



KDI SCHOOL

WORKING PAPER SERIES

KDI 국제정책대학원

KDI School of Public Policy and Management

KDI SCHOOL WORKING PAPER SERIES

Credit Card Usage Behaviors among Elderly Korean Consumers

Kwon JUNG

July 2010

Working Paper 10-06



This paper can be downloaded without charge at:
KDI School of Public Policy and Management Working Paper Series Index:
<http://www.kdischool.ac.kr/faculty/paper.asp>

Credit Card Usage Behaviors among Elderly Korean Consumers

Kwon Jung^{*}

July 2010

* Professor, KDI School of Public Policy & Management, P.O.Box 184 Cheong-Nyang, Seoul, Korea 130-650, e-mail: jungk@kdischool.ac.kr, fax: +822-3299-1240

Credit Card Usage Behaviors among Elderly Korean Consumers

ABSTRACT

Korea is the fastest aging country in the world and silver market in Korea has beginning to emerge in 2008 as Korean baby boomers start to retire and will become a 148 trillion KRW market by 2020. Based on the fact that Net assets of households headed by over 55 years old are much higher than those of average Korean households, understanding their usage behaviors on financial products becomes important to financial institutions targeting old consumer groups. This study examines older Korean consumers' credit card usage behaviors in terms of key demographic variables.

Keywords: Credit card usage behavior, Elderly consumer, Korea

JEL Code: M39

Credit Card Usage Behaviors among Elderly Korean Consumers

INTRODUCTION

Korea is the fastest aging country in the world. According to the UN, a country is classified as an 'aging society' when more than 7% of its population is older than 65 years old. When the percentage reaches over 14%, it is classified as an 'aged society.' When more than 20% of population is older than 65, the country is called as a 'super aged society.' Korea became an aging country in 2000 by having 7.2% of its population with older than 65 years old. It is expected to become an aged society by 2019 and a super aged country by 2026 (Korea National Statistics Office 2006). No other country in the world has aged this fast. It took France 115 years and the U.S. 71 years to reach from an 'ageing society' to 'aged society.' Korea is expected to make this shift in less than 20 years. Therefore, unlike these developed countries which had a lot more time to deal with the aged population, Korea has to deal with aging population problem without much preparation time.

The shift in age structure of a society opens new market opportunities due to rising demand for so-called silver industry, which are targeted to the mature market. According to Industry estimates, silver market in Korea has beginning to emerge in 2008 as Korean baby boomers start to retire and will become a 148 trillion KRW market by 2020 (The Korea Chamber of Commerce and Industry, 2006). The expected growth rate of this market is 12.9%, which significantly exceeds overall consumer market growth rate of 4.7%.

Among various industries, the financial sector will face big market opportunity because of the wealth possessed by the older consumer group. In the U.S., people aged

55 and over control more than 75 percent of the USA's assets and more than half of the discretionary income (Linden, 1986). In Korea, net assets of households headed by over 55 years old are 33.6% higher than those of average households (The Korea Chamber of Commerce and Industry, 2006). Understanding this older consumer group's usage behaviors of financial products becomes vital to most financial institutions.

Therefore, the objective of this study is to examine older consumers' usage behaviors of financial products. More specifically, older consumer group's usage behaviors of credit cards are examined in terms of key demographic variables. In doing so, meaningful pattern of their consumption behaviors are hope to be identified to provide practical implications to marketers of financial products.

BACKGROUND

Silver Market in Korea

Population estimation in Korea reveals that the senior population over the age of 65 is increasing while the youth population under the age of 14 is shrinking down to the half of that in 1960s. The number of older persons has already doubled over the last 15 years, and is forecast to double again over the next 15 years (Korea National Statistics Office, 2010). The effect of population trend in total dependency ratio and index of aging is shown in the Figure 1.

From the marketer's perspective, this population shift means a shift in market power; bigger pie of total market says higher demand. According to Industry estimates, silver market in Korea has beginning to emerge in 2008 as Korean baby boomers start to retire and will become a 148 trillion KRW market by 2020 (The Korea Chamber of Commerce and Industry, 2006). The expected growth rate of this market is 12.9%, which significantly exceeds overall consumer market growth rate of 4.7%. Figure 2

reports the expected growth rate of silver market in Korea across various industries. Support for the high growth rate is evidenced by the amount of asset hold by mature population. Net assets of households headed by over 55 years old are much higher than those of average households as shown in Table 2. With the smaller size of senior households, the difference of net assets between younger and older groups becomes more significant on per capital basis. In addition, seniors today are more likely to spend. People are living longer and thus, when considering the lifetime value of consumers, seniors spend longest at the later life stage than in any other traditional marketing stage (Nielson and Curry, 1997). Thus, in terms of sheer size, economic power and longevity of demands, the older consumer market is increasingly important.

Insert Figure 1 and 2 and Table 1 about here

Aging and Credit Cards Usage Behaviors

Early work in gerontology has focused on explaining behaviors in later life. Disengagement theory holds that on retirement both society and older persons are mutually obliged to withdraw from each other and a new equilibrium is reached equally satisfying to the elderly and society (Atchley, 1987; Moschis, 1992; 1994a; 1996). With age, older people's social networks shrink, family size decreases, and consumption needs in general decrease including financial product such as credit cards. Biophysical changes in various body systems may deter the old people's ability to shop around. This may also contribute reduced need for credit cards as people get old. Thus, it is predicted that age is inversely related to credit card use among elderly people. Thus, the following hypothesis is suggested:

- H1: The older the elderly person, the more likely the person (a) to have fewer numbers of credit cards and (b) to spend less amount of money by their credit cards.

Activity or engagement theory in gerontology holds that the aged person's psychological and social wellbeing is based on various types of activities relevant to a given role (e.g., profession). As they experience exit from obligatory role, the elderly engage in compensatory activities to remain socially and psychologically fit (Moschis, 1992; 1994a; 1996). However, whether an aged person will maintain socially and psychologically active lifestyles depends on availability of resources. Income is expected to enable the aged person to stay engaged and, therefore, affect credit card use (Moschis, 1994b). Income may affect an aged person's credit card usage behavior in a number of ways. First, the high level of income may attract many opportunity to get various credit cards in the first place. Second, availability of higher credit limit would affect higher income people's ability to use credit cards in various occasions. Third, the person's income *per se* is likely to affect his/her inclination to buy more products (therefore, more opportunity to use credit cards). Thus, it is expected that those with higher income will be also heavier user of credit cards, regardless of age.

H2: The higher the elderly person's income, more likely the person (a) to have more numbers of credit cards and (b) to spend more amounts by their credit cards.

