



A letter from the Chairman

Dear Students, Parents, Alumni, Colleagues, and Friends,

As I come to the end of my three-year term as Chair of the Department of Economics, I can look back with satisfaction and, indeed, I will be continuing for an additional year. We have solidified many of our past achievements. Undergraduate enrolments continue to rise, and, in response, we have increased our offerings, providing both more sections of required courses and an increased variety of undergraduate electives. Our master's programs are still growing, and we anticipate launching a pair of MAs in Global Development Economics and Global Development Policy, in collaboration with the Departments of Geography and the Environment and International Relations and the School of Public Health. The 2008 PhD class is our largest ever. Inside, you will see that they have landed jobs at some of the most prestigious U.S. and international universities, leading private firms and government.

We have hired three terrific new faculty. Stefania Garetto, a specialist in international trade from the University of Chicago, will be joining us with a one-year delay while she takes up a post-doctoral fellowship at Princeton University. Sambuddha Ghosh joins us from Princeton University, where he is completing his PhD in applications of game theory to economics. Joshua Lustig, a specialist in industrial organization and health economics comes to us from Yale University, where he is completing his PhD.

The Boston University Department of Economics continues to be highly recognized. Pierre Perron was elected a Fellow of the Econometric Society. Randy Ellis is President-elect of the American Society of Health Economists. Albert Ma is serving as President of the Chinese Economic Association in North America. Bart Lipman has been chosen as Program Chair for the 2009 North American Summer Meetings of the Econometrics Society which (thanks to Bart) will be held at Boston University. Robert Margo has been awarded a prestigious Russell Sage Fellowship. I was runner up for the Association of American Publishers 2007 Award for Best Professional/Academic Book in Sociology and Social Work. Sujata Visaria has been made an affiliate of the Bureau for Research and Economic Analysis of Development. Thirteen of our faculty are on Research Papers in Economics lists of top economists.

Economics attracts a strong group of undergraduate concentrators from the already select field of Boston University undergraduates. This year we awarded the College Prize for Excellence in Economics to **Alex Blocker**. Next year, Alex will be splitting his time between quantitative research with Weiss Asset Management (a financial firm run by emeritus Professor Andrew Weiss) and statistical research at Harvard University. We congratulate him. I invite you to read his candid perspective on his experiences at Boston University.

We are very proud of our undergraduate and graduate alumnae/i, our best ambassadors throughout the world. We also want to express our deepest gratitude to all the alumnae/i and other donors who have generously contributed to the Department in the past year. This financial assistance greatly enhances the Department's teaching, advising, and research missions.

With my best wishes,

Kevin Lang
Chair, Department of Economics



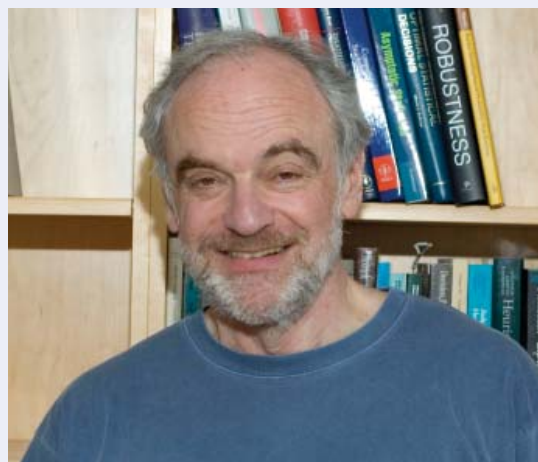
Donations to Economics

In the past few years, the Economics Department has benefitted tremendously from generous gifts from alumni and other friends. This year, we created a Principles Center where students can find teaching assistants to help them with EC101 (Introduction to Microeconomics) or EC102 (Introduction to Macroeconomics). Thanks to a generous donation from Raymond Thek (CAS '83), the room will soon be air conditioned and furnished with a computer so that teaching assistants staffing the room can provide on-line as well as in-person help. In future years we hope to expand the hours that the Center is open, the availability and quality of on-line assistance and to provide support for students in required intermediate economics classes. Over the summer, we plan to refurbish one of our rooms where many smaller seminar-style classes are taught. The space will have new furniture and, if funds permit, state-of-the-art computer-presentation equipment.

A generous contribution by Richard Neu and Amy Neu continues to fund the Neu Lecture Series, which is targeted toward economics undergraduates. A recent lecture by Jeffrey Sachs on "Common Wealth: Economics for a Crowded Planet" drew a standing room only crowd of about four hundred. Many disappointed students and faculty had to be turned away. The talk will be available on the BU website. The department also continues to benefit from the support of the Rosenthal family who provide the funding for the Robert Rosenthal Memorial Lecture. This year's talk (see inside) should be available on our website soon.

The faculty and students in the Department of Economics acknowledge the generosity of our alumni and other donors with gratitude. Their gifts have made the department a better place to teach, to learn, and to conduct research. Of course, the department continues to have major capital and other needs. The establishment of endowed chairs and fellowships as well as comprehensive renovation of the building in which the department is housed remain pressing objectives. Donors wishing to learn more about these major unmet needs should contact Karen Fung, Director of Development (kfung@bu.edu), Professor Laurence Kotlikoff (kotlikoff@bu.edu) or Professor Kevin Lang (lang@bu.edu). A full list of recent donors to Economics is included inside this newsletter.

A Conversation with Larry Epstein, *Fellow of the Econometrics Society*



When and why did you decide that you wanted to study economics for the rest of your life?

