



A letter from the Chair

Dear Students, Parents, Alumni, Colleagues and Friends,

My second year as Department Chair has been exciting, marked by growth and change. In faculty recruiting, we hired two stellar teacher-scholars. **Kehinde Ajayi** specializes in economic development, focusing on education issues in Ghana. She'll receive her PhD this spring from the University of California at Berkeley. **Carola Frydman** will join us from MIT's Sloan School to teach courses in economic and financial history, as well as the economics of organizations. A Harvard PhD, Frydman is recognized internationally for her path-breaking work on the economic history of executive pay.

This year, more international recognition came to BU Economics, which boasts some of the most distinguished economics faculty in the world. **Kevin Lang** was appointed a Fellow of the Social of Labor Economics for his distinguished research in labor economics, our first SOLE fellow. **Robert King** was elected a Fellow of the Econometric Society, one of the highest

honors in the profession, joining seven other ES fellows on our faculty.

This February marked the 100th anniversary volume of the *American Economic Review*, the flagship journal of the American Economic Association, and one of the most influential in economics. As part of the celebration, the Association selected the twenty most influential papers in the first century of the *Review*: included is one by BU's **John Harris**. Short of a Nobel Prize, it does not get much better than this – congratulations John!

Every year BU Economics sponsors **workshops** and **visits** by some of the world's leading economists. Check inside to get a sense of the energy. Speaking of the Nobel, the 2007 prize winner Eric Maskin gave the 2011 **Robert Rosenthal Memorial Lecture**, which honors a distinguished BU faculty member who passed away unexpectedly in 2002. I note with sadness the passing of an **emeritus faculty member**, Blanche Fitzpatrick, in late 2010. Blanche served BU from 1965 to her retirement in 1987. She was steadfast in of the department's teaching mission as well as a pioneer in her research on the economics of gender and the labor market. Blanche will be missed, but like Bob Rosenthal, she helped build our department.

The labor market for advanced BU economics graduates is improving. This year, our **PhD students** gained excellent positions around the world, including one at the Harvard Business School. Our **MA program** is flourishing under the innovative leadership of Hsueh-Ling Huynh and benefiting from an active Alumni council in placement activity. In terms of credit hours, BU Economics is one of the largest programs in CAS. We attract some of BU's very best **undergraduates**, some of whom you'll read about elsewhere in this newsletter.

I invite you inside the newsletter to see more about the exciting developments in BU Economics. On page 6, you'll note late-breaking news about a newly endowed **Slater Family Professor in Behavioral Economics**, the first such endowed chair specifically dedicated to Economics, which will be bringing another world-renowned faculty member to BU in the future. On pages 4 and 5, you'll see the energy of our **undergraduate associations and programs**, while you'll meet a sample of individuals on pages 7 through 9. And there's lots more.

In terms of **donations**, 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. A full list of **recent donors** to Economics is included inside this newsletter. Of course, the department continues to have major capital and other needs. The establishment of endowed chairs and fellowships, in particular, are pressing objectives. Donors wishing to learn more about these major unmet needs should contact Steve Kean (skean@bu.edu) or me (margora@bu.edu). Information on donating to the department can be found at <http://www.bu.edu/econ/departments/donations/>.

Finally, I extend congratulations to all of the 2011 graduates from Boston University's Economics Department. You have made this an exciting place to be this year and we are looking for great accomplishments from you in years to come!

With my best wishes,

A handwritten signature in black ink, appearing to read "Robert A. Margo".

Robert A. Margo
Chair, Department of Economics



A Conversation with Kevin Lang

Who or what drew you into economics?

As a kid I loved Isaac Asimov's *Foundation* trilogy and wanted to be a psychohistorian, Asimov's name for people who used probability theory to predict the future. Economics looked like the closest option.

Why did you choose labor economics as your field? What was your dissertation on?

Labor was the natural field for someone with my interests in discrimination and other social phenomena. My main dissertation chapter addressed the "culture of poverty" hypothesis and concluded that lower levels of educational attainment among blacks were explained by lower success rates in school and not by higher discount rates or, in sociological terms, lower capacity for deferred gratification.

You were an elected school board member for thirteen years and serve on the Board on Testing and Assessment of the National Research Council. Has does that relate to your economics?

