

Research Statement - Jin Seok Park

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My research program centers on applying economic reasoning to the pivotal choices that shape people's lives—decisions about work, family, housing, and entrepreneurship. I focus particularly on how younger generations navigate these life-defining decisions in an era of rising housing costs, evolving labor markets, and shifting family institutions. While these topics may appear diverse, they are unified by a central question: how do economic constraints and incentives structure the opportunities and aspirations of young adults? By combining rigorous empirical identification with theory-guided reasoning, my research examines how local housing markets, family behavior, and labor-market institutions interact to shape economic opportunity and social mobility. Across projects, I offer an economic lens on how young individuals form families, accumulate assets, and undertake entrepreneurial risks amid changing economic environments.

This statement outlines how my research is organized around three interrelated areas: urban and housing economics, labor economics and family decision-making, and household finance. For each area, I discuss the key contributions of my research, the underlying question that motivates these works, and my future research plans. Taken together, these projects form a coherent agenda aimed at understanding how housing, labor, and financial frictions jointly influence the economic lives and upward mobility of younger generations.

1 Urban and Housing Economics — Job Market Paper

My research in urban and housing economics investigates how housing affordability shapes entrepreneurship and local economic dynamism. I study how spatial constraints—such as land-use regulation and limited housing supply—affect individuals' occupational choices and the allocation of entrepreneurial talent across places. This agenda builds on recent work showing that housing and credit markets jointly shape business formation and regional dynamism through collateral and liquidity mechanisms (Kerr, Kerr, and Nanda, 2022; Davis and Haltiwanger, 2024).

My job market paper, "*Priced Out of Entrepreneurship? Rising Local Home Prices Lower Economic Opportunities for Young Renters*", asks whether rising housing costs change who can afford to take entrepreneurial risks in the United States. Prior studies highlight that increases in home values stimulate entrepreneurship through homeowners' enhanced borrowing capacity—the collateral channel (Schmalz, Sraer, and Thesmar, 2017; Corradin and Popov, 2015; Kerr, Kerr, and Nanda, 2022). My work, in contrast, focuses on renters. I argue that when housing becomes less affordable, liquidity-constrained renters are crowded out of entrepreneurship, while wealth-holding homeowners gain a relative advantage in starting firms. This asymmetry provides a novel micro-level mechanism linking housing markets to broader patterns of regional economic dynamism.

To formalize this idea, I develop a two-period life-cycle framework linking housing costs, borrowing limits, and occupational choice. Rising house prices increase homeowners' collat-

eral capacity but simultaneously reduce renters' disposable liquidity, generating an endogenous reallocation of entrepreneurial activity. I test these mechanisms using microdata from the American Community Survey (ACS) and the Current Population Survey Annual Social and Economic Supplement (CPS-ASEC), combined with local housing values from Zillow's Home Value Index (ZHVI). To address endogeneity, I construct an instrumental variable that interacts national housing-price growth with local housing-supply elasticity from Saiz (2010) and regional housing price sensitivity from Guren, McKay, Nakamura, and Steinsson (2021). I further control for local demand shocks using employment and wage data from the Quarterly Census of Employment and Wages (QCEW) and account for local credit-supply conditions using loan origination and investment data from the Community Reinvestment Act (CRA) dataset.

The results reveal a clear divergence across tenure groups. In instrumental-variable estimates, a one-log-point increase in the local house-price-to-income ratio reduces the share of self-employment among young renters by about 0.8 log points (roughly 8 percent), while increasing it among young homeowners by about 0.7 log points (around 7 percent). Consequently, rising housing costs widen the entrepreneurship gap between renters and owners by nearly 15 percent. These effects are concentrated in unincorporated and liquidity-intensive sectors, consistent with the hypothesis that affordability shocks reallocate entrepreneurial opportunity from liquidity-constrained renters to asset-owning households.

This asymmetric response provides a micro-level mechanism that complements the macro patterns documented by Davis and Haltiwanger (2024), who show that regions experiencing housing market booms subsequently display weaker young-firm activity and slower reallocation dynamics. This research is important and conceptually appealing because it reframes housing affordability as more than a real-estate or inequality issue—it becomes a fundamental determinant of who gets to participate in economic opportunity. Housing markets not only affect where people live, but also who can afford to innovate, hire, and take risks. In doing so, the paper connects the microeconomics of household finance with broader questions of productivity, social mobility, and regional development. Consequently, housing policy is also entrepreneurship policy: zoning reforms that ease supply constraints, rental-assistance programs that alleviate liquidity pressure, and credit instruments targeted at non-owning entrepreneurs could all indirectly stimulate business formation and local innovation.