An employed elderly person is likely to have more occasions where use of credit card is advantageous. For example, companies may require credit card payment as a proof of payment for expense-reporting purposes. In addition, regular income may encourage the use of credit card. On the other hand, in line with the disengagement theory, a person who is no longer employed may not have a similar need and situation. Thus, one can expect those who are retired to make lower use of credit cards, regardless of age.

H3: The elderly people who are retired are likely (a) to have less number of credit cards and (b) to spend less amount of money by their credit cards.

METHOD

Samples

A survey was conducted in 2009 across four major cities in Korea, using a quota sampling approach. Quotas are set first for gender and age categories based on population statistics. Then, they are adjusted to ensure a certain minimum respondents for each sub category. A total of 750 valid responses are collected by a professional marketing research company. Age quotas are set for five age groups with 150 samples for each age quota: (1) 60-64, (2) 65-69, (3) 70-74, (4) 75-79, and (5) 80+.

Credit card usage behaviors are measure in terms of number of credit card own and average monthly amount used by credit cards. 24.1% (n=181) of the sample own at least one credit card. Among those who own credit card, average monthly amount used by credit cards turns out to be about KRW260,000 (KRW 259,945).

RESULTS

Hypothesis Testing

In order to test the predicted differences in credit card usage among the elderly people, chi-square tests are conducted first because the number of credit cards owned and average amount used by credit cards are measured on a categorical scale. Although they are measured by a categorical scale, the response category is arranged in a continuous manner, ANOVA and t-tests are conducted together by converting them into a continuous scale. The test results are summarized in Table 2 and 3.

Insert Table 2 and 3 here

In terms of the number of credit card owned, both chi-square tests and mean comparison tests support the predicted differences. The number of credit card owned is found to be negatively related to age ($\chi^2=129.4$, $p<.001$; Gamma=-.58, $p<.001$) and positively related to income ($\chi^2=112.8$, $p<.001$; Gamma=.49, $p<.001$). The retired elderly own fewer numbers of credit cards than those who are not retired ($\chi^2=31.7$, $p<.001$; Cramer's V=.21, $p<.001$). The comparisons in the average number of credit card owned also confirmed the predicted difference on age ($F=31.4$, $p<.001$), income ($F=19.7$, $p<.001$), and retirement status ($F=21.2$, $p<.001$). Thus, H1(a), H2(a) and H3(a) are supported.

As for the average monthly amount used by credit cards, the predicted difference is observed for income only ($\chi^2=33.7$, $p<.05$; Gamma=.31, $p<.001$), supporting H2(b). No significant difference is found either for age ($\chi^2=18.2$, $p=.58$; Gamma=-.08, $p=.36$) or for retirement status ($\chi^2=5.1$, $p=.40$; Cramer's V =.17, $p=.40$). Thus, H1(b) and H3(b) are not supported.

Exploratory Analysis on Interaction Effect between Age and Income

The possibility of interaction effect between age and income is further examined using ANOVA. It is expected that among those with high income, ownership and use will show little change with age, since income both enables the elderly to own a large number of credit cards and to purchase a large number of goods and services. However, among those with lower income, variations with age in both credit card ownership and use are expected, because limited income may suppress owning credit cards and purchases.

To examine this relationship, bottom two and upper two brackets of age and income groups are combined and compared to maximize the effects due to age, income,

and their interaction. The ANOVA results are summarized in Table 4 and the relationship plots are presented in Figure 1 and 2.

Insert Table 4 and Figure 1 & 2 here

First, the results found significant main effects of age ($F=110.55$, $p<.01$) and income ($F=41.43$, $p<.01$) and a significant interaction effect of the two on credit card ownership ($F=21.54$, $p<.01$). The examination of the response plot in Figure 1 reveals that the pattern of interaction observed on the credit card ownership is not consistent with the prediction. Contrary to the expectation that predicts stronger effect of income over age at higher income level, age seems to have stronger effect over income at both high and low levels of income. That is, the credit card ownership is reduced as age increases in both high and low income groups.

Second, the results on the amount used by credit cards show significant main effect of income only ($F=6.81$, $p<.05$). The main effect of age and the interaction effect are not significant ($F=3.24$, $p=.08$ and $F=.01$, $p=.91$, respectively). These findings suggest that income is the main factor that produces differences in the amount used by credit cards for the elderly consumer.

CONCLUSIONS

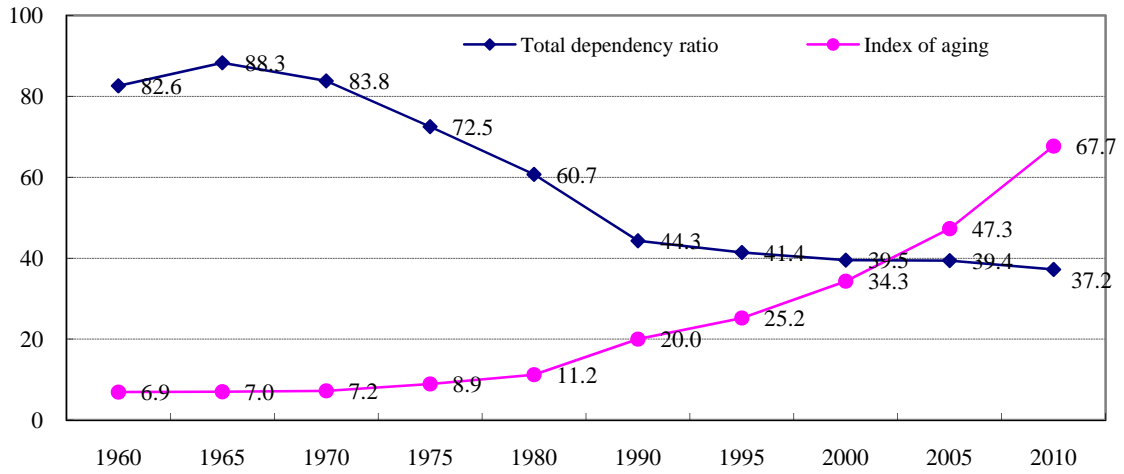
This study examined credit card usage behaviors among elderly consumers in Korea. Credit card use is predicted to be different according to age, income and retirement status. The results show that the number of card owned is negatively related to age and positively related to income level. Those who are not retired own more credit cards than those who retired. Although the average monthly expenditure by credit cards

is positively related to income as predicted, it is not significantly different in terms of age and retirement status.

These findings provide useful implications to marketers of a credit card company when they are searching for key target group from the elderly consumers. In general, revenues from credit card come from two main sources: membership fees and transaction fees. If a credit card company intends to increase revenue from membership fees or intends to increase its market share in number of credit card from elderly consumers, it has to target relatively younger, higher income and non-retired group of elderly consumers. Once the company reaches its target market share in number of credit card, it has to focus on high income group to generate its revenue from transaction fees because the expenditure by credit card among the elderly consumer group is influenced by their income level.

