



**Sara Fisher Ellison**  
Senior Lecturer  
Department of Economics

MIT, E18-269B  
50 Ames Street (packages)  
77 Massachusetts Ave.(mail)  
Cambridge, MA 02142

November 13, 2014

To whom it may concern:

I am writing in support of the application of Youngjun Jang, one of MIT's top micro students on the market this year. Youngjun has been working in the field of empirical IO addressing questions related to consumer search and technology. His job market paper is a very comprehensive and careful analysis of these issues in the Korean retail gasoline market. He provides convincing descriptive evidence that the increasing availability to consumers of price information in this market does not result in lower prices or less price dispersion. He then rationalizes this somewhat counterintuitive result by estimating a two-type consumer search model and showing that equilibrium price dispersion and levels can increase as consumers become more informed. Finally, he performs counterfactuals with this structural model to tell us the likely effects of continued increases in consumer price awareness, as is likely to occur as smart phone usage increases and apps to find low gas prices improve.

It is an outstanding paper that presents a quite large set of results in a clear and cogent manner, making contributions to literatures both on price search and on technology adoption and its effects. In many fields, I would think that the contributions in this paper would justify at least two separate papers, but I think of IO as, stylistically, preferring denser and more substantial papers.

Although the crafting of the paper and the estimation of the model are excellent, Youngjun has impressive skills in another dimension that are showcased in his job market paper: he has extraordinary ability to talk people into giving him data sets. His skill is almost uncanny. When he first came to me with ideas about studying consumer search costs with data he had obtained on retail gasoline prices in Korea, I told him that this was an interesting area, but a number of papers had already been written on search costs using just pricing data. What would be fantastic is if he could somehow obtain quantity data. Fantastic but probably impossible. But he went out and got some: daily, station-level quantity data from one of the four main gas station companies in Korea! Then I said that if you want to study the effect of technology on search costs, having a time series on technology diffusion would be great, but really obtaining it at the region level would be ideal because that would provide variance to help you identify effects separate from a time trend. Again, who's going to give him such data? But he went out and got it: regional time series of smart phone diffusion from one of the three main cell phone companies in Korea. I'm still in awe.

PHONE: (617) 253-3821

FAX: (617) 253-1330

sellison@mit.edu

<https://econ-www.mit.edu/faculty/sellison>

Youngjun has also managed to get a very impressive student-level data set of test scores on Korean standardized tests. He has been working on a project estimating the effects of single-sex education using these data and exploiting a natural experiment resulting from a policy shift by the Korean government on single-sex education. Because he has student-level data as opposed to just average test scores, he is able to look at effects in all parts of the distribution, not just average effects. These results are preliminary, but I think they will be quite interesting and an important contribution to the education literature.

On the personal front, I find Youngjun to be very pleasant and easy to work with. I would expect those qualities to make him a welcome addition to the social fabric of any department. I am also impressed in general by his work ethic and the progress he has made since returning from the Korean military. He took two years off in the middle of graduate school to fulfill his military service, and I can only imagine that reentering the world of academia after that experience was quite jarring.

Youngjun is a pretty soft-spoken guy and he tends to undersell the importance of his work and back down too quickly when he is pushed on elements of what he has done. I attribute this to Korean deference and am trying to wean him of this. I hope this tendency will not be mistaken for a general lack of poise. I do want to assure you that in situations where Youngjun is comfortable and confident, he exhibits plenty of poise. I think it's just a matter of time before he gains a little more bravado, and he will still be a wonderful colleague in the interim--hard-working, earnest, pleasant, productive.

In short, let me just say that Youngjun will be appreciated by colleagues and students alike and would be an excellent addition to your department. I recommend him highly. Please contact me if you have any other questions about him.

Best,

A handwritten signature in cursive script, appearing to read "Sara Fisher Ellison".

Sara Fisher Ellison