I recently wrote an article for the *Journal of Economic Perspectives* (available at no charge on the web) which brings together my knowledge of measurement issues with my practical experience. The basic point is that the measurement issues are sufficiently severe that it does not make sense to tie teacher salary or retention to test scores in some automatic way. It is not credible that we can reliably estimate a teacher's value-added. But principals should, and usually do, know who their best and worst teachers are, and their judgments usually align closely with the results of sophisticated statistical analysis. The trick is to empower principals to act on their knowledge and to give them incentives to do so. This requires that central administrators be able to judge whether principals are acting appropriately, and sophisticated statistical analysis can help them do this. Good principals will work to improve or dismiss their worst teachers, and most of the teachers with low value-added based on the statistical analysis will be in this group. Principals can be asked to explain why they think a teacher with low "value-added" is, in fact, a good teacher. If the number of such cases is small and the explanations good, it is reasonable to rely on the principal.

You just spent a sabbatical year traveling around the globe. Can you tell us about your travels and any interesting experiences along the way?

My wife and I spent most of the year at academic institutions in Turin, Sydney, Singapore and London where we were able to reconnect with old friends and students and meet some really terrific young economists. But we started in Kenya, helping Jitegemee, a program that provides education or apprenticeships to street kids. We were working with volunteer architects, teachers, students and guardians on a plan for a new building. During our visit, we also accompanied the children on their annual field trip. So we got to know some of the children very well. To hear their stories was really transforming. And it increased my understanding of some issues in development economics.

Did your year-long trip lead to any new research projects you are excited about?

I'm working on a project with someone at the University of New South Wales. We're looking at monitoring and learning about worker ability in a very different way than has been done previously. I am optimistic that we are going to be able to address some mysteries about how wages evolve within firms.

You have been at Boston University for over twenty years now. Would you say that the Economics Department has changed a lot over time? What do you see as the biggest challenges for the department going forward?

The biggest change is the quality of the students. We've always attracted some terrific students at all levels, but now they are more consistently good. At the best universities, students learn as much from each other than they do from the professors. I think we've reached that point.

But having faculty on the cutting-edge of research is central to the student experience at a research university. So our biggest challenge is recruiting and retaining first-rate faculty. The market for economics professors is very competitive. And the resource advantage of the richest universities has grown: the huge endowments of places like Brown and Duke make them serious competitors for economics faculty, so that they are closing the gap with us.

What do you enjoy doing in your free time?

What free time? Just kidding. I like to travel and to hike and to travel to places where I can hike, like Tasmania last year.

Interview by Leena Rudanko



Johannes
Schmieder

Conversations with...

and



Laurent Bouton

Who or what got you interested in economics? Why labor economics in particular?

When I grew up in Germany many were struggling with the economic repercussions of the reunification, rapidly rising unemployment and growing inequality. I wanted to understand these social problems and what possible solutions would look like and economics provided the right framework to think about these. My decision to focus on labor economics emerged in graduate school. I was attracted to the field both by its focus on applied policy as well as by its approach of combining theoretical reasoning with empirical work.

What research project are you working on right now?

I analyze the effects of extending unemployment benefit durations during recessions, a policy that was a hotly debated topic in Congress just last fall. In this work, we find that while longer durations do keep people in unemployment longer, this effect is weaker in recessions, while at the same time a lot more people benefit from longer durations because they would otherwise exhaust their benefits. From this we conclude that such benefit extensions are generally welfare enhancing in recessions.

In joint work with Janet Currie at Columbia University, you have studied the effects of pollution on infant health. What are your main findings?

We study the effect of air pollutants like ozone and carbon monoxide. We compare siblings, where one child was exposed to particular high levels of pollution during the pregnancy, while the other one was in utero during a time of low pollution. We find that on average the sibling that was exposed to higher pollution levels had significantly lower birth weight and a higher probability of dying in the first year after birth.

You have just moved to Boston from New York. How does living in Boston compare to New York?

While Manhattan is a great place to live, I absolutely enjoy being at a bit calmer place now. I love having a backyard and being able to ride my bike to work.

What do you most enjoy doing in your free time?

I love outdoor activities like biking, hiking or snowboarding. I'm also taking some cooking classes this spring, which I find a great way to balance sitting in front of a computer for most of the day.

Who or what got you interested in economics?

I have always been fascinated by economics. Frankly, I don't really know why nor how it started. I remember that at age 12, I wanted to be Minister of Finance in Belgium. Later, I obviously dreamed about seemingly cooler professions (e.g. soccer player and astronaut). But, when it was time to decide what to do, the choice was obvious: economics!

What research project are you working on right now?