In the early 1970's, I was floundering. I had finished a masters in math, dabbled in a Ph.D. program, and then began working as a civil servant in the Canadian federal government. My good fortune was to meet Erwin Diewert, a prominent economist from UBC, whose research I had to read as part of my job. I found the work to have the elegance that I enjoyed from mathematics, but also the apparent relevance and concreteness that I had never perceived in pure math. The combination was exhilarating. At a personal level as well, Erwin was impressive and, most importantly, extremely encouraging and supportive. He urged me to go back to school to do a Ph.D. in economics, which I did, at UBC, where he was my supervisor. The program there was a perfect fit for me. I realized very soon that I had made the right career decision.

You have an impressive array of honors and awards. I just picked two or three at random: you are a Fellow of the Econometrics Society, you won the Frisch Medal in 1994, and you are one of the ISI Highly Cited Researchers. Do you have any advice for our BU undergraduate or graduate students on how to succeed in their academic or professional careers in the same way you did?

Luck is important. It also helps to be passionate about your research. As in any field of endeavour, enjoy what you do and it will more likely turn out well.

You earned your PhD in Economics from the University of British Columbia in Canada. Who has been the scholar who had the most profound impact on the way you think as an economist?

Erwin Diewert without a doubt, as described in part above. In broad terms, Erwin's work emphasized that our theoretical models should be flexible enough to let the data speak. His work was in the context of consumer and producer theory, where empirical questions centered on estimation of consumer preferences and firm technologies. But the same principle applies more generally, particularly in modeling choice under uncertainty, which has been the major theme in my research. Erwin's influence led naturally to thinking carefully about the meaning of any model of preference, and thus to adopting the axiomatic method, while at the same time being concerned with applicability and tractability.

You are one of the most eminent economic theorists and at BU we are excited to have you on board. Can you briefly summarize what are the most exciting topics on which you have recently worked or you are currently working on? By the way, the titles of several of your papers are quite cool ("Cold Feet," "Living with Risk," "Sharing Ambiguity")!

I am excited about the titles. In terms of content, I am most excited about getting back to an old topic - ambiguity. I feel strongly that individuals understand less about their environment than our models give them credit for. Furthermore, I feel that people are aware that their understanding is limited and that this awareness affects their behaviour. Gut intuition is not enough, however, to make the case that the preceding is important for economics. The challenge has been to model the above in a convincing way that is also tractable for applied or empirical exercises. I have tried before to do so, but feel reinvigorated for another shot at it.

You have a well deserved reputation for being someone who cares deeply about the students and who loves working together with them on common research projects. Why do you enjoy doing this?

I believe that most academics enjoy working with graduate students and for similar reasons. It is very satisfying to see them progress, possibly in part because of your input, and one learns a great deal from one's students. They keep you young. Here again, Erwin Diewert, through his generosity towards students, has influenced me.

And now, the final question! You are a big hockey fan. What is your favorite team (besides BU, of course)?

A burden that many Canadian-bred hockey fans of my vintage share is a loyalty to the Toronto Maple Leafs. Any hockey fan will know that this is not fun.

Interview by Maristella Botticini



A Conversation with Daniele Passerman, *An Expert in Labour Economics*

You earned your high school degree in classical studies in Rome, your B.A. in Economics and Statistics at the Hebrew University in Jerusalem, and your PhD in Economics at Harvard. This is quite an international and impressive educational background. I want you to tell us for each stage of your education, which teacher or scholar has been most influential on your career as an economist and on the way you think as an economist, and why.

Tough question. In high school, I had a history teacher who insisted on teaching us Marxist economics. I'm not so sure I bought the theory of value, but it certainly opened my eyes to the importance of economics for understanding broad social and historical phenomena. As an undergraduate student at Hebrew University, I was probably most influenced by Joshua Angrist, who taught me the value of careful empirical research. At Harvard there were so many exceptional scholars that it's difficult to pick only one. Probably David Laibson, for his willingness to challenge the conventional assumptions of homo oeconomicus, while still maintaining the mathematical rigor that makes economic analysis so appealing.

Suppose that at the graduation ceremony in May, you were invited to talk in front of the thousands of our wonderful BU undergraduate students. What advice would you give to them on how to succeed in their future professional careers?

Sometimes people will criticize you, maybe even harshly. At first you may want to shut out all of that and ignore it, but you should treasure those criticisms. There's a good chance they were made with your best interests at heart.

Tenure Awards

Claudia Olivetti has been promoted to associate professor with tenure by Boston University. Claudia is an outstanding teacher and leading researcher working on aggregate implications of family-level decision-making.

Balazs Szentes (BU PhD 2002) was awarded tenure in the Economics Department at the University of Chicago. He is regarded as a leading young economic theorist, working on a range of problems including auction design, initial public offerings, and default cycles.

Can you briefly summarize the most exciting topics on which you have recently worked or on which you are currently working? You work on quite a vast array of different and exciting topics!

I had a recent paper where I looked at gender differences in performance under pressure, using data from professional tennis players, and I found that women appear to adopt a more conservative strategy at crucial stages of the match, which is probably counterproductive. From an economic point of view, the interesting question is whether these results are instructive about the gender gap in labor markets. Are women at a disadvantage in our highly competitive society because they dislike competitive environments and don't perform well in them? But not everything is competition, and maybe women have other skills that they can bring to the table. Right now I am working on a paper that looks at gender differences in cooperative environments: specifically, I ask whether female politicians in Italy are better able to advance the common good.

Another exciting area of research is my study of the dynamics of violence in the Palestinian-Israeli conflict. In particular, I am trying to address one of the basic questions about international conflict: if one side acts violently, does it make the other side more or less willing to reach a compromise on peaceful terms?

You have won several teaching awards. Why do you love teaching?

I think that teaching is probably the most effective way in which academic economists can influence the public debate and shape policy outcomes. If the students who will then go on to take key positions in government and the private sector have learned to "think like economists," i.e., to apply the rigorous standards of economic analysis to their day-to-day decisions, we'll have done a good job.

