

## CHANG-JIN KIM

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### Address:

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### Degrees:

1983            Korea University, Seoul, Korea – B.A. in Economics  
1989            University of Washington, Seattle – Ph.D. in Economics

### Academic Appointments:

Jan. 2007 – Present	Bryan C. Cressey Professor of Economics, University of Washington
July 2003 – 2006	Affiliate Professor of Economics, University of Washington
Mar. 2000 – 2014	Professor of Economics, Korea University
August 2003 – July 2005	Chair, Dept. of Economics, Korea University
May 2003	Consultant, Federal Reserve Bank of St. Louis
Mar. 1995 – Feb. 2000	Associate professor of economics, Korea University
Winter Quarters, 1997 – 2001	Visiting (associate) professor of economics, University of Washington
Mar. 1993 – Feb. 1995	Assistant professor of economics, Korea University
July 1989 – June 1993	Assistant professor of economics, York University

### **Professional Activities:**

Fellow, IAAE (International Association for Applied Econometrics), 2020-Present.

Fellow, Journal of Econometrics (2010 - Present)

Co-chair, Program Committee, 2019 North American Summer Meeting of Econometric Society, University of Washington.

Associate Editor, *Journal of Econometrics*, Feb. 2016-2019

President, Korea-America Economic Association (KAEA), Jan. 2018- Jan. 2019.

Chair, Local Organizing Committee, Asian Meeting of Econometric Society, Seoul, Korea, 2011

### **Book Publications:**

2010 *Dealing with Endogeneity in Regression Models with Dynamic Coefficients*, **NOW Publisher Inc.**

1999 *State-Space Models with Regime-Switching: Classical and Gibbs-Sampling Approaches with Applications*, **The MIT Press**. (with Charles R. Nelson).

### **Publications in Refereed Journals:**

2021 “Trend-Cycle Decompositions of Real GDP Revisited: Classical and Bayesian Perspectives on an Unsolved Puzzle,” *Macroeconomic Dynamics*, forthcoming, (with Jaeho Kim)

2021 “An N-State Endogenous Markov-Switching Model with Applications in Macroeconomics and Finance,” forthcoming *Macroeconomics Dynamics*, (with S-T Hwu and J. Piger)

2020 “Structural Breaks in the Mean of Dividend-Price Ratios: Implications of Learning on Stock Return Predictability,” forthcoming, *Japan & the World Economy*, Vol. 55, (with C. Xuan).

2019 “Estimating Trend Inflation Based on Unobserved Components Model: Is It Correlated with the Inflation Gap?” *Journal of Money, Credit, and Banking*, Vol. 51, No. 8, 2306-2319. (with Shih-Tang Hwu)

2019 “A Unified Framework for Jointly Explaining Business Conditions, Volatility, Stock Returns and News Effects,” *Studies in Nonlinear Dynamics and Econometrics*, Vol. 23, Issue 2, 20160151 (with Y. Kim).

2019 “New Dynamics of Consumption and Output,” *Journal of Macroeconomics* 60, 50-59. (with C. Xuan and D. Kim).

2019 “Real Exchange Rate Dynamics and the Taylor Rule: Importance of Taylor-rule Fundamentals, Monetary Policy Shocks, and Risk-premium Shocks,” *Review of International Economics*, Vol. 27, Issue 1, 201-219. (with C. Park).

2017 “Regime Shifts in Price-Dividend Ratios and Expected Stock Returns: A Present-Value Approach,” *Journal of Money, Credit, and Banking*, Vol. 49, Issue 2-3, 417-447. (with K. Choi and C.-B. Park).

2016 “Markov-Switching Models with Evolving Regime-Specific Parameters: Are Post-War Booms or Recessions All Alike?” 98(5): 940-949, *Review of Economics and Statistics*, (with Y. Eo).

2015 “Bayesian Inference in Regime-Switching ARMA Models with Absorbing States: The Dynamics of the Ex-Ante Real Interest Rate Under Structural Breaks,” *Journal of Business and Economic Statistics*, Vol.33, Issue 4, 566-578 (with J. Kim).

2015 “Predicting Stock Returns: The Information Contents at Different Horizons,” *Annals of Financial Economics*, Vol. 10, Issue 2 (DOI: 10.1142/S201049521550013X), (with Kaihua Deng).