I am working on two main projects. The first one analyzes the properties of different electoral systems. We know that there is no such thing as a perfect system. My goal is to find one which does not perform too poorly. I am currently analyzing the properties of the runoff electoral system which is the most widely used electoral system in the world. This system features undesirable properties. For instance, the Condorcet loser (i.e. the worst candidate) may win systematically. The second project analyzes the effect of rankings (e.g. US News & World Report ranking of university degrees) on consumers' welfare. I challenge the idea that "more information is better": rankings sometimes trigger coordination effects that, in the end, reduce the welfare of ALL consumers.

You grew up in Belgium. How does life in Boston compare to your home country? Is there anything you miss in particular?

Boston is actually not too different from Brussels. It is a human-size city and the quality of life is great. Food is definitely the biggest difference...

How do you spend your free time?

I would love to say that I spend my free time listening to classical music or Jazz. Unfortunately, I have to be honest: I love to go out, travel and read novels on a beach. Even worse, I play videogames.

Interviews by Leena Rudanko

Action in Economics

BU's undergraduate economists have a tremendous amount of energy. In addition to taking some of the university's most demanding classes, they drive a wide range of economics-related activities.

Economics Club



Dismal Science? The Stand Up Economist Yoram Bauman, Ph.D., entertained BU students in Fall 2010 during an event co-hosted by the BU Economics Club and Synapse.

The 2010-2011 academic year has been the Boston University Economic Club's most active. Newly nicknamed the BUEC, the 500+ member club has successfully expanded their events beyond general meetings. The Fall included a showing of the Michael Moore film "Capitalism: a love story"; co-hosting the first and only Stand-up Economist, **Yoram Bauman**, Ph.D, with BU's Undergraduate Science magazine, Synapse; and collaborating with the OECD student ambassador to host a speaker. Spring events have included more traditional events such as the annual visit to the Federal Bank of Boston and volunteering at the College of Arts and Sciences Open House to represent the Economics department.

Besides working to improve the BUEC's presence externally on campus through events, club members focused on promoting their newly established website (<http://bueconclub.wordpress.com/>). The club's goals in creating the website were to improve member involvement, facilitate a sense of community, and provide a hub for majors to explore economics beyond the classroom. Student-written articles are provocative, developing small discussions and generating more than 200 views each week. The club's officers are President **Michael Clancy** (CAS 2011); Vice President **Kevin Zhang** (CAS 2012); Treasurer **Karen Reichgott** (CAS 2012); and Secretary **Aleeza Liu** (CAS 2012).

College Fed Challenge

The Challenge is a competition sponsored by the Federal Reserve System in order to promote the understanding of the U.S. macro economy, the Fed, and the implementation of monetary policy. Each fall, participating colleges and universities assemble a team. The first round of the competition is held at the regional Federal Reserve Banks, such as the Boston Fed. Teams create a twenty minute presentation recommending policy measures the Fed should take; they are then subject to a question and answer session. Presentations are judged by staff economists at the Federal Reserve Banks, with the highest scoring team at the regional competition advancing to the final round held at the Federal Reserve in Washington, D.C.

BU's Fed Challenge team this past fall included **Michael Clancy** (CAS 2011), **Briana Ballis** (CAS 2011), **Allison Cole** (CAS 2012), **Medha Uppala** (CAS 2012), and **Kyle Peabody** (CAS 2014). The faculty advisor was the Director of Undergraduate Studies, Professor **Todd Idson**, and **Gary Chau** (CAS 2011) acted as team captain.

Although most teams create a mock Federal Open Market Committee meeting for their presentation, the BU team acted as external consultants hired to advise Fed economists. This approach allowed the team to make recommendations on more than just monetary policy. BU's Fed Challenge team members met multiple times a week in the months leading up to the competition; the team consulted faculty members and graduate students to refine the content of their presentation. As half of the team members are returning next year, the team looks to build upon its experience and improve its score this upcoming fall.



The Federal Reserve Bank of Boston hosted the BU Economics Club for an informational tour and the Fed Challenge competition in which a team of BU Economics students competed.

Global Business Brigades

Global Brigades is the world's largest student-led global health and sustainable development organization. Since 2004, Global Brigades has mobilized thousands of university students and professionals through nine skill-based service programs to improve quality of life in under resourced communities. It has quickly grown into one of the largest non-profit, student-led, international organizations. It encompasses nine programs related to public health and sustainable development: architecture, medical, public health, water, microfinance, business, law, dental, and environmental brigades. BU students participate in a wide range of international service activities under this umbrella organization (see <http://www.bu.edu/csc/tag/global-brigades/>). Examples of Economics student experiences are those of Leah Goldberg and Abby Rosen.