And now, the final question! Someone gives you the possibility to travel back in history and choose to be one of the three following people: Rabbi Judah Ha-Nasi (the redactor of the Mishna), Julius Caesar, or Leonardo da Vinci. Which one would you pick and why?

Leonardo. It would have been cool to invent an airplane in the 15th century. On the other hand, humanity would never have enjoyed his beautiful paintings if they had to rely on my artistic talents!

Interview by Maristella Botticini

FOCUS ON OUR FACULTY...

Editorial Boards

The academic stature of our faculty is illustrated by the large number serving on editorial boards of top journals.



Albert Ma and Bob Margo are two of the many department faculty playing central roles in economics journals.

Marianne Baxter (associate editor, *Journal of Monetary Economics*), **Maristella Botticini** (editorial board, *Explorations in Economic History*), **Peter Doeringer** (editorial boards of *World Development* and *MassBenchmarks*), **Randy Ellis** (associate editor, *Journal of Health Economics*), **Larry Epstein** (associate editor at *Econometrica*, *Journal of Economic Theory*, *Journal of Risk and Uncertainty* and *International Journal of Economic Theory*), **Simon Gilchrist** (editorial board, *American Economic Review*; associate editor, *Review of Economics and Statistics*), **Todd Idson** (editorial board, *Journal of Sports Economics*), **Robert King** (editor, *Journal of Monetary Economics*), **Kevin Lang** (co-editor, *Labor Economics*), **Bart Lipman** (associate editor, *Econometrica*; associate editor, *Games and Economic Behavior*; co-editor *Theoretical Economics*), **Albert Ma** (editor, *BE Journal of Economic Analysis and Policy*; associate editor, *Rand Journal of Economics*), **Bob Margo** (editor, *Explorations in Economic History*; editorial board, *Quarterly Journal of Economics*), **Dilip Mookherjee** (co-editor, *Journal of Development Economics*; associate editor at *Rand Journal*, *BE Press Journal for Theoretical Economics*, and the *German Economic Review*), **Andrew Newman** (associate editor, *Berkeley Electronic Press Journals in Theoretical Economics*), **Claudia Olivetti** (associate editor, *Labour Economics*), **Daniele Passerman** (associate editor, *Labour Economics*), **Pierre Perron** (co-editor *Econometric Journal*; advisory editor, *Journal of Time Series Econometrics*; editorial board, *Revista de Econometria*, *Economia Applicada*; Member of the International Scientific Committee: *Actualite Economique*), **Marc Rysman** (associate editor, *International Journal of Industrial Organization*; associate editor, *RAND Journal of Economics*; co-editor, *Journal of Economics and Management Strategy*), **Ingo Vogelsang** (editorial board, *Journal of Regulatory Economics*; editorial board, *International Economics and Economic Policy*; associate editor, *Information Economics and Policy*).

Faculty Teaching Awards

This year's winner of the *New Family Award For Teaching Excellence in Economics* is **Jawwad Noor**. Jawwad designed a new course in behavioral economics and also teaches intermediate microeconomics. He studies economic theory and psychology, and received his PhD from Rochester in 2005.

This year's winner of the *Gitner Prize for Excellence in Undergraduate Teaching* is **Regina Cati**. Regina has taught a huge variety of courses at BU, including courses in statistics, macroeconomics and development economics.

Ellis to head Health Economics Society

At the ASSA meetings in New Orleans in January 2008, it was announced that Randall P. Ellis is the new President-Elect of the American Society of Health Economists. Randy will serve for two years as President-Elect, two as President and two as immediate Past-President. This great honor reflects his important research contributions to health economics, but also the very significant role that he has played in mentoring young health economists at BU and elsewhere.



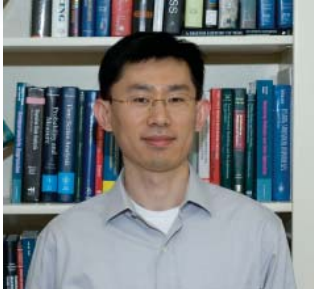
Faculty research in health economics wins acclaim

Randy Ellis and former BU economist, Tom McGuire (Harvard Medical School), are among the co-recipients of the National Institute for Health Care Management (NIHCM) Research and Educational Foundation Health Care Research Award, for their 2007 *Journal of Health Economics* article "Predictability and Predictiveness in Health Care Spending." The \$10,000 prize (which they will share with BU PhD Richard Frank and Richard Zeckhauser, other co-recipients of the award) will be presented in Washington, DC on June 16.

BU professors Jacob Glazer and Albert Ma coauthored two different papers considered for the Arrow Award for Best publication in health economics in 2007. A BU PhD, Mathilde Machado, coauthored one further paper placing a BU imprint on three of the ten papers nominated for that prestigious award.

At the biennial American Society of Health Economists (ASHE) conference to be held at Duke University in June 2008, 17 BU students, faculty, and alumni will be presenting research papers.

Conversations with...



Zhongjun Qu

You earned your B.A. degree in Mathematics from Nankai University in China. Who was the professor who impressed you the most, and why? When and why did you decide to become an economist?

Professor Limin Liu. He taught us a two-year sequence on mathematical analysis including one semester devoted solely to convergence of series. I learned how to do proofs from him. When I was a sophomore, I started auditing classes in economics. The original motive was to find a well paid job after I graduated. However, by the end of the fourth year I had a second degree in economics and had fallen in love with economics. I like its mathematical rigor and the idea of formulating theories that can be tested empirically.

You got your PhD in Economics from Boston University. Why should undergraduate students consider our department to pursue a graduate degree in Economics? What do you think are the main strengths of our graduate program?

The students will find first-rate professors who care deeply about students. It is this combination that makes BU unusual. As a consequence, our students are highly valued in both academia and the private sector.

In graduate school, who was the scholar who had the most profound impact on the way you think as an economist?