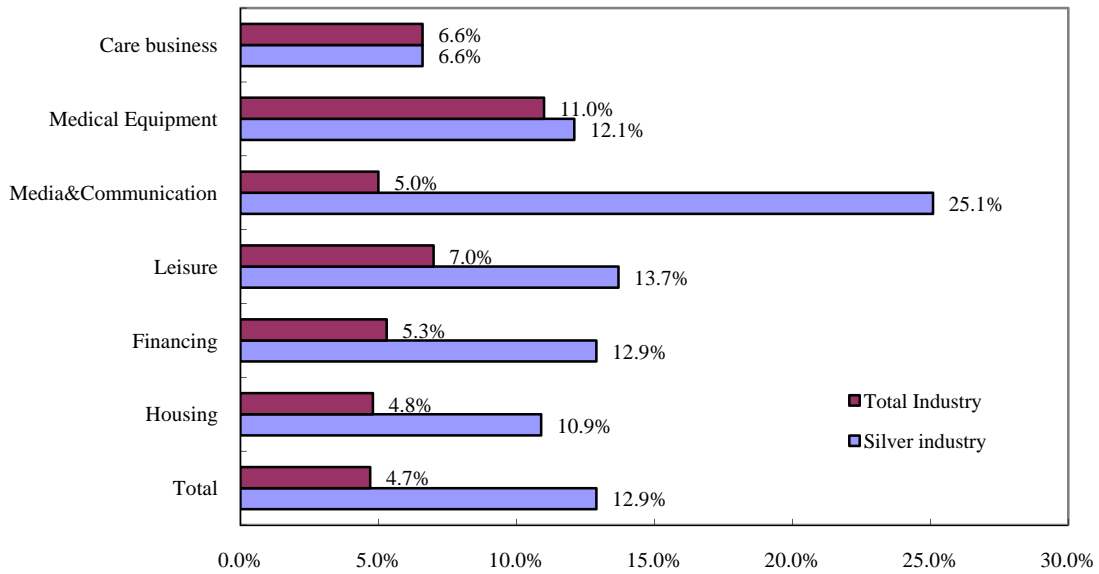
In order to have more complete understating on older consumer group's credit card usage behavior, comparison with younger consumer group is necessary in future research. Also, examinations and comparisons across usage behaviors on other financial products and services are required in future research.

Figure 1
Dependency Ratio and Index of Aging in Korea



Source: Statistics Korea (2009)

Figure 2
Growth Expectation of Silver Market in Korea



Source: The Korea Chamber of Commerce and Industry

Table 1
Net Assets by Age Groups (including savings, real estates, and other financial assets)

Age of Head of households	Total Assets (ten thousands won)	Net asset (ten thousands one)
Average	28,122.3	24,164.4
25-29	6,675.7	5,431.8
30-34	12,310.2	9,431.5
35-39	21,936.0	17,629.8
40-44	29,298.8	24,031.2
45-49	31,261.1	26,655.2
50-54	36,033.6	31,495.8
55-59	38,787.2	34,062.3
60-64	37,325.0	33,272.9
65 +	29,544.3	29,544.3

Source: Statistics Korea (2006)

Table 2
Number of Credit Card Owned

Demographics		Total (750)	Number of credit card				Chi-square (Gamma/ Cramer's V)	Average Number of Credit Cards ¹	F
			None (n=569)	1 (n=94)	2 (n=61)	3+ (n=26)			
Total		100%	75.9%	12.5%	8.1%	3.5%	.39		
Age	60~64	20.0%	14.2%	37.2%	34.4%	50.0%	129.4** (Gamma= -.58**)	.77 ^a .71 ^a .25 ^b .19 ^{bc} .03 ^c	31.4**
	65~69	20.0%	14.9%	34.0%	39.3%	34.6%			
	70~74	20.0%	22.1%	13.8%	13.1%	11.5%			
	75~79	20.0%	22.8%	12.8%	13.1%	.0%			
	80+	20.0%	25.8%	2.1%	.0%	3.8%			
Income	Less than 1m	34.3%	42.5%	5.3%	11.5%	11.5%	112.8** (Gamma =.49**)	.11 ^a .39 ^b .49 ^{bc} .72 ^{cd} .90 ^d	19.7**
	1m~1.99m	26.4%	25.3%	37.2%	24.6%	15.4%			
	2m~2.99m	15.7%	13.2%	30.9%	21.3%	3.8%			
	3m~4.99m	21.1%	17.0%	24.5%	37.7%	57.7%			
	More than 5m	2.5%	1.9%	2.1%	4.9%	11.5%			
Retired	Yes	44.7%	49.7%	25.5%	41.0%	11.5%	31.7** (Cramer's V=.21**)	.25 .51	21.2**
	No	55.3%	50.3%	74.5%	59.0%	88.5%			

*: p<.05, **: p<.01

^{a,b,c,d}: Means with different alphabets are significantly different (p<.05) based on Duncan contrasts.

¹ The average number of credit cards is calculated by treating the categorical responses as a continuous scale.

Table 3
Average Monthly Amount Used by Credit Cards

Demographics	Total (n=181)	Monthly Amount Used						Chi-square (Gamma/ Cramer's V)	Average Amount Used ¹	F	
		~99K (n=26)	100~ 199K (n=49)	200~ 299K (n=49)	300~ 299K (n=22)	400~ 499K (n=12)	500K~ (n=25)				
Total	100%	14.4%	27.1%	27.1%	11.0%	6.6%	13.8%		260.0K		
Age	60~64	38.1%	42.3%	34.7%	34.7%	50.0%	16.7%	48.0%	18.2 (Gamma= -.08)	265.9K 268.5K 258.3K 205.0K 316.7K	.8
	65~69	35.9%	26.9%	32.7%	42.9%	40.0%	41.7%	32.0%			
	70~74	13.3%	11.5%	16.3%	14.3%	.0%	16.7%	16.0%			
	75~79	11.0%	19.2%	14.3%	6.1%	10.0%	25.0%	.0%			
	80+	1.7%	.0%	2.0%	2.0%	.0%	.0%	4.0%			
Income	Less than 1m	8.3%	15.4%	6.1%	8.2%	.0%	8.3%	12.0%	33.7* (Gamma =.31**)	250.0K ^{ab} 214.8K ^a 212.8K ^a 318.9K ^{bc} 387.5K ^c	6.2**
	1m~1.99m	29.8%	30.8%	42.9%	32.7%	20.0%	8.3%	16.0%			
	2m~2.99m	23.8%	30.8%	26.5%	26.5%	25.0%	33.3%	.0%			
	3m~4.99m	33.7%	23.1%	22.4%	28.6%	50.0%	41.7%	60.0%			
	More than 5m	4.4%	.0%	2.0%	4.1%	5.0%	8.3%	12.0%			
Retired	Yes	28.7%	15.4%	34.7%	34.7%	20.0%	33.3%	24.0%	5.1 (Cramer's V=.17)	259.6K 260.1K	.0
	No	71.3%	84.6%	65.3%	65.3%	80.0%	66.7%	76.0%			

*: p<.05, **: p<.01

^{a,b,c,d}: Means with different alphabets are significantly different (p<.05) based on Duncan contrasts.