2015 “Introduction to Special Issue on the Empirical Analysis of Business Cycles, Financial Markets, and Inflation: Essays in Honor of Charles Nelson,” *Macroeconomic Dynamics*, Vol. 19, No. 4, (with James Morley and Jeremy Piger).

2014 “Trend Inflation and the Nature of Structural Breaks in the New Keynesian Phillips Curve,” *Journal of Money, Credit, and Banking*, Vol. 42, No. 2-3, 254-266 (with P. Manopimoke and C.R. Nelson).

2013 “Disappearing Dividends: Implications for the Dividend-Price Ratio and Return Predictability,” *Journal of Money, Credit, and Banking*, Vol. 45, No 5, 933-952. (with C. Park).

2012 “The Evolution of the Monetary Policy Regimes in the U.S,” *Empirical Economics*, 43, 617-649, (with J.-H. Bae and D.-H. Kim).

2011 “Dealing with endogeneity in a time-varying-parameter model: Joint estimation and two-step estimation procedures,” *Econometrics Journal*, Vol. 14, 487-497. (with Y. Kim).

2010 “Does Congress Realign or Smoothly Adjust? A Discrete Switching Model of Congressional Partisan Regimes,” *Statistical Methodology*, Vol. 7, 254-276.(with Bryan D. Jones and Richard Startz).

2009 “Changes in U.S. Inflation Persistence,” *Studies in Nonlinear Dynamics and Econometrics*, Vol. 13, No. 4, Article 1 (with K. Kang and J. Morley).

2009 “IV Estimation in the presence of serially correlated regressors and disturbance terms,” (with D. Kim and K. Yang), *Journal of Economic Theory and Econometrics*, Vol. 20, Issue 3, 56-70.

2009 “Markov-Switching Models with Endogenous Explanatory Variables II: A Two-Step MLE Procedure,” *Journal of Econometrics*, Vol. 148, 46-55.

2008 “Dealing with Endogeneity in Regression Models with Dynamic Coefficients,” *Foundations and Trends in Econometrics*, Vol. 3, No. 3, 165-266.

2008 “Markov-Switching and the Beveridge-Nelson Decomposition: Has U.S. Output Persistence Changed since 1984?” *Journal of Econometrics*, Vol 146, 227-240.

2008 “Is the Backward-Looking Component Important in a New Keynesian Phillips Curve,” *Studies in Nonlinear Dynamics and Economics*, Vol. 12, 3, (with Y. Kim).

2008 “Structural Break in the U.S. Economy: An Approach Based on a Single-Source-of-Error State-Space Model,” *Economic Analysis* (a quarterly journal published by the Bank of Korea), 2008, Vol 14, No.1 64-92. (with D.-H. Kim and D.-W. Kim).

2008 “Exchange Rate Regime and Monetary Policy Independence in East Asia,” *Pacific Economic Review*, 2008, Vol. 13 (2) 155-170 , (with Jong-Wha Lee).

2008 “Bayesian Counterfactual Analysis of the Sources of the Great Moderation,” *Journal of Applied Econometrics*, Vol. 23, 173-191. (with J. Morley and J. Piger)

2008 “Estimation of Markov Regime-Switching Regression Models with Endogenous Switching,” *Journal of Econometrics*, Vol 143(2) pp 263-273. (with Jeremy Piger and Richard Startz)

2007 “The Dynamic Relationship Between Permanent and Transitory Components of U.S. Business Cycles” *Journal of Money, Credit, and Banking*, Vol. 39, No. 1, 187-204, (with Jeremy Piger and Richard Startz)

2007 “Why Are Stock Returns and Volatility Negatively Correlated?” *Journal of Empirical Finance*, Vol. 14, issue 1, p.41-58, (with J. Bae and C.R. Nelson).

2006 “Estimation of a Forward-Looking Monetary Policy Rule: A Time-Varying Parameter Model using Ex-Post Data,” (with C.R. Nelson), *Journal of Monetary Economics* 53, 1949-1966.

2006 “Time-Varying-Parameter Models with Endogenous Regressors,” *Economics Let-*

ters, Vol. 91, 21-26.

2005 “The Structural Break in the Equity Premium,” *Journal of Business and Economic Statistics*, Vol. 23, No. 2, 181-191, (with James C. Morley and Charles R. Nelson).

2005 “Nonlinearity and the Permanent Effects of Recessions”, *Journal of Applied Econometrics*, 20, 291-309, (with J. Morley and J. Piger).

2004 “Markov-Switching Models with Endogenous Explanatory Variables,” *Journal of Econometrics*, Vol. 122, 127-136.