Pierre Perron. Among the many things, I learned from him that econometrics is about good ideas, not fancy mathematics, and that you do not have to be a math wizard to work on econometric theory.

What is your favorite song? singer? and movie?

"Beautiful Day" by U2 is my favourite (western) song and album. Luo Dayou is definitely my favorite singer. His songs touch on issues of life, attitudes, and the social problems of both China and Taiwan with a strain of dark humor. I love Jet Li movies, particularly the Wong Fei Hung series. By the way, those are the real Jet Li movies!

Leena Rudanko



In your undergraduate studies, who was the professor who impressed you the most, and why? In graduate school, who was the scholar who had the most profound impact on the way you think as an economist?

I did my undergraduate studies at the Helsinki University of Technology in Finland, with a major in math. I was very impressed by Professor Olavi Nevanlinna, a mathematics professor there. He comes from a famous family of Finnish mathematicians.

I started graduate school in Finland with Professor Seppo Honkapohja, who encouraged me to pursue my studies at the University of Chicago. This has had a big impact on me. The economics department at Chicago is full of influential economists, but the ones I talked to most were my main advisor Robert Shimer, as well as Fernando Alvarez and Lars P. Hansen.

Excluding kindergarten, when and why did you decide that you wanted to study economics for the rest of your life?

I haven't made that decision.

What would you recommend to a BU student who is graduating now and is looking for a job?

To keep an open mind and not get discouraged if it takes some time to find a job.

What is your favorite song? singer? and movie?

An old favourite is Learning to Fly by Pink Floyd, but I listen to a range of music styles. Recently a Swedish friend from Princeton introduced me to Abba. I'm not sure I can rank all the movies I've ever seen, but for example the Kill Bill movies were a lot of fun.

Conversations with Economists Lecture Series

Each year, the Department of Economics holds a series of "Conversations with Economists" to which students, alumni, and the public are invited. The 2007-2008 series was kicked off by BU's own **Laurence Kotlikoff** speaking on "The Healthcare Fix and Why the Candidates Have It Wrong" in October, followed by **Ajmal M. Qureshi**, Senior Fellow at Harvard University's John F. Kennedy School of Government speaking on "Food Security in China: Successes and Challenges" in November; **George Halvorson**, CEO, Kaiser Permanente, on "Health Care Reform Now!" in March and **Jeffrey Sachs**, Director of the Earth Institute at Columbia University on "Common Wealth: Economics for a Crowded Planet" in April.

A bumper crop of PhD students

BOSTON
UNIVERSITY

The Department of Economics will see more PhDs awarded than in any previous year. A diverse group of students comes to BU from around the world to develop their economics knowledge, and they leave for many different types of positions. We asked a group of students to provide a little bit of information about their experience at BU, about their new position and about some things outside of economics that hold their interest.

Economics departments around the world

Rashmi Barua (India) and Ernesto Pasten (Chile) will be on opposite sides of the globe next year, with Rashmi at Singapore Management University and Ernesto at the Toulouse School of Economics. Rashmi relished the fact that BU gave her the "great cultural and intellectual experience of having classmates from every part of the world and with such diverse backgrounds" and that she made "friends for life." They are excited about new academic horizons in the universities that they will be joining and in their own research programs, as well as new experiences in Singapore and France. Outside of economics, Rashmi is excited to travel and will begin with Turkey this summer. At BU, Ernesto enjoyed "learning so much from so many sharp, curious and engaging people". He is excited about "interacting with world class researchers at Toulouse, as at BU." Reflecting on his time in the US, he noted that he had learned a great deal about the power of cooperation in local communities. He is interested in understanding this better, in terms of economic theory, but also contributing to the communities where he will reside in the future, for example by helping local schools or maintaining public gardens.



Economics departments around the US

David Rapson (Canada) and Claudia Rei (Portugal) will be on opposite sides of the US next year, with David at the University of California, Davis, and Claudia at Vanderbilt University. Having grown up "north of the border" and then attending Dartmouth, David is excited about the prospect of living in California. He looks forward to joining a "rich community of researchers at Davis," but will miss his regular post-lunch pilgrimage to Espresso Royal with his crew of fellow BU economists, where he formed "amazing friendships" and "had the benefit of wonderful advisors — generous, insightful and patient."

An economic historian, Claudia also cited her "excellent thesis advising" as a crucial part of her BU experience and notes that she will be joining a strong community of historians at Vanderbilt. While in Boston, Claudia became a huge Red Sox fan: she will be following the team from Nashville, and she won't be missing the cold New England winter. Since one of her hobbies is photography, the department expects to receive remarkable pictures of the Smokey Mountains.

Business school faculty placements

Doriana Ruffino will be joining the Carlson School of Business at the University of Minnesota and Monic Jiayin Sun will be joining the Graduate School of Business at Stanford University. After graduating from the School of Economics at Peking University, Monic specialized in theoretical and empirical industrial organization, as well as working in health economics, at BU. Doriana came to BU from Università Degli Studi Di Torino in Italy. She specialized in financial economics and macroeconomics in her dissertation work. As two students working across a range of fields, Monic and Doriana each found the BU economics department and the greater Boston community to be important resources for their diverse interests. They also found outlets for their other interests, with Monic experimenting with many different types of dance and Doriana subscribing to American Repertory Theatre in Harvard Square.



Government and International Organizations

Kris Gerardi (US) and Nandini Krishnan (India) will be taking up new research positions with the Federal Reserve Bank of Atlanta and the World Bank, respectively. Both Kris and Nandini will be taking a keen interest in detailed economic data to their new positions. Kris's dissertation research combined industrial organization and macroeconomics, ranging from work on housing and consumption to airline ticket pricing. However, his most visible work was on subprime lending in Massachusetts, where he coauthored a study that was cited in the *Economist* and many other news sources. The study was based on a remarkable data set that included every homeownership experience in Massachusetts from 1980 to 2007. During his time at BU, Kris also worked at the Federal Reserve Bank of Boston, opening a new set of opportunities for PhD students. In the PhD program at BU, he "made friends from all over the world and even met my wife," fellow student Yuping Tsai. Nandini is an expert on development economics, with some of her work combining elements of political and economic analysis. Studying the Indian system of reserving seats for specific historically disadvantaged castes and tribes, she used a detailed data set drawn from village censuses to evaluate the effects of such "political reservations" on the provision of local goods.



