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Ross Levine
Willis H. Booth Chair in Banking and Finance
Haas School of Business
Phone: 510-643-1419
rosslevine@berkeley.edu
Website: http://faculty.haas.berkeley.edu/ross_levine/

Re: Yoonha Kim

Yoonha Kim is an exceptionally talented Ph.D. student with innovative ideas, expert technical skills, and a bright research future. I have known Yoonha for the past two years and have advised her in developing her research on immigrant entrepreneurship. Yoonha has that unique and valuable set of traits: outstanding technical skills, curiosity, and inventiveness.

Yoonha first worked with me as a research assistant on a large project on who becomes an entrepreneur. She materially contributed to this research on understanding the cognitive, noncognitive, and family traits associated with choosing to become an entrepreneur and the degree of success as an entrepreneur. In particular, she constructed a panel data of the Current Population Survey (CPS), which is originally built as a cross-sectional data, enabling the investigation of occupation switches and year over year changes of labor market outcomes. Yoonha then started her own research on immigrant entrepreneurship in the United States.

In her research, Yoonha first shows that different immigrants become self-employed business owners to different degrees. She then asks why. She seeks to discover the factors accounting for the differential selection of immigrant groups into self-employment. Furthermore, she aims to use patterns in immigrant self-employment, in particular the positive selection of immigrant groups relative to natives into unincorporated self-employment, to disentangle the effects of statistical versus taste-based discrimination. Decomposing these two forces may help explain the different propensities to self-employ across ethnic groups.

As a first step, Yoonha tests whether the residual wage gap between immigrants and natives from the same national/ethnic background explains the degree to which immigrants become self-employed. The residual wage gap is the wage gap between immigrants and natives accounted for by standard Mincerian explanations of wages, such as education and experience. Thus, this first step assesses whether one measure of the differences in labor market discrimination across immigrant groups, i.e., the residual wage gap, helps explain the differential sorting of these immigrant groups into self-employment.

In order to decompose statistical from taste-based discrimination, she investigates changes in immigrants' relative wages and whether these changes differ between immigrants and natives that come from the same national/ethnic background while differentiating by jobs. For example, she uses data on the job task requirements of occupations from the Department of Labor and matches that data with the CPS. She distinguishes between jobs requiring high levels of analytical and creative skills and those that demand manual skills. Since the analytically demanding jobs require more education and since it is likely to be more difficult for immigrants

to signal their analytical skills to U.S. firms based on educational certificates from abroad, she hypothesizes that statistical discrimination will be greater in more analytically demand jobs.

I have been very favorably impressed by the novelty of Yoonha's research question, the rigor of her analyses, and by her ability to both defend her work and listen and adjust to sound suggestions. I expect Yoonha to produce a first-rate thesis and to contribute high-impact research in years to come.

Sincerely,

Ross Levine

Yoonha Kim
University of California, Berkeley
Haas School of Business
545 Student Services #1900
Berkeley, CA 94720-1900

(Home address)
1406 Henry St, APT F
Berkeley, CA 94709

March 30, 2015

To the members of the NBER Entrepreneurship Working Group:

I am a fourth year PhD student at the Business and Public Policy group at the Haas School of Business and I would like to apply to participate at the 8th annual NBER Entrepreneurship Boot Camp. Please find the following documents enclosed in this packet:

- Curriculum Vitae with a list of all completed PhD courses
- Personal statement with description of current and future research

My recommendation letter will be submitted directly by professor Ross Levine.

If you have any questions about my application, I can be reached by phone at +1 617 455 1572 or by e-mail at Yoonha_Kim@haas.berkeley.edu. Thank you for your time and consideration.