Leah Goldberg came to BU after attending the High School for the Performing and Visual Arts in Houston Texas as a vocal major. Although she studied music from an early age, she set her eye on a career in business as well. During high school, her interest in economics was sparked as a member of the Federal Reserve Bank of Dallas's Junior Board of Directors during her senior year. When applying to university, she was an informed consumer, choosing BU because of its campus and atmosphere but also because of the prestige of its economics department.

Leah built her economics skills at BU and completed the BA/MA program. After graduation, she plans to move to New York City and work in finance, with the goal of an entry-level position at a boutique investment bank. She is currently applying and interviewing for such positions.

Besides economics, Leah's main interests at BU have been volunteering and learning Spanish. She spent last semester in Madrid interning for a non-governmental organization through BU's program (she's a Spanish minor). As a freshman, she participated in the "Hike for Hunger," a two-day walk from Boston to Worcester to raise money for hunger prevention. The summer after her freshman year, she worked at a Gibbons Rehabilitation center in Thailand with International Student Volunteers, a program which she learned about through BU. At the end of her sophomore year, her roommate Abby Rosen went on the Global Medical Brigades trip to Honduras. Leah and Abby were instrumental in founding the Global Business Brigade, with Abby becoming president and Leah becoming treasurer.

Abby Rosen went to high school in Montgomery, New Jersey, but spent most of her childhood near Frankfurt, Germany. She was attracted to BU because she saw a diverse range of people and activities at the university. She planned to be on the premedical track and eventually go to medical school, but during her sophomore year, she found that she enjoyed and excelled in economics. She decided to concentrate in economics instead, but continued to take courses so that pre-medicine remained an option.

Abby's pre-med studies allowed her to travel to Honduras as a volunteer with Global Medical Brigades. Her trip to Honduras led her to become very passionate about bringing more of the wide-ranging Brigade activities BU, Business Brigades in particular. She built a team including economics majors Karen Reichgott and Leah Goldberg, as well as Alexandria Lafci, an International Relations student. Global Business Brigades at BU was launched in the fall of 2009. The first BU GBB traveled last May to Panama, working alongside students from Emory to help a farm in a rural area with limited resources to become sustainable.

An internship with an investment bank, BNY Mellon, was very stimulating for her and she decided to switch away from medicine. Abby is currently in job search, with her eye on an investment or consulting firm.

Made in China

Made in China is a non-profit student organization created to raise BU community's awareness of the economic development of China. The club's blog, The Silk Road, gathers news articles, commentaries, analyses, academic papers and books in addition to interviewing scholars and professors with interests in China and economics (see <http://blogs.bu.edu/silkroad/>) The club also plans activities to stimulate interest in these areas among the Boston University undergraduate student body.

The activities of Made in China are currently split into four departments: research, finance, art design, and public relations. The research department finds high quality news items and articles of high interest to be posted on the blog. The financial department manages club budgets, event cost control, and creation proposals for funding. The art design department creates media and art items relating to club events, including flyers, posters, and tickets, as well as the blog's



Abby Rosen and Leah Goldberg co-founded BU's Global Business Brigade with fellow CAS students Karen Reichgott and Alexandria Lafci in the fall of 2009.

design and the club logo. The public relations department takes care of all connections to other clubs at BU, as well as advertising Made in Chinas events.

Sally Guo (CAS 2012), a double major in Mathematics and Economics, is the president of Made in China. In addition to general responsibilities, she leads the newly established research department with Vice President **Kelvin Pan** (CAS 2013). Kelvin, a double major in Mathematics and Computer Science, worked on research, preparing club events, and designing the Silk Road blog. **Carol Tsang** (CAS 2011), Economics major and Finance minor, has managed club funds and sought sponsorships for events. In her role as leader of the art design department, **Shally Wang** (CAS 2012), who studies Economics and Mathematics, is in charge of designing all event and club fliers. **Nicole Lo** (SMG 2011) heads up the public relations department. Sally, Carol, Shally, and Nicole are all co-founders of the group.

Department of Economics *Donors*

The Department of Economics expresses its gratitude to the following individuals and institutions who donated to a departmental gift account in 2009-2010 or 2010-2011 (through March 1).