Financial institutions and consulting firms

Brad Rice will be joining the Analysis Group in Boston and Jing Zhou will be joining BlackRock in New York. They have different backgrounds and different new jobs, but share a love of sports. Coming to BU from the University of Florida, Brad found a large approachable faculty and a diverse PhD student body. Brad is excited about "addressing challenging empirical questions which have immediate applicability and relevance" in his new job. Other fascinations include his newborn child, Ollie; tennis (playing); football (watching). A graduate of Peking University, Jing is excited about applying her knowledge of econometrics and finance to portfolio management for a premier provider of global investment management, risk management and advisory services to institutional and retail clients around the world. She cites patience,

guidance and full support from my dissertation committee, especially my major advisor, Professor Pierre Perron" as having been very important to her during her graduate study. "They provided me everything needed to become a qualified researcher." Although moving to New York, she is a New England Patriots fan and looks forward to the coming season.

PhD placements

Rashmi Barua (Singapore Management University, Singapore); **Daulins Emilio** (McKinsey and Co., Brazil); **Kris Gerardi** (Federal Reserve Bank of Atlanta, Research Department); **Deepti Goel** (Institute for Financial Management and Research, Chennai, India); **Chun-Yu Ho** (Georgia Tech); **Michael Johnston** (Bank of Canada, Research Department); **Nandini Krishnan** (World Bank); **Neha Kumar** (International Food Policy Research Institute (IFPRI), Washington DC); **Changwoo Lee** (Korean Insurance Research Institute (KIRI), Korea); **Dan Li** (Fudan University, China); **Haizhen Lin** (University of Indiana, Kelly School of Business); **Ting Liu** (Michigan State, Department of Economics); **Joao Madeira** (Centre for European Economic Research (ZEW) Mannheim, Germany); **Keisuke Nakao** (University of Hawaii, Hilo, Department of Economics); **Alberto Ortiz** (Oberlin College, Department of Economics); **Ernesto Pasten** (Toulouse School of Economics, France); **David Rapson** (University of California at Davis, Department of Economics); **Claudia Rei** (Vanderbilt University, Department of Economics); **Brad Rice** (Analysis Group, Boston); **Doriana Ruffino** (University of Minnesota, Carlson School of Management); **Adam Shapiro** (U.S. Bureau of Economic Analysis); **Kam Wing Siu** (Deloitte-Touche, Transfer Pricing Group, Atlanta); **Monic Jiayin Sun** (Graduate School of Business, Stanford University); **Jonathan Treussard** (Private hedge fund, New York); **Jesus Viejo** (ITESMs Graduate School of Public Policy and ALFA, Monterey, Mexico[Monterrey Tech]); **Yunpeng Zhang** (Black & Veatch, Houston); and **Jing Zhou** (BlackRock, New York).



THE DEPARTMENT OF ECONOMICS DONOR LIST

The Department of Economics expresses its gratitude to the following individuals who donated to a departmental gift account in 2006-2007 or 2007-2008 (through April 15):

The Reverend Peter F. Cole
Mr. and Mrs. Oh Hyun Kwon
Professors Shulamit Kahn and Kevin Lang
Mrs. Stephanie Behrakis Liakos
Mr. Richard W. Neu
Mrs. Ruth W. Rosenthal
Ms. Susan M. Spelios
Mrs. Janet R. Stradley
Ms. Sylvia H. Wee (matched by Wells Fargo Foundation)
Mr. Adam D. Wizon



The renovation of the Department's main seminar and class room, the Rosenthal Room, was made possible by the gifts of donors.

The Department of Economics also expresses its gratitude to the following individuals who indicated their wish that their gifts to the 2006-2007 or 2007-2008 CAS/GRS Annual Fund be made available for the Department's use:

Dr. C. Ranil Abayasekara
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Ms. Jeri Ann Vick
Dr. Jan Walliser*
Mr. Scott A. Webster*
Mrs. Janice A. Yetke

*Annual Fund Leadership
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Graduate Teaching Awards

The Graduate School of Arts and Sciences has named **Murat Yilmaz** as the Economics Department's teaching fellow of the year in recognition of his enthusiasm, hard work, talent and dedication as a teacher. Murat has been a teaching fellow for Introductory



Brad Rice and Murat Yilmaz

Microeconomics for two semesters and also has taught Introductory Macroeconomics in the summer school. He notes that "whether it's a discussion session or a lecture, I try to make my students understand the concepts but also I try to stimulate their interest in the material, mostly through real life examples."

Brad Rice received the Special DGS Prize for sustained excellence in teaching. Brad has taught courses in Government, Business and Labor; Health Economics; and Industrial organization as well as being an outstanding teaching fellow in Introductory Microeconomics. A common theme in Brad's teaching is the use of economics to address public policy decisions.

