YOUNGMIN KIM

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ACADEMIC EMPLOYMENT

Purdue University, Daniels School of Business *Aug 2022 - Present*
Assistant Professor of Management, Finance Area

EDUCATION

New York University, Stern School of Business *2017 - 2022*
Ph.D. in Finance

New York University, Stern School of Business *2017 - 2021*
M.Phil. in Finance

Brown University *2015*
B.A. in Mathematics-Economics

RESEARCH INTEREST

Asset Pricing, Investor Heterogeneity, ESG investing, International Finance

WORKING PAPERS

A Measure of Investment Opportunities

· Many asset pricing models imply that in a multi-period setting with time-varying economic conditions, an asset's expected return is determined by its market risk and investment opportunity risk. This paper develops a measure of the investment opportunity set. The measure is a linear function of characteristic-based portfolio returns with time-varying coefficients. It is related to macroeconomic variables such as market volatility, treasury yields, unemployment rate and inflation in a manner consistent with standard models. The two factors (market return and investment opportunity) can explain the unconditional pricing of 100 test assets, in which the market risk price is positive with a magnitude implying a plausible value for the constant relative risk aversion parameter.

Bubbles for Fama Revisited, with Matthew Richardson
(Revise & Resubmit, Journal of Financial Economics)

· Greenwood, Shleifer and You (2018, GSY) investigate Eugene Fama's claim that stock price bubbles are difficult to identify. GSY (2018) document a series of stylized facts that put into question Fama's view on bubbles. We reinterpret these empirical facts and find much more support for Fama than implied by GSY (2018). In particular, we show theoretically and then document empirically that many of GSY's (2018) stylized "bubble" facts are expected in a world without bubbles.

Heterogeneous Investment Horizons and Asset Prices

· This paper develops a heterogeneous agent model to understand the asset pricing impact of heterogeneous investment horizons among investors. Differently from short-term investors, long-term investors intertemporally hedge against reinvestment risk. They prefer assets that appreciate (depreciate) when investment opportunities are poor (good) to reduce the volatility of their portfolio values. This hedging demand generates a CAPM alpha which is a weighted sum of an asset return's covariance with risky and risk-free investment opportunities. I construct an intertemporal hedging (ITH) factor which is long on

assets with positive CAPM alphas (i.e., non-hedging assets) and short on assets with negative CAPM alphas (i.e., hedging assets) with market beta adjustment. I find that the ITH factor has a significant positive average return and risk-adjusted return. I further investigate the reinvestment risk premium by dividing it into two parts (risky and risk-free) using a multivariate beta framework. I also test the portfolio choice implication of the model by identifying long-term investors and short-term investors in Thomson Reuters 13F data based on their portfolio turnover rates. I find that the portfolios of low turnover institutions (i.e., long-term investors) overweight hedging assets relative to market portfolio. I find the opposite pattern for high turnover institutions (i.e., short-term investors). This result is consistent with the model and suggests that the ITH factor's performance is driven by long-term investors' intertemporal hedging (against reinvestment risk), not by other mechanisms or statistical coincidence.

PRESENTATIONS

2024 : Wabash River Finance Conference, Yonsei University

TEACHING

Purdue University, Daniels School of Business

- Financial Management (Undergrad) *Fall 2024*
- Financial Management (Undergrad) *Fall 2023*
- Financial Management (Undergrad) *Fall 2022*

FELLOWSHIPS AND AWARDS

NYU Stern Doctoral Fellowship *2017 - 2022*
Kwanjeong Educational Foundation Scholarship *2017*
Brown University Undergraduate Research and Teaching Awards *2013*