Nayoung Lee

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Research Interests

Macroeconomics, Macroeconometrics

Education

Indiana University Bloomington — Indiana, United States
Ph.D. in Economics — *Aug 2022 – May 2027 (Expected)*

Seoul National University — Seoul, Korea
B.A. in Business Administration; Minor in Economics — *Mar 2012 – Feb 2018*

Vienna University of Economics and Business (WU) — Vienna, Austria
Exchange Program in Business — *Sep 2014 – Jan 2015*

Work Experience

Bank of Korea, Junior Economist — *Jan 2018 – Jul 2022*
Research Department — *Jan 2018 – Jan 2020*
Monetary Policy Board Secretariat — *Feb 2020 – Jul 2022*

Research

Fiscal Beliefs and the Effectiveness of Fiscal Consolidation (JMP)

Abstract: Using the FRBNY Survey of Consumer Expectations, I document heterogeneity in household fiscal beliefs and embed it in a quantitative HANK model. The central finding is that the effectiveness of fiscal consolidation depends not only on average fiscal beliefs, but also on their distribution across households with different MPCs, income, and wealth. Relative to full-information rational expectations, average beliefs weaken tax-based consolidation, while belief heterogeneity offsets about one third of this weakening.

Prior Selection for VAR Forecasts

Abstract: I provide a systematic framework for prior selection in Bayesian VAR forecasting that addresses two limitations of the widely used method of Giannone et al. (2015): dependence on the choice of hyperprior and overweighting of in-sample fit. I propose using Relative Entropy Prior Sensitivity by Ho (2023), which alleviates these limitations and improves forecast accuracy, particularly during structural breaks. These gains arise from the shape of the likelihood.

Conference & Workshop Presentations

2026: Macro Workshop (Indiana University), Midwest Macroeconomics Meeting (Marquette University), Midwest Econometrics Group Annual Meeting (University of Cincinnati, selected for Junior Economist Mentoring Workshop), Economics Graduate Student Conference (Washington University in St.Louis).

2025: Hoosier Economic Conference (Indiana University).

Honors, Awards, & Fellowships

Dissertation Fellowship (full-year), Department of Economics, Indiana University, 2026.
Distinguished Alumni Fellowship, Department of Economics, Indiana University, 2026.
Second Place, Bank of Korea Research Paper Competition, Bank of Korea, 2019.
Full Tuition Merit Scholarship, College of Business Administration, Seoul National University, 2014–2015.

Teaching

Graduate Macroeconomic Theory I and II
Teaching Assistant — *Fall 2023, Spring 2024, Spring 2025, Fall 2025, Spring 2026*

Fundamentals of Economics I
Teaching Assistant — *Fall 2022, Spring 2023*

Fundamentals of Economics II
Associate Instructor — *Fall 2024*

References

Todd B. Walker (Co-advisor)
Walter Professor of Financial Economics
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Christian Matthes (Co-advisor)
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