for firms and equilibrium incentive offers induce firms to choose high valuation states that they would not have chosen without incentives. Thus, addressing the welfare implications of competition requires a quantitative assessment of firm and state preferences.

Toward this end, I develop a model of state government competition and firm location choice that combines a first-price auction among states with discrete choice by firms. States draw private valuations for a firm and offer incentives. The firm then selects the state that maximizes its total profits, which depend on incentive offers, state attributes, and unobserved random shocks. I estimate the model using firm-level data on accepted incentives from the Good Jobs First Subsidy Tracker, combined with separate data on state attributes that likely determine state valuations and firm profits. Incentive data contains information on accepted incentive amount, awarding state, and firm attributes such as size and sector. First-order conditions for states' optimal bidding strategies provide a way of inferring state valuations from observations on incentives accepted by firms. I exploit these conditions and variation in conditional distributions of accepted incentives to learn about state valuations and firm preferences. Intuitively, conditional on observable determinants of state valuations (e.g., firm size, state's economic and political conditions), a state that is less profitable for firms (e.g., less educated workforce, farther from firm headquarters) will, on average, bid more aggressively and pay higher incentives.

I find that state government competition improves the overall welfare of states and firms by 9% despite the deadweight loss of taxation incurred by incentive provision. Firm profits increase by 11%, while state welfare increases by less than 1%. Firms benefit substantially by capturing rents from states. States that are less profitable for firms without incentives tend to have higher valuations for firms and benefit from competition. When taking into account the deadweight loss of taxation, states as a whole gain only modestly, as firm choices are relatively unresponsive to incentives and the heterogeneity in state valuations is competed away. My finding is consistent with the view that state government competition generates large corporate welfare and little allocative efficiency when considering the deadweight loss of taxation, but does not fit the view that competition lowers overall welfare.