Yong Suk Lee
Department of Economics
Box B, Brown University
Providence, RI 02912
Tel: (617) 981-3851
yong_suk_lee@brown.edu

Mar 26, 2012

Thomas Hellmann
University of British Columbia
Sauder School of Business
2053 Main Mall, Vancouver, BC

Dear Prof. Hellman

I wish to be considered for the NBER Entrepreneurship Research Boot Camp. I am a Ph.D. candidate in the Department of Economics at Brown University and will join the Department of Economics at Williams College as an Assistant Professor in July 2012.

My research and teaching intersects the fields of urban and development economics, and in an on going project I use the change in personal bankruptcy laws to examine how new business formation impact local growth.

In support of the application, I am attaching the following items:

- Curriculum Vitae
- Application Essay

The recommendation letter will be sent by Professor Vernon Henderson from Brown University.

Please let me know if I may provide any additional information. I would greatly appreciate the opportunity to participate. Thank you in advance for your consideration.

Sincerely,

Yong Suk Lee

BROWN

Department of Economics

March 26, 2012

Thomas Hellman
Sauder School of Business
University of British Columbia
Vancouver BC

Dear Professor Hellman:

This is a letter of recommendation for Yongsuk Lee to attend the NBER entrepreneurship research boot camp. I am Yong's thesis advisor. Yong is an excellent student who is creative and hard-working with very good econometric skills. Yong just finished the job market and be starting a tenure track job at Williams this coming fall. Yong's job market paper was very much his own, independently conceived with the key identification ideas being his own. Yong is among the very best students I have worked with over the years. Overall he was in the top 2-3 students from Brown this year, each with a different focus and set of skills. Besides his job market paper, Yong has a two other high quality working papers on very different topics. He is a general applied micro-economist, with strong urban and development interests.

His job market paper examined an issue that is critical in both developed and developing countries: the effect of how school systems are designed on intergenerational mobility and educational development of high ability people from low socio-economic backgrounds. In his particular case, Yong looks at how the relationship between father's education and the quality of college a student goes to for differing ability students is affected by the institutional arrangements for selecting into better versus worse high schools. In Yong's work, under one regime, high schools in a city base admission on an entrance exam. The best high schools then admit the highest scoring students, regardless of income or residential location in a city. In turn admission to different quality colleges is based on college entrance exam scores. This was regime that existed in Korea traditionally and exists in other countries in similar form today as well (e.g., in parts of China).

In the mid-1970's, Korea started to change its system to one where students were allocated to high schools based on the neighborhood/district in which they lived (where a particular school was located). The response, as modeling and experience elsewhere would suggest, is that households then re-sort across neighborhoods. Higher income families pay more for housing in districts with the best schools, making those school districts and schools inaccessible/unaffordable to low income parents. Under

this new educational regime in Korea, Yong research shows that educational attainment of the fathers now plays a more important role in determining which children go to the highest quality schools and hence colleges.

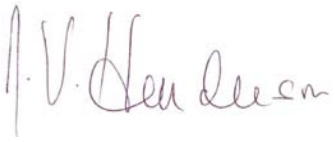
To isolate this effect of institutional arrangements on the strength of father's education in determining what quality colleges kids to go in the face of a variety of other confounding effects is difficult and takes both careful and thoughtful conceptualization and empirical investigation. Yong's work exploits the difference in timing of implementation in different cities in Korea to isolate and identify the key effect. His key insight is that the estimation of the relationship between father's education and achievement, absent a control for school quality is biased. Conceptually, the degree of bias is less under an entrance exam system than a district based system, where high socio-economic status families can bid in the housing market for better schools and indeed Yong finds this. Yong also confirms that once school quality is controlled for all biases go away.

Yong's research points to critical perhaps unintended aspects of changes in regimes and policy considerations in other countries. This is the only paper I know of to rigorously and carefully analyze such a regime switch, without other confounding changes occurring at the same time.

In a new project Yong will explore the role of entrepreneurship and new firm formation on urban growth, a key topic in urban with a lot of recent work. The critical issue in all the work to date is how to identify causal effects. Yong has some ideas based on bankruptcy reform laws and different bankruptcy provisions across states as one way of having exogenous variation in business starts and deaths. The project seems quite promising and he has a long term interest in the overall subject.

Yong is a highly motivated and skilled researcher. I also note that he is very personable and thoughtful. While he is Korean he spent a number of childhood years in the US, where his parents worked at times. He is essentially perfectly bilingual and bi-cultural. I strongly recommend him.