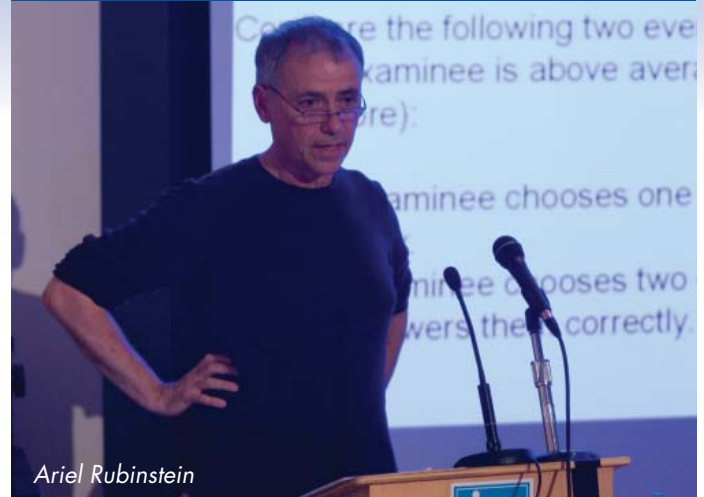
PhD Student Summer Research Awards

An unusual feature of the BU PhD program is an internal competition for Summer Research Awards which enable students to focus on research early in their careers. A byproduct is that students learn to produce research proposals during graduate school, preparing for this important element of work as research economists. Students receiving Summer 2008 awards are: **Alfredo Burlando**, **Jessica Calfee**, **Shinsuke Ikeda**, **Hiro Ishise**, **Yang Lu**, **Michael Luca**, **Adam McCloskey**, **Valentina Michelangeli**, **Tatsushi Oka**, **Linxia Ren**, **Marian Vidal-Fernandez** and **Yohei Yamamoto**.

PhD Students hit the conference circuit

A key part of becoming a young economist is learning the skills to present effectively at international research conferences. The Institute for Economic Development funds travel by BU doctoral students that have papers accepted for presentations at major research conferences. Such presentations have increased sharply in recent years. In 2007-8, IED funded travel for 22 conferences; in other cases, conference organizers paid for BU PhDs to attend or make presentations of their joint work with faculty. **Doriana Ruffino** (Society for Economic Dynamics in Prague); **Brad Rice**, **Aditi Mehta** and **Shenyi Jiang** (presented at the iHEA Explorations in Health Economics Conference in Copenhagen); **Chun-Yu Ho**, **Ting Liu**, and **Keisuke Nakao** (European Econometric Society meetings in Budapest); **Haizhen Lin** (EARIE conference in Valencia, Spain); **Neha Kumar** (Human Development and Capability Approach conference in New York); **Ernesto Pasten** and **Carlos Sepulveda** (LACEA conference in Bogota, Columbia); **Carlos Sepulveda** (Seminar on Child Labor, Education and Youth Employment in Paris); **Deepti Goel**, **Keisuke Nakao** and **Claudia Rei** (Third Royal Economic Society PhD Meeting in London); **Gerardo Gomez Ruano** (Public Choice Society in San Antonio, Texas); **Dan Li** (ASSA meeting in New Orleans and NEUDC conference at Harvard); **Rashmi Barua** (SEA meeting in New Orleans); **Jing Zhou** (Midwest Econometrics Group Meeting in St. Louis); **Arup Sen** (RES PhD Presentation in London); **Jeongmeen Suh** (Tournaments, Contests and Relative Performance Evaluations Conference in Raleigh, North Carolina); **Monic Jiayin Sun** (North American Winter Meeting of the Econometric Society in New Orleans).

Robert Rosenthal Memorial Lecture



Every year, the faculty, students and staff in the Economics Department commemorate the legacy of **Bob Rosenthal** — a wonderful scholar and a great colleague.

Ariel Rubinstein (Tel Aviv and New York Universities), presented this year's lecture on April 18th: "On the Pragmatics of Persuasion: A Game Theoretic Approach". Ariel's fascinating lecture focused on his work with BU's Jacob Glazer on applying game theory to the study of language and the nature of strategic persuasion. Through a combination of experimental results and mathematical arguments, Ariel created an intriguing new mixture of linguistics and economics. Prior lectures have been by **Alvin E. Roth** (Harvard University) on "What Have We Learned from Market Design?" in 2007; **Jean Tirole** (Institut d'Economie Industrielle, Toulouse, and MIT) on "Economic Incentives, Self Motivation, and Social Pressure" in 2006; **Robert Porter** (Northwestern University) on "Collusion and Auctions" in 2005; **Roy Radner** (New York University) on "A Strategic Analysis of Petty Corruption" in 2004; and **Robert Wilson** (Stanford University) on "Stable Equilibria" in 2003.

Green Line Macro Meeting

The Departments of Economics at Boston College and Boston University hosted a series of one day research meetings on macroeconomics during the academic year 2007-2008. Attended by about 60 students and faculty, these meetings were designed to provide PhD students and junior faculty with an opportunity to present research papers before taking them on the job market or to professional conferences. The meetings were viewed as a great success by students and faculty from both institutions, so that they will again be held in 2008-9.

At the Fall meeting, the BU presenters were **Doriana Ruffino**, **Kris Gerardi** and **Adam Shapiro**, and **Claudia Olivetti**. At the Winter meeting, the BU presenters were **Yang Lu** and **Ernesto Pasten**, **Nao Sudou**, and **Michael Johnston**. At the Spring meeting, the BU presenters were **Francois Gourio** and **Denny Lie**.

Master's Program in Economics

During 2007-2008, over 120 students were enrolled in the MA, MAEP, BA/MA and MA/MBA programs. Seventy-eight students received their degrees this year. Our master's students come from many countries and diverse backgrounds. BU continues to provide an intellectual home to many foreign government trainees and Fulbright scholars. This year's Fulbright scholars were from Indonesia, the Netherlands and Pakistan.



Seabron Adamson alumni panelist at the MA Career Information Meeting

The rigorous training of the MA programs is much sought after by employers, with our graduates placed in the consulting and financial industries as well as in government and non-profit organizations. Continuing a long tradition, some of our graduates go on to premier doctoral programs—Harvard,

Wisconsin and BU are amongst their destinations this year.