Building on this foundation, I plan to extend this framework along three directions. First, I will explore how the post-pandemic expansion of work-from-home (WFH) reshaped the relationship between housing markets and entrepreneurship. When remote work decouples job location from residence, high housing costs may influence not only who becomes self-employed but also where new firms emerge. I plan to exploit cross-industry and cross-city variation in WFH feasibility to identify how this shift altered the spatial distribution and composition of entrepreneurial activity.

Second, I will extend this analysis beyond the United States to a comparative urban framework linking innovation districts, housing affordability, and entrepreneurship across global cities. Inspired by Zheng, Sun, Wu, and Kahn (2017), I plan to study rapidly urbanizing economies in East Asia—such as Seoul, Hong Kong, Singapore, Shanghai, and Shenzhen—where industrial clustering and housing policy jointly shape patterns of inclusive growth. Comple-

menting this perspective, my ongoing project with Alison Farias, “*The Impact of Porto Digital on Urban Revitalization and Gentrification in Recife, Brazil*”, examines how a government-led innovation district affects local housing markets and business formation in a developing-country context. Using spatial microdata and a boundary-discontinuity design, we identify the spillover effects of innovation clusters on nearby rents and small-business creation. Together, these projects contribute to the literature on place-based policies and agglomeration economies (Greenstone, Hornbeck, and Moretti, 2010; Kline and Moretti, 2014), providing a comparative perspective on how innovation-led urban policies shape entrepreneurship and housing dynamics in both advanced and emerging economies.

Finally, I intend to investigate a unique natural experiment in Seoul: the redevelopment of the former U.S. military base in Yongsan. The large-scale reallocation of centrally located land offers an opportunity to study how land reuse policies affect local entrepreneurship, housing markets, and residents’ welfare. Together, these projects aim to build a comparative urban framework explaining how housing affordability and spatial policy jointly influence entrepreneurial dynamism and economic opportunity across generations.

2 Labor Economics and Family Decision-Making

My research in labor and family economics explores how gender roles, labor-market institutions, and family structures jointly determine economic outcomes for young adults. I am particularly interested in how evolving social norms and economic incentives influence family formation, fertility, and career trajectories. This agenda builds on the classic marriage-market theory of Becker (1991) and connects to recent empirical debates on marriage decline and the male marital wage premium (MWP) (Ludwig and Brüderl, 2018; Korenman and Neumark, 1991; Chun and Lee, 2001; Dougherty, 2006).

In “*An Aggregate Economic Value Perspective on Korea’s Marriage Decline – Transitory and Secular*” (*Journal of Demographic Economics*, forthcoming, 2025), my co-authors and I examine how shifts in men’s and women’s relative economic positions contribute to Korea’s sharp decline in marriage rates. Building on Becker’s theory, we construct regional indices of men’s and women’s aggregate economic values using wage and employment data from 1998–2019. Two-way fixed effects estimates show that a one percent decline in men’s relative economic value reduces marriage rates by about 0.2 percent, suggesting that structural transformations in labor markets—rather than cyclical shocks—are the main driver of Korea’s long-run marriage decline. This finding also resonates with cross-country research highlighting the role of changing gender norms and socioeconomic transitions in East Asia (Sweeney, 2002; Raymo, Park, Xie, and Yeung, 2015; Akerlof and Kranton, 2000).

My working paper “*Do Working Wives Make Married Men Earn More?*” (with Myungkyu Shim and Hee-Seung Yang) investigates the mechanisms behind the male marital wage premium (MWP), bridging the specialization and joint-search hypotheses (Guler, Guvenen, and Violante, 2012; Pollmann-Schult, 2011). Using the Korean Labor and Income Panel Study (KLIPS), we find a U-shaped relationship between wives’ labor income and husbands’ wage

premiums: men with non-working wives and men with high-earning wives both experience higher wage premia (around 11–12 percent), whereas men with low-earning wives experience the smallest premium. This pattern indicates that both specialization and joint-search equilibria coexist in modern labor markets, reflecting the dual structure of traditional and dual-earner households. These results complement findings from Ludwig and Brüderl (2018), who argue that much of the MWP arises from selection on wage growth rather than a pure causal effect of marriage.