Yours sincerely,



J. Vernon Henderson
Eastman Professor of Political Economy
Professor of Economics and Urban Studies

YONG SUK LEE

Yong_Suk_Lee@brown.edu	Office Address:	Home Address:
www.econ.brown.edu/students/Yong_Suk_Lee	64 Waterman St. / Box B	193 Oak St. Apt 402
(617) 981-3851	Providence, RI 02912	Newton, MA 02464

Employment

Assistant Professor, Department of Economics, Williams College (Beginning July 2012)

Education

Ph.D. in Economics	Brown University	Expected May 2012
M.A. in Economics	Brown University	2008
Master of Public Policy	Duke University	2007
M.S. in Engineering, Architecture	Seoul National University	2001
B.S. in Engineering, Architecture	Seoul National University	1999

References

J. VERNON HENDERSON	Vernon_Henderson@brown.edu	(401) 863-2886
ANDREW D. FOSTER	Andrew_Foster@brown.edu	(401) 863-2537
NATHANIEL BAUM-SNOW	Nathaniel_Baum-Snow@brown.edu	(401) 863-2697
KENNETH CHAY	Kenneth_Chay@brown.edu	(401) 863-6296

Fields

Urban Economics, Development Economics, Public Economics, Health Economics

Working Papers

"Educational Tracking, Residential Sorting, and Intergenerational Economic Mobility: Evidence from South Korea", Jan 2012

"Organization of Disaster Aid Delivery: Spending Your Donations" (with J. Vernon Henderson), NBER Working Paper No. 17707, Dec 2011

"Staffing Subsidies and the Quality of Care in Nursing Homes" (with Andrew D. Foster), Jul 2011

Research in Progress

"Does Entrepreneurship Promote Urban Growth?"

"Long-run Impact of Gasoline Prices: Transport Mode and Motor Vehicle Travel" (with Nathaniel Baum-Snow)

"Impact of Federal Disaster Assistance on Local Growth"

Publication

Feng, Zhanlian, Yong Suk Lee, Sylvia Kuo, Orna Intrator, Andrew Foster, and Vincent Mor (2010). "Do Medicaid Wage Pass-through Payments Increase Nursing Home Staffing?" *Health Services Research*, 45(3): 728-747.

Teaching

Spring 2012	Applied Economics Analysis (*Graduate 1st year course*)
	-Brown University, Teaching Assistant for Anna Aizer and Anja Sautman
Spring 2007,	International Trade (*Undergraduate course*)
Spring 2006	-Duke University, Teaching Assistant for Corinne Krupp
Fall 2006	Public Expenditure Evaluation (*Master of Public Policy course*)
	-Sanford School of Public Policy, Duke University, Teaching Assistant for Robert Conrad

Research and Other Employment

2009-2010	Brown University, Research Assistant to Prof. J. Vernon Henderson
2008-2009	Brown University, Research Assistant to Prof. Andrew D. Foster

6/07-8/07	Duke University, Research Assistant to Prof. Philip J. Cook
6/06-8/06	Duke University, Research Assistant to Prof. Jacob L. Vigdor
2003-2005	Hanmi Parsons Co., Ltd, Analyst, Real Estate Development & Finance
2001-2003	Kimm and Lee Associates, Designer, Architecture & Urban Planning

Field Work and Survey Design

7/09-8/09	Aceh, Indonesia, The Survey of Disaster Recovery in Aceh (3rd wave), Pilot surveys and questionnaire design, P.I.: J. Vernon Henderson

Professional Activities

Referee:	*Journal of Urban Economics*
Presentations:	Urban Economics Association Annual Meeting (Miami, Nov 2011)
	Northeast Universities Development Consortium Conference (Yale, Nov 2011)
	LSE Spatial Economics Research Center Annual Conference (LSE, Jun 2011)
	Population Association of America Annual Meetings (Washington, DC, Apr 2011)
	Urban Economics Association Annual Meeting (Denver, Nov 2010)
	Northeast Universities Development Consortium Conference (MIT, Nov 2010)
	BREAD Summer School on Development Economics (LSE, Jun 2010)
Organizer:	Brown University Applied Microeconomics Lunch Seminar

Honors and Fellowships

2011	Hazeltine Fellowship, CV Starr Program in Commerce, Organizations, and Entrepreneurship, Brown University
2011	Merit Dissertation Fellowship, Graduate School, Brown University
2010	Umezawa-Stoltz Prize for Distinguished 3rd Year Paper, Brown University
2010	2nd Prize, Graduate Student Paper, Korea Institute for International Economic Policy
2007	Susan R. Kamins `82 Fellowship, Brown University
2007	Outstanding Master's Project of 2007, Sanford School of Public Policy, Duke University