We continue to strengthen our career placement support for our master's graduates. Equally important is the fostering of a close, continual and vibrant relationship amongst our alumni. This year, two events were held that served both of these purposes, allowing our master's students to benefit from the support and advice of our graduates and other friends.

A Career Planning Panel was held on Friday, October 19, 2007 at the Photonics Center. In addition to faculty and career counselors, the panel featured **Yesim Richardson** (PhD 1997), Principal - Cornerstone Research; **Michael Kheyfets** (BA/MA 2007), NERA; **Greg Brown** (BA/MA 2005), Stoneturn Group; and **Alex Blocker** (BA/MA 2008), Intern at UBS. The speakers addressed a variety of career planning issues, with active participation by current MA students.

The 3rd Master's Career Information Meeting was held on Saturday, March 22, 2008 at the George Sherman Union. The panelists were **Seabron Adamson** (MA 2007), Vice President - CRA International; **Eric Cheung** (BA/MA 2007), Investment Banking Analyst - JP Morgan; **Meghan Gorman** (MA 2007), CB Richard Ellis, Torto Wheaton Research; **Sarah Kroeger** (MA 2007), Wellington Management Co.; **Ryan McCullough** (MA 2006), Research Services Manager - Grubb & Ellis; **Vivek Mani** (MA 2005), Cornerstone Research; **Nicole Kramer** (BA/MA 2001), Hewitt Investment Group.



Vivek Mani, Nicole Kramer and Sara Kroeger provide their perspectives at the MA Career Information Meeting.

The panelists discussed their experiences looking for jobs and how they use their economics skills and knowledge in their current positions. On both occasions, the formal presentations were followed by a lively question-and-answer session. Audience and participants then adjourned to a delightful reception, where students, alumni, recruiters and faculty met, mingled, and exchanged further helpful advice and information.

The goodwill of our recent graduates is especially impressive. **Michelle Meyer** (BA/MA 2004) was unable to attend the Career Information Meeting, but she kindly offered to visit the Department and meet with students. Michelle is an Economist at Lehman Brothers where her work focuses on the US economy and real estate market. A group of students delayed their spring break to attend and were not disappointed by the lively and informative discussion.

-Hsueh-Ling Huynh, Director of Master's Programs

Congratulations to our Graduating Seniors, Master's and Doctoral Students

We congratulate another class of talented and highly qualified students on receiving their undergraduate, master's, and doctoral degrees, and offer them our best wishes!

The Department values our alumni, and appreciates that they are very important for the continued success of our programs and students. We urge them to stay in touch.

If you are a graduate, drop us a line at econgrad@bu.edu, econma@bu.edu, phdecon@bu.edu, or simply go to the alumni section of the departmental website—www.bu.edu/econ/alumni/alumni/alumniform.htm—with your latest contact information. Please ask your former classmates to do the same!

Undergraduate Studies in Economics

Economics requires a student to think rigorously and systematically, thereby enabling them to master and apply new knowledge as required in our rapidly changing world. The BU economics faculty also continuously upgrades its offerings to meet these new challenges. New electives being developed include The Economics of China; Theory of Organizations; and Financial Theory. We have agreed on the outlines of a new major in Economics and Journalism, spanning CAS and COM. This degree will create a new generation of first-class writers and professional journalists with real understanding of economics and who can effectively communicate core ideas to the public. We are cooperating with the Department of History to offer a new interdisciplinary major in Economic History that draws on the strengths of both departments. We continue to attract a diverse and talented group of students who excel not only in their studies but also in their contributions to the broader university, and in athletics and the arts. We highlight below just a few of these outstanding young men and women.



Kelsey Wright '09 is originally from Akron, Ohio. She started at BU in 2005 as an international relations major, focusing on Latin America and development issues, but soon became fascinated with economics. After finishing her International Relations degree in Quito, Ecuador, through BU's study abroad program, she chose to double major in economics in order to add an analytical edge to her studies. She is presently interning at an investment firm in Boston and will intern in Washington D.C. at an international lending institution next fall.

Alan Finkelstein Shapiro '08 is originally from Mexico City and will be graduating from BU with a BA in Economics and a minor in Mathematics. Next fall, he will be joining the PhD program in Economics at the University of Maryland, College Park. He plans to specialize in macroeconomics and international economics. He plans to work in one of the research units in the Mexican central bank and eventually join the Development Research Group at the World Bank.

Jalpa Bhavsar '08 is originally from Iselin, New Jersey and is majoring in Economics and Mathematics. Last year, she was a member of the winning team in the Simon Graduate School Early Leaders Case Competition held November 9-10 at the University of Rochester and was voted Most Valuable Player by her team. Working with assigned teammates, groups of undergraduates took on a Harvard Business School case: the review and assessment of IKEA's expansion into the US. Each team had about 24 hours to analyze the case, suggest recommendations for IKEA and prepare a PowerPoint presentation for a 15 minute presentation to a panel of judges. Jalpa and her five teammates from other colleges placed 1st, sharing the \$7,000 prize.

Kacper Szczepaniak '09 is originally from Brooklyn, New York. He is a dynamo both in and out of the classroom. He has been a member of the CAS Honors Program since his first year at BU. In martial arts training with the Shotokan Karate Club at Boston University, he achieved a 1st kyu brown belt in 2005 and participated in the prestigious ISKF East Coast International tournament in New York in May 2006. He helped lead the newly founded BU entrepreneurship club, becoming Head Vice President and bringing a group of venture capitalists to BU to meet with students. He even found time for the ballroom dancing club, to develop his skills at Latin-style dancing.

Jacques Minoyan '08 is originally from New Jersey and will be graduating with a BA in Economics and a minor in Business Administration. He has been active in the Armenian Students Association, organizing fundraisers, social events, enrichment lectures, and dance shows. He also served as the treasurer for the College of General Studies Student Government in 2005 and as a member of the board that allocates the Undergraduate Student Fee to over 200 campus-wide student organizations. Upon graduation, he looks forward to applying economic theory at J.P. Morgan Chase starting in July.