¹ The average amount is calculated by treating the categorical responses as a continuous scale. The middle value of each response category is used.

Table 4
ANOVA Results

Source	df	F-value	
		Number of credit card owned	Average amount used by credit card
<u>Main Effects</u>			
Age	1	110.55**	3.24
Income	1	41.43**	6.81*
<u>Interaction</u>			
Age x Income	1	21.54**	0.01

Figure 1
Credit Card Ownership by Age and Income

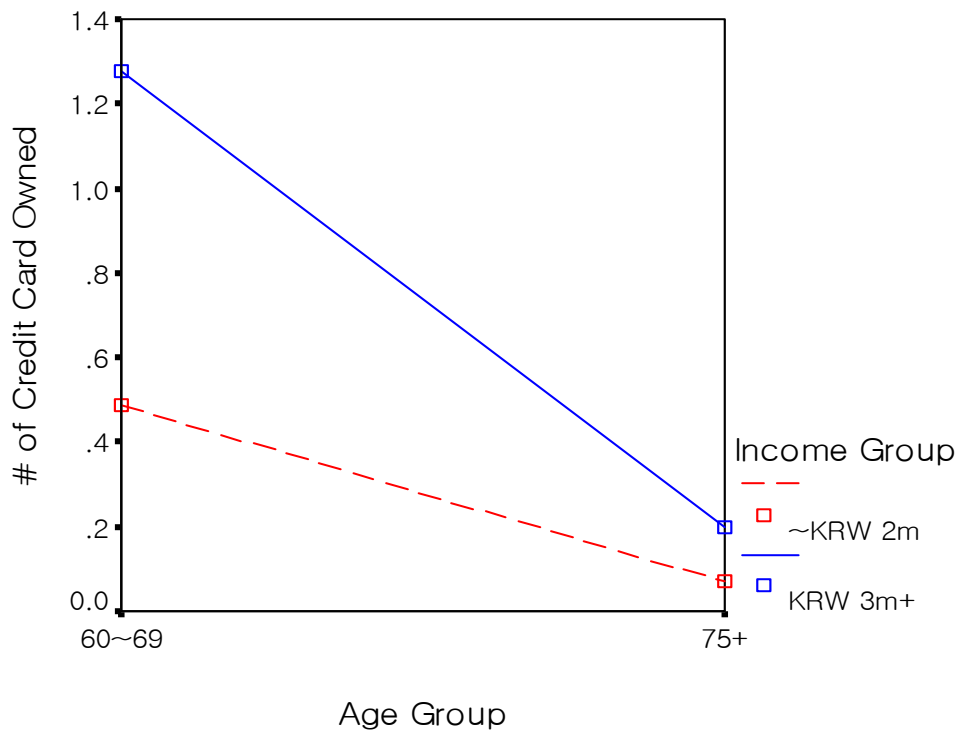
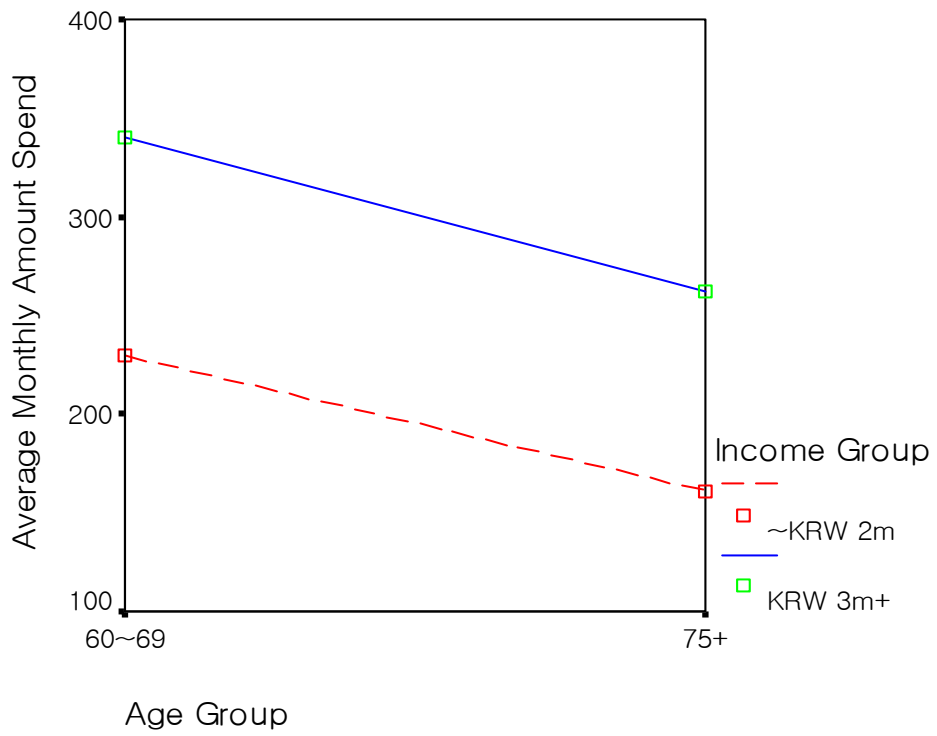