Beyond marriage-market outcomes, I have also examined how educational and institutional choices shape labor-market signaling and matching efficiency. In *"Deferring Graduation as Job Market Signaling"* (*Korean Journal of Economics*, 2019, with Jaeok Park and Doo Hyung Yun), I develop a game-theoretic model showing that delayed graduation can serve as a credible productivity signal in competitive job markets. In *"Joint Recruitment of Public Institutions: Who Gains and Who Loses?"* (*Journal of Economic Theory and Econometrics*, 2020, with Jaeok Park), I analyze how coordinated recruitment in the public sector influences matching efficiency and labor-market equity. Together, these studies highlight how institutional designs and information asymmetries affect young individuals' transition from education to employment.

Looking ahead, I plan to extend this line of research toward understanding the economics of family formation and gender inequality. Inspired by *"The Child Penalty Atlas"* (Kleven, Landais, and Leite-Mariantes, Forthcoming), I aim to examine how career interruptions after childbirth contribute to gender wage gaps and labor-market reallocation in East Asian economies. This topic also connects to urban and housing economics: high housing costs and limited space may amplify the child penalty and further discourage fertility. I am particularly interested in exploring how work-from-home (WFH) adoption during and after the COVID-19 pandemic may mitigate or exacerbate the child penalty, as suggested by recent evidence (Albanesi and Kim, 2024). By integrating these perspectives, my future research seeks to connect family economics, urban housing constraints, and labor-market flexibility to better understand fertility decline, gender inequality, and the design of policies that promote work-life balance and inclusive labor-market participation.

3 Household Finance and Portfolio Behavior

In household finance, my goal is to understand how economic shocks and risk exposure shape saving, portfolio choice, and wealth accumulation, especially for younger and liquidity-constrained households. My broader research agenda seeks to uncover how differences in income volatility, borrowing constraints, and housing costs influence household financial decisions and intergenerational wealth outcomes. Ultimately, I aim to build an integrated framework linking household finance, labor risk, and housing affordability to better explain inequality and financial vulnerability among young adults.

My paper *"Uncertainty and Household Portfolio Choice: Evidence from South Korea"* (*Economics Letters*, 2019) investigates how macroeconomic uncertainty shapes household port-

folio behavior. This study is motivated by the framework of Chang, Hong, Karabarbounis, and Wang (2018a); Chang, Hong, and Karabarbounis (2018b), who emphasize that income volatility and labor market uncertainty are key drivers of portfolio heterogeneity across households. Building on their insight, my study asks how aggregate policy uncertainty translates into micro-level investment decisions. Using the Korean Labor and Income Panel Study (KLIPS) matched with the Economic Policy Uncertainty (EPU) index, my co-author and I find that a one-standard-deviation increase in policy uncertainty lowers the probability of holding risky assets by 5.5 percent and reduces risky-asset shares by 4.2 percent. The effect is strongest among households with lower risk tolerance and more volatile income streams. By documenting how macroeconomic uncertainty propagates through household behavior, this paper contributes to the literature on precautionary saving and portfolio diversification.

Building on these insights, I plan to extend this research by linking household finance with the housing market. Chetty, Sándor, and Szeidl (2017) show that housing affects portfolio choices through both home equity and mortgage debt, emphasizing how illiquid housing assets alter households' risk-taking capacity and savings behavior. Inspired by their findings, my future research will examine how rising housing costs—through higher rents and tighter mortgage burdens—reshape financial risk-taking, wealth accumulation, and entrepreneurship decisions among younger households. By integrating the dynamics of housing markets with portfolio behavior, my goal is to develop a unified understanding of household finance, urban housing, and intergenerational wealth inequality, with potential to inform credit and housing policy design.

Conclusion

Across these research areas—urban and housing economics, labor and family decision-making, and household finance—my goal is to understand how housing, labor, and financial institutions jointly shape economic opportunity for younger generations. Each strand of my research investigates a different dimension of how individuals make economic decisions under spatial, social, and financial constraints: where to live, whom to marry, and how to invest or start a business. Together, these works contribute to a unified view of how affordability and inequality manifest across markets and how policy design can address them.

Going forward, I aim to deepen this agenda by integrating microeconomic household behavior with macro-level urban transformations in both advanced and emerging economies. My long-term goal is to develop an empirically grounded framework that connects housing markets, labor dynamics, and family institutions to inclusive and sustainable urban growth. I plan to pursue this agenda by linking microdata on households and firms with spatially detailed measures of urban transformation, enabling causal inference on how policy and place jointly shape opportunity. Through this lens, I hope to inform policies that expand economic opportunity and mobility for the next generation.

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