Eve Kinsella '09 is originally from Freehold, New Jersey. She is a junior on the Boston University's Swim and Dive team, majoring in economics and minoring in sociology. She has been swimming competitively for 10 years, making appearances at the U.S. Open and National Championship meets since high school. She was a U.S. Open qualifier in the 200 freestyle and 400 individual medley (IM) as well as National qualifier in the 100, 200 freestyle and 200, 400 IM. The winner of a full athletic scholarship and recipient of the Cohen family scholarship for outstanding academic and athletic contribution for the 2007-2008 school year, she has been BU's team MVP for two consecutive years and was the America East conference MVP in 2007-8, while garnering 1st place in the 200 IM, two 2nd place finishes in the 100 and 200 freestyle. In team events, she led BU to winning and breaking the conference record in the 800 freestyle relay and winning the 200 freestyle, 400 freestyle and 400 medley relays.

Lowell Battles '08 is originally from Newburyport, MA, and is graduating Summa Cum Laude with a BA in Economics and a minor in Japanese. After graduation, a full government fellowship will support an 18 month research project at Keio University in Tokyo. Afterwards he plans to attend law school. Among other achievements, he was President of BU's Undergraduate Economics Association for 2007-08. In collaboration with UEA executive board members Mario Mitrano, Kate Zimmerman, and Jason Sellers, all of CAS '09, the UEA sponsored and organized Boston University's first ever participation in the Fed Challenge, a countrywide academic competition held annually by the Federal Reserve. The UEA also hosted an Alumni Speaker Series, wherein alumni have shared their experiences about life in academia and in major banks and consulting firms.

College Prize for Excellence

Each year, the Department chooses one exemplary undergraduate student for the College Prize for Excellence in Economics. This award is given to the student who has shown the greatest achievement in economics, not only in terms of academic success, but also commitment to the field and a deep passion for learning.

This year's recipient, **Alex Blocker**, is originally from southwestern Connecticut. He will be graduating this May with his Bachelor's in Economics and Mathematics as well as his Master's in economics.



What drew you to economics and what areas most interest you now?

I was initially drawn to economics because of its rigorous approach to real-world problems. I liked the idea of using advanced mathematics and logic to learn about how the world works. More recently, I have become more focused on statistics and econometrics. I've found that I really enjoy finding ways to get answers from data and interacting with people from different disciplines.

Outside of economics, what are your main interests?

I enjoy hiking, target shooting, and cooking. I started target shooting many years ago and competed during high school. It's still one of my favorite ways to maintain focus. I've also been hiking for awhile, and hopefully I'll have a chance to hike the rain forests of the Pacific Northwest soon.

What courses and professors were most important to you?

I would say that game theory with Professor Lipman, statistics with Professors Kuersteiner and Fernandez-Val, and econometrics with Lucas and Perron were my favorite courses in the economics department. Game theory was very engaging, and the statistics and econometrics sequences gave me a great technical foundation for my future studies. In other departments, Professor Weiner's sequence in Real Analysis was excellent.

Two other Professors that have been very important to me are Kotlikoff and Gourio. I first met Professor Gourio in EC202 sophomore year, and I completed independent research with him last semester. I started working with Professor Kotlikoff as a research assistant last semester, and I am now coauthoring a paper with him. He has also helped me sort out my plans for the coming year.

In the coming year, you will be splitting your time between quantitative research with Weiss Asset Management (a financial firm run by Professor Andrew Weiss) and statistical research with the astrostatistics group at Harvard University. How did that diverse mixture come about? What are the main topics that interest you in each of these areas?

Directly, this mixture came about through Professor Kotlikoff. He helped me establish contacts in both organizations. Harvard's astrostatistics group turned out to be a good fit because of some work on missing data estimation I completed last semester. Weiss Asset Management was a good fit because of my work with UBS interest rates research last summer. In both areas, my main topics of interest involve statistical inference. With the astrostatistics group in particular, I am working on how to optimally combine noisy observations from x-ray astronomy.

A recent alumnae looks back

Laura Shiers was the recipient of the 2006 College Prize for Excellence in Economics. Since graduating with a BA in Economics, she has been working as an analyst at Analysis Group in Boston, which provides economic, financial, and business strategy consulting to law firms, corporations, and government agencies. We asked her to reflect on her BU experiences from the perspective of her current position.



Looking back, what were the key features of the BU Economics program?

It instilled in me strong quantitative, analytic, and organization skills that supported my goal to work in a pragmatic, research-oriented environment. It also provided me with a solid background to analyze daily economic and financial issues in my job.

What classes and other experiences were most important?

I took a wide range of classes that not only focused on economics, but its application to real-world situations. These courses led me to be interested in understanding the economics of a variety of industries, including energy. My thesis work on the energy topic, "Alternatives to Conventional Crude Oil: When, How Quickly, and Market Driven?," will appear in *Ecological Economics* later this year. The research and data analyses associated with my thesis and coursework have allowed me to contribute to my case teams.

What particular projects have you worked on at Analysis Group?

In the energy field, I have worked on advising a state on its electric market structure and ways in which competition can improve that industry. I have also contributed to a variety of cases ranging from antitrust to healthcare litigation to transfer pricing to patent infringement. In these cases, we use economic analyses to see what the world would have looked like "but-for" the alleged infringement. To figure out the "but-for" world, we often use econometrics, where my BU econometrics class gave me an excellent background. Beyond econometrics, the rigor of the BU Economics program enabled me to assist in the creation of financial models, preparation of testimony, and critiques of opposing expert reports. Overall, the BU Economics program has provided me with the tools and confidence to make meaningful contributions to my casework at Analysis Group.

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