Figure 2
Average Monthly Amount by Age and Income



REFERENCES

- Atchley, R.C. (1987), *Aging: Continuity and Change*, 2nd ed., Belmont, CA: Wadsworth Publishing
- Korean National Statistics Office (2006), *Population Projections for Korea: 2005~2050 (Based on the 2005 Census)*
(http://ups.kosis.kr/publication/sv_grp_ch_list.jsp?PUBCODE=PJ&KOR_NAME=장래인구추계&GRP_NO=1002&GRP_NAME=인구·가구&WEB_PRINT_TYPE=F&ISSN_NO=&PUB_LEVEL=3)
- Korea National Statistics Office (2010), *2009 Social Indicators in Korea*, Statistics Korea.
- The Korea Chamber of Commerce & Industry (2006), *Growth Prospects of Korean Silver Industry* (available at:
http://www.korcham.net/EconNews/KcciReport/CRE01102R.asp?m_menu=&m_DataID=20060728004&m_chamcd=A001&m_query=&m_queryText=&m_page=1)
- Linden, F. (1986), "Spending Boom and Burst," *American Demographics*, October, 25; 1A.
- Moschis, George P. (1992), *Marketing to Older Consumers*, Westport, CN: Quorum Books.
- Moschis, George P. (1994a), *Marketing Strategies for the Mature Market*, Westport, CN: Quorum Books.
- Moschis, George P. (1994b), "Use of Credit Cards by Older Americans," *Journal of Services Marketing*, Vol. 8 (1), 27-36.
- Moschis, George P. (1996), *Gerontographics: Life-stage Segmentation for Marketing Strategy Development*, Westport, CN: Quorum Books.
- Nielson, John and Kathy Curry (1997), "Creative Strategies for Connecting with Mature Individuals," *Journal of Consumer Marketing*, Vol. 14(4/5), pp. 310-322.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	99-01	Se-II Park	Labor Market Policy and The Social Safety Net in Korea: After 1997 Crisis
Working Paper	99-02	Sang-Woo Nam	Korea's Economic Crisis and Corporate Governance
Working Paper	99-03	Sangmoon Hahm	Monetary Bands and Monetary Neutrality
Working Paper	99-04	Jong-II You Ju-Ho Lee	Economic and Social Consequences of globalization: The Case of South Korea
Working Paper	99-05	Sang-Woo Nam	Reform of the Financial Sector in East Asia
Working Paper	99-06	Hun-Joo Park	Dirigiste Modernization, Coalition Politics, and Financial Policy Towards Small Business: Korea, Japan, and Taiwan Compared
Working Paper	99-07	Kong-Kyun Ro	Mother's Education and Child's Health: Economic Anlysis of Korean Data
Working Paper	99-08	Euysung Kim	Trade Liberalization and Productivity Growth in Korean Manufacturing Industries: Price Protection, Market Power, and Scale Efficiency
Working Paper	99-09	Gill-Chin Lim	Global Political-Economic System and Financial Crisis: Korea, Brazil and the IMF
Working Paper	99-10 (C99-01)	Seung-Joo Lee	LG Household & Health Care: Building a High-Performing Organization
Working Paper	00-01	Sangmoon Hahm Kyung-Soo Kim Ho-Mou Wu	Gains from Currency Convertibility: A Case of Incomplete Markets
Working Paper	00-02	Jong-II You	The Bretton Woods Institutions: Evolution, Reform and Change
Working Paper	00-03	Dukgeun Ahn	Linkages between International Financial and Trade Institutions: IMF, World Bank and WTO
Working Paper	00-04	Woochan Kim	Does Capital Account Liberalization Discipline Budget Deficit?
Working Paper	00-05	Sunwoong Kim Shale Horowitz	Public Interest "blackballing" in South Korea's Elections: One-Trick Pony, or Wave of the Future?
Working Paper	00-06	Woochan Kim	Do Foreign Investors Perform Better than Locals? Information Asymmetry versus Investor Sophistication
Working Paper	00-07	Gill-Chin Lim Joon Han	North-South Cooperation for Food Supply: Demographic Analysis and Policy Directions
Working Paper	00-08 (C00-01)	Seung-Joo Lee	Strategic Newspaper Management: Case Study of Mael Business
Working Paper	01-01	Seung-Joo Lee	Nokia: Strategic Transformation and Growth
Working Paper	01-02	Woochan Kim Shang-Jin Wei	Offshore Investment Funds: Monsters in Emerging Markets?
Working Paper	01-03	Dukgeun Ahn	Comparative Analysis of the SPS and the TBT Agreements
Working Paper	01-04	Sunwoong Kim Ju-Ho Lee	Demand for Education and Developmental State: Private Tutoring in South Korea
Working Paper	01-05	Ju-Ho Lee Young-Kyu Moh	Do Unions Inhibit Labor Flexibility? Lessons from Korea
Working Paper	01-06	Woochan Kim Yangho Byeon	Restructuring Korean Bank's Short-Term Debts in 1998 - Detailed Accounts and Their Implications -
Working Paper	01-07	Yoon-Ha YOO	Private Tutoring as Rent Seeking Activity Under Tuition Control

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	01-08	Kong-Kyun Ro	경제활동인구 변동의 요인분석: 선진국과의 비교분석
Working Paper	02-01	Sangmoon Hahm	Restructuring of the Public Enterprise after the Crisis : The Case of Deposit Insurance Fund
Working Paper	02-02	Kyong-Dong KIM	The Culture of Industrial Relations in Korea : An alternative Sociological Approach
Working Paper	02-03	Dukgeun Ahn	Korean Experience of the Dispute Settlement in the world Trading System
Working Paper	02-04	BERNARD S. BLACK Hasung Jang Woochan Kim	Does Corporate Governance Matter? (Evidence from the Korean Market)
Working Paper	02-05	Sunwoong Kim Ju-Ho Lee	Secondary School Equalization Policies in South Korea
Working Paper	02-06	Yoon-Ha YOO	Penalty for Mismatch Between Ability and Quality, and School Choice
Working Paper	02-07	Dukgeun Ahn Han-Young Lie	Legal Issues of Privatization in Government Procurement Agreements: Experience of Korea from Bilateral and WTO Agreements
Working Paper	02-08	David J. Behling Kyong Shik Eom	U.S. Mortgage Markets and Institutions and Their Relevance for Korea
Working Paper	03-01	Sang-Moon Hahm	Transmission of Stock Returns and Volatility: the Case of Korea
Working Paper	03-02	Yoon Ha Yoo	Does Evidentiary Uncertainty Induce Excessive Injurer Care?
Working Paper	03-03	Yoon Ha Yoo	Competition to Enter a Better School and Private Tutoring
Working Paper	03-04	Sunwoong Kim Ju-Ho Lee	Hierarchy and Market Competition in South Korea's Higher Education Sector
Working Paper	03-05	Chul Chung	Factor Content of Trade: Nonhomothetic Preferences and "Missing Trade"
Working Paper	03-06	Hun Joo Park	RECASTING KOREAN <i>DIRIGISME</i>
Working Paper	03-07	Taejong Kim Ju-Ho Lee	Mixing <i>versus</i> Sorting in Schooling: Evidence from the Equalization Policy in South Korea
Working Paper	03-08	Naohito Abe	Managerial Incentive Mechanisms and Turnover of Company Presidents and Directors in Japan
Working Paper	03-09	Naohito Abe Noel Gaston Katsuyuki Kubo	EXECUTIVE PAY IN JAPAN: THE ROLE OF BANK-APPOINTED MONITORS AND THE MAIN BANK RELATIONSHIP
Working Paper	03-10	Chai-On Lee	Foreign Exchange Rates Determination in the light of Marx's Labor-Value Theory
Working Paper	03-11	Taejong Kim	Political Economy and Population Growth in Early Modern Japan
Working Paper	03-12	Il-Horn Hann Kai-Lung Hui Tom S. Lee I.P.L. Png	Direct Marketing: Privacy and Competition
Working Paper	03-13	Marcus Noland	RELIGION, CULTURE, AND ECONOMIC PERFORMANCE
Working Paper	04-01	Takao Kato Woochan Kim Ju Ho Lee	EXECUTIVE COMPENSATION AND FIRM PERFORMANCE IN KOREA
Working Paper	04-02	Kyoung-Dong Kim	Korean Modernization Revisited: An Alternative View from the Other Side of History

