March 10, 2014

Thomas Hellmann
University of British Columbia Sauder School of Business
2053 Main Mall, Vancouver, BC, Canada V6T 1Z2
Tel: (604) 822-8476
hellmann@sauder.ubc.ca

Dear Professor Thomas Hellmann,

I am writing to apply for the NBER Entrepreneurship Research Boot Camp 2014. I am a second-year PhD student in the Economics PhD program at the Chicago Booth School of Business. I hope to acquire deeper knowledge of entrepreneurs through the program and interactions with faculty and other participants.

Please find attached my Curriculum Vitae, list of courses, and a two-page essay explaining my goals and hopes for the boot camp. My letter of recommendation will be provided by **Professor Gary Becker** at the University of Chicago. I have been Professor Becker's student and research assistant, and wrote my first-year research paper on "Entrepreneurial Human Capital" under his guidance. The letter itself will be sent from his assistant, Virginia Bova (vbova@uchicago.edu).

Please feel free to contact me via e-mail (jung.sakong@chicagobooth.edu) or cell phone (857-928-8877) if you would like more information. Thank you for your consideration, and I look forward to hearing from you.

Sincerely,



Jung Sakong

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Chicago, IL 60615
Tel: (857) 928-8877
jung.sakong@chicagobooth.edu

JUNG SAKONG

jsakong@chicagobooth.edu

Personal Information: Date of birth: January 4, 1988. Gender: Male. Citizenship: U.S.A.

Undergraduate Studies:

B.A., Economics, Harvard University, *cum laude* with High Honors in Field, 2010

Thesis Title: "*Household Stock Market Participation and Portfolio Rebalancing: A Comparison of the U.S. and Korea"*

Advisor: John Y. Campbell

Graduate Studies:

The University of Chicago Booth School of Business, 2012 to present

Ph.D. Candidate in Economics

Expected Completion Date: June 2017

Research Experience and Other Employment:

2013-present	University of Chicago, Research Assistant for Professor Gary Becker
2010-2012	National Bureau of Economic Research, Research Assistant for John Beshears, James Choi, David Laibson and Brigitte Madrian
2008	Goldman Sachs, Summer Intern

Honors, Scholarships, and Fellowships:

2012-present	Chicago Booth PhD Fellowship
2012	Honorable Mention, National Science Foundation Graduate Fellowship
2007	Harvard College Scholarship

Research Papers:

"*Entrepreneurial Human Capital and Opportunities*"

Abstract: This paper builds a dynamic model of entrepreneurship in which venture opportunities arrive stochastically, and hypothesizes two types of entrepreneurial human capital: the exposure to a wider set of possibilities and the ability to develop an idea when it arrives. Even under assumptions of perfect market, this model is able to explain many of the relevant empirical features of entrepreneurship, and has different implications from alternative models that emphasize the financial aspects of entrepreneurship, namely capital constraints and risk appetite. The paper then explores possible tests to distinguish this model from others and different data sources to implement them with.

"*Self Control and Liquidity: How to Design a Commitment Contract*", with J. Beshears, J. Choi, C. Harris, D. Laibson and B. Madrian

Abstract: If individuals have self-control problems that lead them to spend money when they had previously planned to save it, they may take up financial commitment devices that restrict their future ability to access their funds. We experimentally investigate how the demand for commitment contracts is affected by contract design features. In our experiments, each subject is endowed with a sum of money and asked to divide that money between a liquid account, which permits unrestricted withdrawals at any time over the course of the months-long experiment, and one or more commitment accounts, which impose withdrawal penalties or restrictions. The design features of the liquid account are the same for all subjects, but the design features of the commitment account(s) are randomized across subjects. When the interest rates on the two types of accounts are the same, we find that allocations to a commitment account are higher when the account is less liquid. The commitment account that disallows early withdrawals altogether attracts the largest allocations. However, this relationship no longer holds when the commitment account interest rate is greater than the liquid account interest rate.

Courses:

Course title	***Quarter***	***Grade***
First year 2012-2013		
Price Theory 1	2012 Autumn	A
Empirical Analysis 1	2012 Autumn	A-
Theory of Income 1	2012 Autumn	A
Price Theory 2	2013 Winter	A
Empirical Analysis 2	2013 Winter	A
Theory of Income 2	2013 Winter	A-
Price Theory 3	2013 Spring	A
Empirical Analysis 3	2013 Spring	A
Theory of Income 3	2013 Spring	A
* Dynamic Programming / Markov Decision Processes	2013 Spring	A-
Second year 2013-2014		
* Advanced Industrial Organization 1	2013 Autumn	A+
* Theory of Financial Decisions 1	2013 Autumn	
* Asset Pricing	2013 Autumn	A+
Monetary Economics	2013 Autumn	A
* Applied Macroeconomics: Heterogeneity and Macro	2014 Winter	
* Theory of Financial Decisions 2	2014 Winter	
* Topics in Asset Pricing	2014 Winter	
* International Macroeconomics and Finance	2014 Winter	
Macroeconomics and Financial Frictions	2014 Winter	