Graduate Courses Taken

2007-08	Microeconomics I & II, Macroeconomics I & II, Intro to Econometrics, Econometric Methods, Mathematics for Economists, Applied Economics Analysis
2008-09	Development Economics I & II, Urbanization, Structure of Cities, Microeconometrics, Labor Economics I & II, Empirical Analysis of Economic Growth

Computer Skills

Stata, Matlab, Maple, R, ArcGIS, AutoCAD, ExcelVBA

Yong Suk Lee
Brown University

Application Essay

My interest in entrepreneurship developed during my fourth year at Brown University when I was searching for a research topic that intersects urban and development economics. I eventually received a fellowship from the Commerce, Organization, and Entrepreneurship Program at Brown University to examine the relation between firm creation and local employment growth. I will continue to work on my entrepreneurship research as a junior faculty at Williams College next semester. The NBER Entrepreneurship Research Boot Camp would help me gain a broader and deeper understanding of the current state of entrepreneurship research, progress my own research, and connect with people interested in similar research topics. In addition, I plan to develop an urban economics and entrepreneurship course for advanced undergraduates at Williams and the boot camp would be helpful in designing this course. In the remainder of this essay I will briefly outline my entrepreneurship projects and research plans.

The underlying question I ask is "How does entrepreneurship impact local economic growth?" Entrepreneurs are an important part of urban economies and both federal and local governments seek ways to promote entrepreneurship. Many believe that entrepreneurs have a positive benefit on local economies. Nonetheless, we do not have clear evidence on whether the creation of new firms promotes local growth in agglomeration economies. Even though this question is important for both academic research and public policy, the difficulty to generate exogenous variation in entrepreneurship that is independent of local economic growth have deterred compelling research.

I first plan to tackle this difficulty by using the change in personal bankruptcy laws. The Bankruptcy Code of 1978 allowed each state to set their own bankruptcy exemption levels which varied widely across states. Bankruptcy exemption in 1993 was 0 for Maryland while unlimited in Florida, creating considerable variation in wealth insurance and credit access for entrepreneurs (Berkowitz et al. 2004). Fan and White (2003) find evidence that this variation affected individual self-employment decisions. Furthermore, the bankruptcy reform act of 2005 explicitly discouraged bankruptcy filings. Paik (2010) finds evidence that this reform discouraged entrepreneurial activity. I will use this state level variation in exemption levels and the 2005 reform to examine variations in local firm formation.

This first stage results would show how the institutional setting of bankruptcy laws affect entrepreneurial activity. Using this variation the second stage results can provide an estimate of the impact of entrepreneurship, whether it is positive and how large the impact is for city growth. The urban economics literature has found a positive relation between small average firm size and subsequent city growth (Glaeser, Kerr, and Ponzetto 2010, Rosenthal and Strange 2003). The underlying idea in these studies is that small firms are likely to be newer and more entrepreneurial. My findings would shed light on whether we can be more definitive in saying what the local impacts of entrepreneurship are.

Another project I am working on examines the Small Business Administration's Physical Disaster Loan. Counties hit by major disasters are often declared presidential disaster zones and become eligible for business loans. Hence, varying degrees of credit become available in these counties for small businesses. I plan to exploit the variation in the disaster loan amounts generated by the political party affiliation between the county representative and the president at the timing of the declaration to ultimately examine the impact of firm development on regional growth. The discussions I would have during the boot camp would help clarify my research directions in these ongoing projects and also provide ideas for other projects down the line.

References

Acs, Zoltan et al. 2008. "Entrepreneurship and Urban Success: Toward a Policy Consensus", Kauffman Foundation

Berkowitz, Jeremy and Michelle J. White. 2004. "Bankruptcy and Small Firm's Access to Credit", RAND Journal of Economics, 35(1) 69-84.

Fan, Wei and Michelle J. White. 2003. "Personal Bankruptcy and the Level of Entrepreneurial Activity", Journal of Law and Economics, 46(2) 543-567.

Glaeser, Edward L., William R. Kerr, and Giacomo A.M. Ponzetto. 2010. "Clusters of Entrepreneurship", Journal of Urban Economics, 67 150-168.

Henderson, J. Vernon. 2003. "Marshall's Scale Economies", Journal of Urban Economics, 53 1-28.

Paik, Yongwook. 2010. "Bankruptcy Reform Act of 2005 and Entrepreneurial Activity" USC Working Paper.

Rosenthal, Stuart S. and William C. Strange. 2003. "Geography, Industrial Organization, and Agglomeration", Review of Economics and Statistics, 85(2) 377-393.