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	04-03	Lee Seok Hwang	Ultimate Ownership, Income Management, and Legal and Extra-Legal Institutions
Working Paper	04-04	Dongsoo Kang	Key Success Factors in the Revitalization of Distressed Firms : A Case of the Korean Corporate Workouts
Working Paper	04-05	Il Chong Nam Woochan Kim	Corporate Governance of Newly Privatized Firms: The Remaining Issues in Korea
Working Paper	04-06	Hee Soo Chung Jeong Ho Kim Hyuk Il Kwon	Housing Speculation and Housing Price Bubble in Korea
Working Paper	04-07	Yoon-Ha Yoo	Uncertainty and Negligence Rules
Working Paper	04-08	Young Ki Lee	Pension and Retirement Fund Management
Working Paper	04-09	Wooheon Rhee Tack Yun	Implications of Quasi-Geometric Discounting on the Observable Sharp e Ratio
Working Paper	04-10	Seung-Joo Lee	Growth Strategy: A Conceptual Framework
Working Paper	04-11	Boon-Young Lee Seung-Joo Lee	Case Study of Samsung's Mobile Phone Business
Working Paper	04-12	Sung Yeung Kwack Young Sun Lee	What Determines Saving Rate in Korea?: the Role of Demography
Working Paper	04-13	Ki-Eun Rhee	Collusion in Repeated Auctions with Externalities
Working Paper	04-14	Jaeun Shin Sangho Moon	IMPACT OF DUAL ELIGIBILITY ON HEALTHCARE USE BY MEDICARE BENEFICIARIES
Working Paper	04-15	Hun Joo Park Yeun-Sook Park	Riding into the Sunset: The Political Economy of Bicycles as a Declining Industry in Korea
Working Paper	04-16	Woochan Kim Hasung Jang Bernard S. Black	Predicting Firm's Corporate Governance Choices: Evidence from Korea
Working Paper	04-17	Tae Hee Choi	Characteristics of Firms that Persistently Meet or Beat Analysts' Forecasts
Working Paper	04-18	Taejong Kim Yoichi Okita	Is There a Premium for Elite College Education: Evidence from a Natural Experiment in Japan
Working Paper	04-19	Leonard K. Cheng Jae Nahm	Product Boundary, Vertical Competition, and the Double Mark-up Problem
Working Paper	04-20	Woochan Kim Young-Jae Lim Taeyoon Sung	What Determines the Ownership Structure of Business Conglomerates? : On the Cash Flow Rights of Korea's Chaebol
Working Paper	04-21	Taejong Kim	Shadow Education: School Quality and Demand for Private Tutoring in Korea
Working Paper	04-22	Ki-Eun Rhee Raphael Thomadsen	Costly Collusion in Differentiated Industries
Working Paper	04-23	Jaeun Shin Sangho Moon	HMO plans, Self-selection, and Utilization of Health Care Services
Working Paper	04-24	Yoon-Ha Yoo	Risk Aversion and Incentive to Abide By Legal Rules
Working Paper	04-25	Ji Hong Kim	Speculative Attack and Korean Exchange Rate Regime
Working Paper	05-01	Woochan Kim Taeyoon Sung	What Makes Firms Manage FX Risk? : Evidence from an Emerging Market
Working Paper	05-02	Janghyuk Lee Laoucine Kerbache	Internet Media Planning: An Optimization Model

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	05-03	Kun-Ho Lee	Risk in the Credit Card Industry When Consumer Types are Not Observable
Working Paper	05-04	Kyong-Dong KIM	Why Korea Is So Prone To Conflict: An Alternative Sociological Analysis
Working Paper	05-05	Dukgeun AHN	Why Should Non-actionable Subsidy Be Non-actionable?
Working Paper	05-06	Seung-Joo LEE	Case Study of L'Oréal: Innovation and Growth Strategy
Working Paper	05-07	Seung-Joo LEE	Case Study of BMW: The Ultimate Driving Machine
Working Paper	05-08	Taejong KIM	Do School Ties Matter? Evidence from the Promotion of Public Prosecutors in Korea
Working Paper	05-09	Hun Joo PARK	Paradigms and Fallacies: Rethinking Northeast Asian Security
Working Paper	05-10	WOOCHAN KIM TAEYOON SUNG	What Makes Group-Affiliated Firms Go Public?
Working Paper	05-11	BERNARD S. BLACK WOOCHAN KIM HASUNG JANG KYUNG-SUH	Does Corporate Governance Predict Firms' Market Values? Time Series Evidence from Korea
Working Paper	05-12	Kun-Ho Lee	Estimating Probability of Default For the Foundation IRB Approach In Countries That Had Experienced Extreme Credit Crises
Working Paper	05-13	Ji-Hong KIM	Optimal Policy Response To Speculative Attack
Working Paper	05-14	Kwon Jung Boon Young Lee	Coupon Redemption Behaviors among Korean Consumers: Effects of Distribution Method, Face Value, and Benefits on Coupon Redemption Rates in Service Sector
Working Paper	06-01	Kee-Hong Bae Seung-Bo Kim Woochan Kim	Family Control and Expropriation of Not-for-Profit Organizations: Evidence from Korean Private Universities
Working Paper	06-02	Jaeun Shin	How Good is Korean Health Care? An International Comparison of Health Care Systems
Working Paper	06-03	Tae Hee Choi	Timeliness of Asset Write-offs
Working Paper	06-04	Jin PARK	Conflict Resolution Case Study: The National Education Information System (NEIS)
Working Paper	06-05	YuSang CHANG	DYNAMIC COMPETITIVE PARADIGM OF MANAGING MOVING TARGETS;
Working Paper	06-06	Jin PARK	A Tale of Two Government Reforms in Korea
Working Paper	06-07	Ilho YOO	Fiscal Balance Forecast of Cambodia 2007-2011
Working Paper	06-08	Ilho YOO	PAYG pension in a small open economy
Working Paper	06-09	Kwon JUNG Clement LIM	IMPULSE BUYING BEHAVIORS ON THE INTERNET
Working Paper	06-10	Joong H. HAN	Liquidation Value and Debt Availability: An Empirical Investigation
Working Paper	06-11	Brandon Julio, Woojin Kim Michael S. Weisbach	Uses of Funds and the Sources of Financing: Corporate Investment and Debt Contract Design