* indicates courses at the Booth School of Business where the highest possible grade is an A+; other courses are taken in the Economics Department where the highest possible grade is an A

NBER Entrepreneurship Research Boot Camp 2014

Jung Sakong

Growing up in Korea weaned on stories of my grandfather's entrepreneurial pursuits, I had considered entrepreneurs to be drivers of economic growth. But from reading into the vast literature, I have not found fully convincing explanation as to if and how they drive progress. I want to devote my research career to studying the important yet illusive character of the entrepreneur. At the NBER Research Boot Camp, I hope to learn from the experts and fellow students of entrepreneurship.

To briefly describe my current research, I have constructed a simple dynamic model based on stochastic generation of ideas and entrepreneurship-specific human capital, to account for several empirical features. Studies have found that personal wealth is a robust predictor of entrepreneurship, suggesting that borrowing constraints may be a significant deterrent. Other studies have found that profits do not sufficiently justify the decision to become an entrepreneur, suggesting that non-pecuniary motives may be of first-order. I show that if business ideas are random occurrences whose draws can be influenced and if people can learn to become better innovators and managers through experience, then I can account for several empirical features on entrepreneurship including the two mentioned above. More importantly, my model has different implications for how policy can promote socially beneficial innovation. I plan to estimate my model to see if the intuition can explain the data quantitatively.

For reduced form evidence, I am in the process of acquiring data on MBA graduates to show that previous entrepreneurial experience has a *causal* impact on future job choice and entrepreneurial outcome. The idea is simple: if different cohorts of MBAs are comparable in

entrepreneurial skill and preference, then the proportion of graduates who start their careers as self-employed is largely determined by external factors such as the business cycle. If a cohort that was pushed into self-employment is more likely to become entrepreneurs many years down their career, for example in their 10^{th} jobs, such evidence is consistent with specific human capital that is relevant to entrepreneurship overall. In general, I am interested in how important human capital acquisition is in explaining entrepreneurship, and what those relevant skills and knowledge look like.

I am also interested in how financial frictions can interact with entrepreneurs to have broader effects on both economic growth and business cycles. Through coursework in macroeconomics and corporate finance, I have been thinking about how financing frictions faced by entrepreneurs can lead to business cycles and ways for testing various stories. I hope to begin pursuing this line of research this summer.

I am fascinated by the unanswered questions in the economics of entrepreneurship. I hope to attend the NBER Entrepreneurship Research Boot Camp to systematically learn about the topic, to share ideas and receive feedback on my research plans, and to form partnerships that can potentially answer the difficult questions. I hope to contribute with my own perspectives, background preparations in economics, and passion for research.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF ECONOMICS
1126 EAST 59TH STREET
CHICAGO, ILLINOIS 60637

GARY S. BECKER
University Professor of Economics and Sociology

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March 27, 2014

Professor Thomas Hellmann
University of British Columbia
Sauder School of Business
2053 Main Mall, Vancouver, BC
Canada V6T 1Z2

Dear Professor Hellmann:

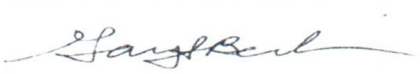
I am writing to recommend Jung Sakong for the NBER Entrepreneurship Research Boot Camp. Jung was my student in Price Theory and wrote his first-year research paper under my supervision. Since the summer of 2013, Jung has been working as my research assistant, and I had the opportunity to know him well during this time.

Jung was a good student in the Price Theory class. He was eager to learn, and received the only A in the class. I hired Jung as my research assistant in the summer of 2013. Since then, he has been studying the unusually low rates of fertility in East Asia under my guidance. He used cross-country data to make hypothetical predictions for China's fertility rate in the absence of the One Child Policy. He also studied women's time use patterns across countries to see why East Asian women are educated, but do not work or have more children. Jung takes economic research seriously, and works hard to learn whenever he can. During his winter visit to Korea, he met with researchers in Korea to hear their perspectives on the issue.

Jung started studying entrepreneurs by writing a first-year paper on the role of human capital and ideas in entrepreneurship. He wrote a simple model of forward-looking agents with entrepreneurship-specific ability to show that incorporating human capital investments can explain several stylized facts even without financial constraints. With my recommendation, Edward Lazear from Stanford University has been helping Jung to test his ideas in the data. His exploration into the human capital side of entrepreneurship will provide a valuable perspective in studying the difficult topic.

From my interactions with Jung, I know him to be a hardworking and enthusiastic student of economics. I strongly recommend him for the Research Booth Camp. He will make most of it and contribute to the scholarly endeavor of the group.

Sincerely,



Gary S. Becker