Edward T. Kim

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Employment

Stephen M. Ross School of Business, University of Michigan

Assistant Professor of Finance, 2023–present

Education

Ph.D. Finance, UCLA Anderson School of Management, 2023

B.S. Economics, Massachusetts Institute of Technology, 2015

Research Interests

Banking, Fintech, Intangible Capital, Real Estate

Working Paper

1. **The Digital Divide and Refinancing Inequality** (Job Market Paper)

   Low-income households derive significantly less savings from mortgage refinancing than their wealthy counterparts. I document that the rise of refinancing inequality in the United States can be partially explained by the gap in access to modern information and communications technology. Using granular spatial variation of a large-scale broadband subsidy program, I show that high-speed internet facilitates refinancing activity and reduces monthly mortgage payments. These effects are large and persistent, corresponding to a 5 percent increase in disposable income and up to $18,000 in total savings for low-income households. The growth of refinancing is pronounced in underserved areas with low access to bank branches and among populations that are likely to have low financial and digital literacy.

Publications

1. **Deposit Insurance Premiums and Bank Risk** (with Marcelo Rezende)

   Review of Corporate Finance Studies, 2023, 12(2): pp. 291-325

   Deposit insurance premiums impose costs on banks' balance sheets, narrowing profit margins and inducing banks to "search for yield." This paper estimates the effects of deposit insurance premiums on bank portfolio rebalancing using supervisory data and a kink in the insurance premium schedule. We show that deposit insurance premiums weaken banks' demand for reserves (a liquid asset with no credit risk) and strengthen the supply of short-term interbank loans (a less liquid asset with credit risk). We discuss the implications of these findings for optimal deposit insurance pricing.

2. **Intangible Value** (with Andrea L. Eisfeldt and Dimitris Papanikolaou)

   Critical Finance Review, 2022, 11(2): pp. 299-332

   Intangible assets are absent from traditional measures of value despite their growing importance in firms' capital stocks. We propose a simple improvement to the classic Fama and French (1992, 1993) value factor that incorporates intangibles and addresses differences in accounting practices across industries. Our intangible value factor, HML^{INT}, prices assets as well as or better than the traditional value factor but yields substantially higher returns. This outperformance holds over the entire sample period, including in more recent decades during which value has underperformed. We show that the intangible value factor sorts more effectively within industries on productivity, profitability, financial soundness, and on other valuation ratios such as price-to-earnings.

3. **How Have Banks Been Managing the Composition of High-Quality Liquid Assets?**

   (with Jane Ihrig, Cindy M. Vojtech, and Gretchen C. Weinbach)

   Federal Reserve Bank of St. Louis Review, 2019, 101(3), pp. 177-201

   Banks' liquidity management practices are fundamental to understanding the implementation and transmission of monetary policy. Since the Global Financial Crisis of 2007-09, these practices have been shaped importantly by the liquidity coverage ratio requirement. Given the lack of public data on how banks have been meeting this requirement, we construct estimates of U.S. banks' high-quality liquid assets (HQLA) and examine how banks have managed these assets since the crisis. We find that banks have adopted a wide range of HQLA compositions and show that this empirical finding is consistent with a risk-return framework that hinges on banks' aversion to liquidity and interest rate risks. We discuss how various regulations and business model choices can drive HQLA compositions in general, and connect many of the specific compositions we see to banks' own public statements regarding their liquidity strategies. Finally, we highlight how banks' preferences for the share of HQLA met with reserves affect the Fed's monetary policy implementation framework.

Conferences & Seminar Presentations

2023: UCLA Anderson, Michigan Ross, Virginia Tech Pamplin, Treasury OFR, Rochester Simon, USC Marshall, Notre Dame Mendoza, Federal Reserve Board, Indiana Kelley, Penn State Smeal, FDIC, UC Irvine Merage, FIRS (discussant), SIF (discussant)

2022: UCLA Anderson

2021: UCLA Anderson

2020: SFS Cavalcade, FIRS (cancelled)

2018: UCLA Anderson

2017: Federal Reserve Board

Teaching

UCLA Anderson

Fintech (MBA), TA for Andrea Eisfeldt	2021, 2023
Foundations of Finance (EMBA), TA for Barney Hartman-Glaser	2022
Foundations of Finance (MBA), TA for David Wessels	2019, 2020, 2021, 2022
Foundations of Finance (MBA), TA for Bernard Herskovic	2021
Foundations of Finance (MBA), TA for Matthieu Gomez	2021
COVID-19, Real Estate, and the Capital Markets (MBA), TA for Stuart Gabriel	2020
Credit Markets (MFE), TA for Holger Kraft	2019
Real Estate Capital Markets and Securitization (EMBA) TA for Stuart Gabriel	2019

Fudan University

Corporate Finance and Valuation (MFin), TA for Andrea Eisfeldt	2020, 2021, 2022, 2023
Financial Risk Management (MFin), TA for Mark Garmaise	2019

Workshops & Summer Schools

Advanced Workshop on Research Design for Causal Inference, Northwestern Law	2022
Princeton Initiative: Macro, Money and Finance Virtual Conference	2020
MFS-Wharton Virtual Summer School on Macro Finance	2020
MFR Program Summer Session for Young Scholars, Becker Friedman Institute	2020

Mitsui Center Summer School on Structural Estimation in Corporate Finance	2019
Workshop on the Financial Economics of Insurance, Princeton University	2019
MIT-FARFE Capital Markets Research Workshop	2019

Honors & Fellowships

UCLA Xavier Drèze Prize for Best Ph.D. Student Research Paper	2023
UCLA Ziman Center Gilbert Doctoral Student Fellow	2022 - 2023
UCLA Ziman Center Research Grant	2021
UCLA Anderson Fellowship	2017 - 2021
UCLA Anderson Fink Center PhD Research Grant	2020
Honorable Mention (Economics), NSF Graduate Research Fellowship Program	2017
Special Achievement Award, Federal Reserve Board	2016
2nd Place, MIT Undergraduate Economics Association Award for Excellence in Writing	2015

Professional Experience

Academic:

Research Assistant for Andrea Eisfeldt, UCLA Anderson	2017 - 2019
Full-time Research Assistant, Federal Reserve Board	2015 - 2017
Research Assistant for Antoinette Schoar, MIT Sloan	2014 - 2015
Research Assistant for Dave Donaldson, MIT Economics	2010 - 2012

Referee Service:

Real Estate Economics, Journal of Financial and Quantitative Analysis

Administrative:

Coordinator, UCLA Anderson PhD Student Seminar Series	2019 - 2021
Associate Advisor (with Sara Ellison), MIT Economics	2014 - 2015
Faculty Liaison, MIT Undergraduate Economics Association	2014 - 2015

Other:

Military Service, Republic of Korea Army	2012 - 2013

Additional Information

Citizenship:	United States, Republic of Korea
Software & Programming:	Stata, R, SAS, MATLAB, Python
Languages:	English (Fluent), Korean (Native), Chinese (Advanced)