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	06-12	Hun Joo Park	Toward People-centered Development: A Reflection on the Korean Experience
Working Paper	06-13	Hun Joo Park	The Perspective of Small Business in South Korea
Working Paper	06-14	Younguck KANG	Collective Experience and Civil Society in Governance
Working Paper	06-15	Dong-Young KIM	The Roles of Government Officials as Policy Entrepreneurs in Consensus Building Process
Working Paper	06-16	Ji Hong KIM	Military Service : draft or recruit
Working Paper	06-17	Ji Hong KIM	Korea-US FTA
Working Paper	06-18	Ki-Eun RHEE	Reevaluating Merger Guidelines for the New Economy
Working Paper	06-19	Taejong KIM Ji-Hong KIM Insook LEE	Economic Assimilation of North Korean Refugees in South Korea: Survey Evidence
Working Paper	06-20	Seong Ho CHO	ON THE STOCK RETURN METHOD TO DETERMINING INDUSTRY SUBSTRUCTURE: AIRLINE, BANKING, AND OIL INDUSTRIES
Working Paper	06-21	Seong Ho CHO	DETECTING INDUSTRY SUBSTRUCTURE: - Case of Banking, Steel and Pharmaceutical Industries-
Working Paper	06-22	Tae Hee Choi	Ethical Commitment, Corporate Financial Factors: A Survey Study of Korean Companies
Working Paper	06-23	Tae Hee Choi	Aggregation, Uncertainty, and Discriminant Analysis
Working Paper	07-01	Jin PARK Seung-Ho JUNG	Ten Years of Economic Knowledge Cooperation with North Korea: Trends and Strategies
Working Paper	07-02	BERNARD S. BLACK WOOCHAN KIM	The Effect of Board Structure on Firm Value in an Emerging Market: IV, DiD, and Time Series Evidence from Korea
Working Paper	07-03	Jong Bum KIM	FTA Trade in Goods Agreements: 'Entrenching' the benefits of reciprocal tariff concessions
Working Paper	07-04	Ki-Eun Rhee	Price Effects of Entries
Working Paper	07-05	Tae H. Choi	Economic Crises and the Evolution of Business Ethics in Japan and Korea
Working Paper	07-06	Kwon JUNG Leslie TEY	Extending the Fit Hypothesis in Brand Extensions: Effects of Situational Involvement, Consumer Innovativeness and Extension Incongruity on Evaluation of Brand Extensions
Working Paper	07-07	Younguck KANG	Identifying the Potential Influences on Income Inequality Changes in Korea – Income Factor Source Analysis
Working Paper	07-08	WOOCHAN KIM TAEYOON SUNG SHANG-JIN WEI	Home-country Ownership Structure of Foreign Institutional Investors and Control-Ownership Disparity in Emerging Markets
Working Paper	07-09	Ilho YOO	The Marginal Effective Tax Rates in Korea for 45 Years : 1960-2004
Working Paper	07-10	Jin PARK	Crisis Management for Emergency in North Korea
Working Paper	07-11	Ji Hong KIM	Three Cases of Foreign Investment in Korean Banks
Working Paper	07-12	Jong Bum Kim	Territoriality Principle under Preferential Rules of Origin

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	07-13	Seong Ho CHO	THE EFFECT OF TARGET OWNERSHIP STRUCTURE ON THE TAKEOVER PREMIUM IN OWNER-MANAGER DOMINANT ACQUISITIONS: EVIDENCE FROM KOREAN CASES
Working Paper	07-14	Seong Ho CHO Bill McKelvey	Determining Industry Substructure: A Stock Return Approach
Working Paper	07-15	Dong-Young KIM	Enhancing BATNA Analysis in Korean Public Disputes
Working Paper	07-16	Dong-Young KIM	The Use of Integrated Assessment to Support Multi-Stakeholder negotiations for Complex Environmental Decision-Making
Working Paper	07-17	Yuri Mansury	Measuring the Impact of a Catastrophic Event: Integrating Geographic Information System with Social Accounting Matrix
Working Paper	07-18	Yuri Mansury	Promoting Inter-Regional Cooperation between Israel and Palestine: A Structural Path Analysis Approach
Working Paper	07-19	Ilho YOO	Public Finance in Korea since Economic Crisis
Working Paper	07-20	Li GAN Jaeun SHIN Qi LI	Initial Wage, Human Capital and Post Wage Differentials
Working Paper	07-21	Jin PARK	Public Entity Reform during the Roh Administration: Analysis through Best Practices
Working Paper	07-22	Tae Hee Choi	The Equity Premium Puzzle: An Empirical Investigation of Korean Stock Market
Working Paper	07-23	Joong H. HAN	The Dynamic Structure of CEO Compensation: An Empirical Study
Working Paper	07-24	Ki-Eun RHEE	Endogenous Switching Costs in the Face of Poaching
Working Paper	08-01	Sun LEE Kwon JUNG	Effects of Price Comparison Site on Price and Value Perceptions in Online Purchase
Working Paper	08-02	Ilho YOO	Is Korea Moving Toward the Welfare State?: An IECI Approach
Working Paper	08-03	Ilho YOO Inhyouk KOO	DO CHILDREN SUPPORT THEIR PARENTS' APPLICATION FOR THE REVERSE MORTGAGE?: A KOREAN CASE
Working Paper	08-04	Seong-Ho CHO	Raising Seoul's Global Competitiveness: Developing Key Performance Indicators
Working Paper	08-05	Jin PARK	A Critical Review for Best Practices of Public Entities in Korea
Working Paper	08-06	Seong-Ho CHO	How to Value a Private Company? -Case of Miele Korea-
Working Paper	08-07	Yoon Ha Yoo	The East Asian Miracle: Export-led or Investment-led?
Working Paper	08-08	Man Cho	Subprime Mortgage Market: Rise, Fall, and Lessons for Korea
Working Paper	08-09	Woochang KIM Woojin KIM Kap-sok KWON	Value of shareholder activism: evidence from the switchers
Working Paper	08-10	Kun-Ho Lee	Risk Management in Korean Financial Institutions: Ten Years after the Financial Crisis
Working Paper	08-11	Jong Bum KIM	Korea's Institutional Framework for FTA Negotiations and Administration: Tariffs and Rules of Origin
Working Paper	08-12	Yu Sang CHANG	Strategy, Structure, and Channel of Industrial Service Leaders: A Flow Chart Analysis of the Expanded Value Chain
Working Paper	08-13	Younguck KANG	Sensitivity Analysis of Equivalency Scale in Income Inequality Studies