Sincerely,

Yoonha Kim

Yoonha Kim

1406 Henry Street, APT F, Berkeley, CA, 94709 • (617) 455 - 1572 • yoonha_kim@haas.berkeley.edu

EDUCATION

UC Berkeley, Haas School of Business Berkeley, CA
Ph.D Student, Business and Public Policy Program Expected graduation 2016

Select Course Works: Microeconomics Theory; Political Institutions; Incentives and Organizations in Markets; Economics of Institutions; Corporate Strategy and Technology; Econometrics; Applied Econometrics; Causal Inference for the Social Sciences; Research and Theory in Business: Behavioral Sciences; Institutional Analysis Seminar; Economics of Innovation Seminar

Brown University Providence, RI
B.Sc. Applied-Mathematics and Economics Class of 2008
Phi Beta Kappa, *Magna Cum Laude and Omicron Delta Epsilon*

CURRENT RESEARCH IN PROGRESS

Employer Discrimination and Immigrant Entrepreneurship

This study explores the occupational choices made by first generation immigrants in the US labor market by studying the differential selection into self-employment between natives and immigrants. We provide evidence of positive self selection into self-employment among immigrants relative to natives and hypothesize that immigrants and natives have different incentives to self-employ depending on 1) differential search frictions for immigrants and natives that arise from sending imperfect signals to the employers leading to differential offers for different types of jobs and 2) different returns to skill from self-employment depending on ability and so called pull factors such as the existence of ethnic enclaves. We distinguish between jobs that require high levels of analytical skills and routine manual skills and preliminary results suggest that highly educated immigrants that are self-employed are more likely to own businesses requiring routine tasks. Furthermore, we investigate factors that will likely vary the accuracy of the immigrant's signal within and across immigrant groups.

Taste-based versus Statistical Discrimination

This study attempts to explain the varying rates of self-employment across ethnic groups by disentangling the relative effects of statistical versus taste-based discrimination by employers on wages. I exploit variation arising from differences in race, education and the quality of the education signal. The level of difficulty in deciphering the educational signal would be an important factor into statistical discrimination and it would vary depending on whether the immigrant obtained his college degree in the US or not. This study finds that among salaried immigrants, highly educated Hispanic and Black salaried workers face the largest wage gap against comparable natives, and this effect attenuates with the attainment of a US degree. On the other hand Asian immigrants tend to be less sensitive to the attainment of a US degree. These findings may indicate that Black and Hispanic immigrants relatively suffer more statistical discrimination compared to Asian immigrants with respect to educational attainment.

Effect of 2005 Public Offerings Reform on Initial Public Offerings

This research examines how liberalization of information disseminated prior to the pricing of an Initial Public Offerings affect retail investors. The 2005 Public Offerings Reform modified the registration, communication and offering process allowing for more free communication of the company going public over the internet. This study analyzes how this regulatory change affects pricing behavior of the underwriters, assesses differences in aftermarket trading characteristics and further hypothesizes whether quality of information is a necessity for quantity of information.

RESERCH INTERESTS

- Entrepreneurship, Immigration, Social Inequality, Financial Institutions

TEACHING EXPERIENCE

Haas School of Business University of California, Berkeley
Graduate Student Instructor, Data & Decisions Fall 2014
Graduate Student Instructor, Ethics and Responsibility in Business Spring 2014
Graduate Student Research Assistant for Professor Ross Levine and Yona Rubinstein

- Received Haas Research Assistant Fellowship for 2014 - 15 academic year

Computer Science Department Brown University
Head Teaching Assistant, Concepts and Challenges of Computer Science Fall 2007
Teaching Assistant, Discrete Structures Spring 2007
Teaching Assistant, Intro to Scientific Computing and Problem Solving Fall 2006

PRIOR PROFESSIONAL EXPERIENCE

Morgan Stanley New York, NY
Analyst, Firm Strategy & Execution July 2008 – June 2011

- Advised Morgan Stanley's senior management on strategic alternatives for the firm, including mergers and acquisitions of subsidiaries
- Managed and execute consulting projects with business units to identify strategic opportunities by evaluating market trends, analyzing competitive landscape and quantifying the opportunity
- Partnered with business units to prepare management presentations on business developments and firm strategy for Board of Directors meetings as well as for regulatory approval from the Federal Reserve
- Developed a firmwide framework for evaluating strategic acquisitions and investments examining investment thesis, value creation and franchise implications