2004 “Is There A Significant Positive Relationship between Stock Market Volatility and the Equity Premium?,” *Journal of Money, Credit, and Banking*, Vol.36, No. 3 (June 2004, Part I) (with James C. Morley and Charles R. Nelson).

2004 “The Less Volatile U.S. Economy: A Bayesian Investigation of Timing, Breadth, and Potential Explanations,” *Journal of Business and Economic Statistics*, Vol. 22, No 1, 80-93. (with Jeremy Piger and Charles R. Nelson).

2003 “A Study on Structural Break in Inflation Dynamics,” *Economics Research*, (a journal published in Korean by Korean Economic Association), Vol. 51, No. 4, 1-23, (with Kwan-Ho Shin).

2003 “Exchange Rate Regime and Monetary Policy in Korea,” *Economic Analysis* (a journal published in Korean by the Bank of Korea), Vol. 9, No. 2. (with Jong-Wha Lee).

2002 “Common Stochastic Trends, Common Cycles, and Asymmetry in Economic Fluctuations,” *Journal of Monetary Economics*, 49(6) 1189-1121 (with Jeremy Piger).

2002 “Permanent and Transitory Nature of Recessions,” *Empirical Economics*, 27(2) 149-162, (with Christian Murray).

2001 “Does an intertemporal tradeoff between risk and return explain mean reversion in stock prices?” *Journal of Empirical Finance*, 8, 403-426,(with James C. Morley and Charles R. Nelson).

2001 “A Bayesian Approach to Testing for Markov Switching in Univariate and Dynamic Factor Models,” *International Economic Review*, 42(4) 989-1013 (with Charles R. Nelson).

2000 “Capital Accumulation and Trade Policy: The Case of Korea,” *International Economic Journal*, 14(1), 111-131, (with Chong-Hyun Nam).

1999 “Has the U.S. Economy Become More Stable? A Bayesian Approach Based on a Markov-Switching Model of Business Cycle,” *Review of Economics and Statistics*, 81(4): 608-616. (with Charles R. Nelson).

- 1999 “Friedman’s Plucking Model of Business Fluctuations: Tests and Estimates of Permanent and Transitory Components,” *Journal of Money, Credit, and Banking*, 31(3), Part 1, 317-334. (with Charles R. Nelson).
- 1999 “The Long-Run U.S./U.K. Real Exchange Rate,” *Journal of Money, Credit and Banking*, 31(3), Part 1, 335-356. (with Charles Engel).
- 1999 “The Nature of Korean Stock Market: Mean Reversion or Mean Aversion?” Vol. 5, No. 3, 97-115 (in Korean), *Kukje Kyungje Yongu* (Journal published by the Korea International Economic Association). (with In-Bae Kim)
- 1998 “Testing for Mean Reversion in Heteroskedastic Data II: Autoregression Tests Based on Gibbs-Sampling-Augmented Randomization,” *Journal of Empirical Finance*, 5, 385-396. (with Charles R. Nelson)
- 1998 “Business Cycle Turning Points, A New Coincident Index, and Tests of Duration Dependence Based on A Dynamic Factor Model with Regime-Switching,” *Review of Economics and Statistics*, 80, 188-201. (with Charles R. Nelson).
- 1998 “Testing for Mean Reversion in Heteroskedastic Data Based on Gibbs-Sampling-Augmented Randomization,” *Journal of Empirical Finance*, 5, 131-154. (with Charles R. Nelson and Richard Startz).
- 1997 “Bayes Inference via Gibbs Sampling of Dynamic Linear Models with Markov-Switching,” *Journal of Economic Theory and Econometrics*, Vol. 3, No. 2, 123-149.
- 1996 “Transient Fads and the Crash of ’87,” *Journal of Applied Econometrics*, Vol. 11, 41-58. (with Myung-Jig Kim).
- 1996 “Predicting Business Cycle Phases with Indexes of Leading and Coincident Economic Indicators: A Multivariate Regime-Shift Approach,” *Journal of Economic Theory and Econometrics*, Vol. 2, No. 2, 1-27.
- 1994 “Dynamic Linear Models with Markov-Switching,” *Journal of Econometrics*, 60, 1-22.
- 1993 “Unobserved-Component Time-Series Models with Markov-Switching Heteroskedasticity: Changes in Regime and the Link Between Inflation Rates and Inflation Uncertainty,” *Journal of Business and Economic Statistics*, 11 341-349.
- 1993 “Sources of Monetary Growth Uncertainty and Economic Activity: The Time-Varying-Parameter Model with Heteroskedastic Disturbances,” *Review of Economics and Statistics*, 75, 483-492.
- 1989 “The Time-Varying-Parameter Model for Modeling Changing Conditional Vari-

ance: The Case of the Lucas Hypothesis,” *Journal of Business and Economic Statistics*, 7, 433–440. (with Charles R. Nelson).