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	08-14	Younguck KANG	Case Study: Adaptive Implementation of the Five-Year Economic Development Plans
Working Paper	08-15	Joong H. HAN	Is Lending by Banks and Non-banks Different? Evidence from Small Business Financing
Working Paper	08-16	Joong H. HAN	Checking Accounts and Bank Lending
Working Paper	08-17	Seongwuk MOON	How Does the Management of Research Impact the Disclosure of Knowledge? Evidence from Scientific Publications and Patenting Behavior
Working Paper	08-18	Jungho YOO	How Korea's Rapid Export Expansion Began in the 1960s: The Role of Foreign Exchange Rate
Working Paper	08-19	BERNARD S. BLACK WOOCHAN KIM HASUNG JANG KYUNG SUH	How Corporate Governance Affects Firm Value: Evidence on Channels from Korea
Working Paper	08-20	Tae Hee CHOI	Meeting or Beating Analysts' Forecasts: Empirical Evidence of Firms' Characteristics, Persistence Patterns and Post-scandal Changes
Working Paper	08-21	Jaemun SHIN	Understanding the Role of Private Health Insurance in the Universal Coverage System: Macro and Micro Evidence
Working Paper	08-22	Jin PARK	Indonesian Bureaucracy Reform: Lessons from Korea
Working Paper	08-23	Joon-Kyung KIM	Recent Changes in Korean Households' Indebtedness and Debt Service Capacity
Working Paper	08-24	Yuri Mansury	What Do We Know about the Geographic Pattern of Growth across Cities and Regions in South Korea?
Working Paper	08-25	Yuri Mansury & Jae Kyun Shin	Why Do Megacities Coexist with Small Towns? Historical Dependence in the Evolution of Urban Systems
Working Paper	08-26	Jinsoo LEE	When Business Groups Employ Analysts: Are They Biased?
Working Paper	08-27	Cheol S. EUN Jinsoo LEE	Mean-Variance Convergence Around the World
Working Paper	08-28	Seongwuk MOON	How Does Job Design Affect Productivity and Earnings? Implications of the Organization of Production
Working Paper	08-29	Jaemun SHIN	Smoking, Time Preference and Educational Outcomes
Working Paper	08-30	Dong Young KIM	Reap the Benefits of the Latecomer: From the story of a political, cultural, and social movement of ADR in US
Working Paper	08-31	Ji Hong KIM	Economic Crisis Management in Korea: 1998 & 2008
Working Paper	08-32	Dong-Young KIM	Civility or Creativity?: Application of Dispute Systems Design (DSD) to Korean Public Controversies on Waste Incinerators
Working Paper	08-33	Ki-Eun RHEE	Welfare Effects of Behavior-Based Price Discrimination
Working Paper	08-34	Ji Hong KIM	State Owned Enterprise Reform
Working Paper	09-01	Yu Sang CHANG	Making Strategic Short-term Cost Estimation by Annualized Experience Curve
Working Paper	09-02	Dong Young KIM	When Conflict Management is Institutionalized: A Review of the Executive Order 19886 and government practice
Working Paper	09-03	Man Cho	Managing Mortgage Credit Risk: What went wrong with the subprime and Alt-A markets?

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	09-04	Tae H. Choi	Business Ethics, Cost of Capital, and Valuation
Working Paper	09-05	Woochan KIM Woojin KIM Hyung-Seok KIM	What makes firms issue death spirals? A control enhancing story
Working Paper	09-06	Yu Sang CHANG Seung Jin BAEK	Limit to Improvement: Myth or Reality? Empirical Analysis of Historical Improvement on Three Technologies Influential in the Evolution of Civilization
Working Paper	09-07	Ji Hong KIM	G20: Global Imbalance and Financial Crisis
Working Paper	09-08	Ji Hong KIM	National Competitiveness in the Globalized Era
Working Paper	09-09	Hao Jiang , Woochan Kim , Ramesh K. S. Rao	Contract Heterogeneity, Operating Shortfalls, and Corporate Cash Holdings
Working Paper	09-10	Man Cho	Home Price Cycles: A Tale of Two Countries
Working Paper	09-11	Dongcul CHO	The Republic of Korea's Economy in the Swirl of Global Crisis
Working Paper	09-12	Dongcul CHO	House Prices in ASEAN+3: Recent Trends and Inter-Dependence
Working Paper	09-13	Seung-Joo LEE Eun-Hyung LEE	Case Study of POSCO - Analysis of its Growth Strategy and Key Success Factors
Working Paper	09-14	Woochan KIM Taeyoon SUNG Shang-Jin WEI	The Value of Foreign Blockholder Activism: Which Home Country Governance Characteristics Matter?
Working Paper	09-15	Joon-Kyung KIM	Post-Crisis Corporate Reform and Internal Capital Markets in Chaebols
Working Paper	09-16	Jin PARK	Lessons from SOE Management and Privatization in Korea
Working Paper	09-17	Tae Hee CHOI	Implied Cost of Equity Capital, Firm Valuation, and Firm Characteristics
Working Paper	09-18	Kwon JUNG	Are Entrepreneurs and Managers Different? Values and Ethical Perceptions of Entrepreneurs and Managers
Working Paper	09-19	Seongwuk MOON	When Does a Firm Seek External Knowledge? Limitations of External Knowledge
Working Paper	09-20	Seongwuk MOON	Earnings Inequality within a Firm: Evidence from a Korean Insurance Company
Working Paper	09-21	Ja Eun SHIN	Health Care Reforms in South Korea: What Consequences in Financing?
Working Paper	09-22	Younguck KANG	Demand Analysis of Public Education: A Quest for New Public Education System for Next Generation
Working Paper	09-23	Seong-Ho CHO Jinsoo LEE	Valuation and Underpricing of IPOs in Korea
Working Paper	09-24	Seong-Ho CHO	Kumho Asiana's LBO Takeover on Korea Express
Working Paper	10-01	Yun-Yeong KIM Jinsoo LEE	Identification of Momentum and Disposition Effects Through Asset Return Volatility
Working Paper	10-02	Kwon JUNG	Four Faces of Silver Consumers: A Typology, Their Aspirations, and Life Satisfaction of Older Korean Consumers
Working Paper	10-03	Jinsoo LEE Seongwuk Moon	Corporate Governance and International Portfolio Investment in Equities

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.

Working Paper Series

Category	Serial #	Author	Title
Working Paper	10-04	Jinsoo LEE	Global Convergence in Tobin's Q Ratios
Working Paper	10-05	Seongwuk MOON	Competition, Capability Buildup and Innovation: The Role of Exogenous Intra-firm Revenue Sharing
Working Paper	10-06	Kwon JUNG	Credit Card Usage Behaviors among Elderly Korean Consumers

* The above papers are available at KDI School Website <<http://www.kdischool.ac.kr/new/eng/faculty/working.jsp>>. You may get additional copy of the documents by downloading it using the Acrobat Reader.