JPMorgan Chase Securities Hong Kong
Summer Analyst, Equity Capital & Derivatives Markets June 2007 – August 2007

- Participated in equity and equity-linked financing deals, ranging from response to RFPs to final pricing meetings
- Prepared documents for an overnight block trade, initial public offerings and convertible bond financing deals

INVITED CONFERENCES AND WORKSHOPS

- Strategy Research Initiative Annual PhD Boot Camp 2014, IESE Business School, New York, NY
- CCC Doctoral Consortium for Competitiveness and Cooperation 2015, NYU, New York, NY

SKILLS AND INTERESTS

- Computer Skills: Java, STATA, R, Matlab, Microsoft Excel, Microsoft PowerPoint and Bloomberg
- Personal Interests: swimming, squash, skiing, and traveling

NBER Entrepreneurship Research Boot Camp Application
Personal Statement
Yoonha Kim

I would like to participate in the NBER Entrepreneurship Research Boot Camp to advance my Entrepreneurship-focused research agenda and deepen my understanding of Entrepreneurship scholarship by interaction with the top scholars in the field. My current research focuses on understanding the decision to self-employ, by first generation immigrants in the US. In particular, I attempt to explain what drives the rate of self-employment to be different across ethnicities and hope to build on the existing literature of the self-employment experience of US immigrants. As a first step, I question how an immigrant's selection into entrepreneurship differs with that of a native and my research suggest a positive selection into self-employment for immigrants, where immigrant entrepreneurs are on average on the higher end of the ability distribution relative to native entrepreneurs.

The labor market that immigrants face is one where there is potential discrimination. One underlying driver for the differential sorting into self-employment may be statistical discrimination against competent immigrants, whose abilities are not recognized due to lack of credentials. I hypothesize that immigrants and natives have different incentives to self-employ depending on 1) differential search frictions for immigrants and natives that arise from sending imperfect signals to the employers leading to differential offers for different types of jobs and 2) different returns to skill from self-employment depending on ability and so called pull factors such as the existence of ethnic enclaves. This framework suggests that competent immigrants that send noisy signals to employers choose to self-employ as an alternative to working in salaried jobs while native candidates who get accurately rewarded according to their ability in the labor market are less likely to self-employ. Other factors such as whether the immigrant resides in an ethnic enclave or work in an occupation in which his ethnic group is dominant will also change the attractiveness of the self-employment option.

I investigate jobs depending on the complexity of the nature of the business, whether it requires high levels of problem solving tasks or routine tasks, and compare selection into self-employment for those jobs. The framework implies that we should observe less of a difference in owner quality between

natives and immigrants that set up routine businesses, but more of a difference for those pursuing complex businesses. My preliminary empirical evidence supports this prediction, showing that there are higher proportion of highly educated self-employed immigrant workers owning routine businesses compared to natives. In other words, an immigrant with a college degree not recognized for his ability accordingly will setup businesses that do not require much credentials, such as laundromats. This effect attenuates for immigrants working in dominant occupations of their ethnic group. I further investigate how this differs for different race as the accuracy of the signal will vary depending on the proximity of the culture of an immigrant's originating country to the US' and my preliminary results suggest that the effect is largest for Black and Asian immigrants from non-English speaking countries.

Explaining how and why immigrants make occupational choices in comparison with natives could possibly have far reaching implications for a variety of important questions. How do occupational choices shift across generations of immigrants? Why do certain ethnic groups have higher business participation rates? What role do ethnic enclaves play in this process? Attending the NBER Entrepreneurship Boot Camp, will further my research agenda and expand my ability to address these and other important questions.

As a fourth year PhD Candidate in the Business and Public Policy program at the Haas School of Business, I have been rigorously trained in formal economics theory and econometric analyses. Also, given my professional experience in the finance industry prior to my doctoral degree I have a natural interest in venture financing. My past experiences as well as my research interest will allow me to contribute a unique perspective to the boot camp discussions. I sincerely hope to have the opportunity to participate in order to take advantage of the wealth of knowledge and to contribute to enriching other participants' experience.