### **Other Publications including Book Review:**

1999 “Korean Economy versus U.S. Economy: A New Perspective and Policy Implications,” (in Korean), in Jae-Chul Shim ed., *Idealism and Reality in Economic News*, Samsung Group of Journalism.

1999 [Book Review] *Applications of Computer Aided Time Series Modeling*, by M. Aoki and A. M. Havenner (eds), *International Journal of Forecasting*, 15(4), 499-450.

2004 “Exchange Rate Regimes and Monetary Independence in East Asia,” *Exchange Rate Regimes in East Asia*, Gordon de Brouwer and Masahiro Kawai (eds.), 302-319, Routledge Curzon. (with Jong-Wha Lee).

### **Working Papers:**

2019 “A Structural Break in the Aggregate Earnings>Returns Relation and Changes in Determinants of the Relation,” (with A. Curtis and H. I. Oh).

2018 “Non-Markovian Regime-Switching Models” (with J. Kim)

2019 “Markov-Switching Models with Unknown Error Distributions: Identification and Inference within the Bayesian Framework,” (With Shih-Tang Hwu)

2015 “Imperfect Proxies for Market Expectations and the ‘Exchange Rate Disconnect Puzzle’,” with Y.-C. Chen and S. Lee.

2015 “Monetary Policy Rules and Macroeconomic Stability Revisited: An Efficient Limited Information Approach,” with S. Chon.

### **Work in Progress:**

“A New Approach to Modeling Stochastic Volatility: Dealing with Asymmetric Shocks and Leverage Effect,” with Shih-Tang Hwu.

“A Present-Value Approach to a Predictive System in Stock Market”

“The Predictive System and A New Approach to Testing for Granger Causality,” (with M. H. Seo)

“A New Approach to Multivariate Beveridge-Nelson Decomposition with Imperfect Predictors”

### **Honors and Grants:**

- \* The “Best Paper in 2019 for Studies in Nonlinear Dynamics and Econometrics” Award, SNDE Symposium, Sept. 2020.
- \* Maekyung Economist Award (Korea-America Economic Association and Maekyung Daily), Jan. 2015
- \* **Medal of Honor**, Green Stripe (from President, Republic of Korea), May 15, 2009 (National Recognition in honor of Teacher’s Day)
- \* **Distinguished Scholar Award and Fellowship (Korea Research Foundation), 2008-2013.**
- \* Soktop Teaching Award (Distinguished teaching award), Korea University: Fall 2004; Spring, 2005; Fall 2005; Spring 2006; Fall 2006; Fall 2007; Fall 2008; Fall 2009; Fall 2010; Fall 2011; Fall 2012.
- \* The International Center for the Study of East Asian Development Grant, Japan, 2003
- \* Korea Research Foundation Grant, 2001, 2002, 2003, 2004, 2005, 2006
- \* Korea University Special Grant, 2000, 2003, 2006
- \* CSSS Grant (University of Washington; with Hyo-Jung Kim), 2000
- \* **National Science Foundation (NSF) Grant** (#SES-9818789)  
Grant period: April, 1999 - March, 2000.  
Research activity title: “Extensions and Applications of State-Space Models with Markov-Switching: Hypothesis Tests” (with Charles R. Nelson)
- \* Korea Research Foundation Grant, 1996
- \* **Chung-Ram Award** (Young Economist Award, conferred by Korean Economic Association, 1995).
- \* Suam Foundation Grant, 1994 (Seoul, Korea)
- \* Korea University Special Grant, 1993 (Seoul, Korea)
- \* **Social Sciences and Humanities Research Council of Canada (SSHRC)**



**Grant** (#410-93-0361)

Grant period: April 1, 1993 - March 31, 1996

Research activity title: "Extension and Applications of the Dynamic Linear Models with Markov-Switching: a Bayesian Approach; Mean Reversion in Exchange Rate Volatility; Forecasting Turning Points in Business Cycle"