Mr. Kenneth Slater	Mr. Robert V. DiClemente	The Reverend Peter F. Cole
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Mr. Richard M. Frye	Patricia M. Flynn, Ph.D.	Professor Kevin Lang
Mr. Robert C. Seamans		

New Endowed Chair

Late this spring BU Economics learned that it would become the home of the **Slater Family Professorship in Behavioral Economics**, the first endowed chair in the department's history. Funded through the extraordinary generosity of Ken Slater, the chair will provide the means to bring to campus a world leader in an important new area of research at the intersection of economics and psychology. Stay tuned to the Department's website for news about this exciting development!

Rosenthal Memorial Lecture

Every year, the faculty, students and staff in the Economics Department commemorate the legacy of **Robert (Bob) Rosenthal** — a superb scholar and a great colleague and teacher, who passed away in February 2002. The lecture series is described at <http://www.bu.edu/econ/seminars-workshops/special/rosenthal/>, which provides a link to a tribute to Rosenthal's research by Roy Radner and Debraj Ray in a 2003 issue of the *Journal of Economic Theory*. Videos of lectures from previous years are also available.



The 2011 Rosenthal Memorial Lecture this year was given by Nobel Laureate economist **Eric Maskin**, on the topic of "Elections and Strategic Voting: Condorcet and Borda." In an overflowing, standing-room-only lecture hall, Maskin argued that some of the most commonly used voting systems around the world are subject to grievous distortions and yield outcomes that depart from the will of the electorate. As an example, Maskin cited the plurality (first past the post) voting system widely used in the United States to select members Congress and in the UK to select members of Parliament. He pointed out that the entry of a third-party candidate, even one with no chance of winning, could change the election outcome by taking votes from the leading candidates. Maskin recommended the use of the Condorcet system, described in 1785 by the Marquis de Condorcet, a French mathematician and political scientist. The operation of this system can be illustrated by supposing that there are three candidates (say Bush, Gore, and Nader). The Condorcet system would require each voter to rank all three candidates. Election officials would perform a tabulation for every pair of candidates, noting the number of times each member of the pair was ranked more highly than his opponent. So if, for example, Gore were ranked more highly than Bush on 53 percent of the ballots, and more highly than Nader on 92 percent of the ballots, then having majority support against each of his opponents, Gore would be declared the winner. Maskin said that in the unusual case that no candidate defeated all of his opponents, a method developed by Jean-Charles de Borda, a contemporary of Condorcet, would yield good results. The lecture summarized, in a broadly accessible manner, the results of a series of theoretical papers by Maskin, together with various collaborators, and other researchers working on the boundaries of politics and economics.

The outstanding lecture series has been supported by the members of the Rosenthal family. Thanks to the generosity of faculty and friends, Chairman Bob Margo reports that "the Economics department is well on our way to our goal of endowing this lecture".

Prior lecturers have been **Douglas Gale** (New York University) in 2010 on "Decision Making Under Uncertainty: Nonstandard preferences and/or Bounded Rationality?"; **Andrew Postelwaite** (University of Pennsylvania) on "Effecting Cooperation" in 2009; **Ariel Rubinstein** (Tel Aviv and New York Universities) "On the Pragmatics of Persuasion: A Game Theoretic Approach" in 2008; **Alvin E. Roth** (Harvard University) "What Have We Learned from Market Design?" in 2007; **Jean Tirole** (Institut d'Economie Industrielle, Toulouse, and MIT) "Economic Incentives, Self Motivation, and Social Pressure" in 2006; Robert Porter (Northwestern University) "Collusion and Auctions" in 2005; **Roy Radner** (New York University) "A Strategic Analysis of Petty Corruption" in 2004; and **Robert Wilson** (Stanford University) "Stable Equilibria" in 2003.

A sampling of our undergraduates

Economics requires students to think rigorously and systematically, thereby enabling them to master and apply new knowledge as required in our rapidly changing world. We attract a diverse and talented group of students who excel [not only in their studies but also] in their contributions to the broader university, in athletics and the arts as well as academics. In this and the following pages, we highlight [below] just a few of these outstanding young men and women.

Diverse paths to professional schools

Economics provides a background for a wide range of professional studies, as seen in the plans of Arvind Nishtala and Brittany Wakin.

Arvind Nishtala grew up in Japan, New Zealand and Singapore, where he graduated from Raffles Junior College. Arvind was drawn to BU by the opportunity to combine two diverse interests: “the study of medicine is my calling but I have always been keenly interested in economics.” Joining the Advanced Medical Program at BU, he has double majored in Medical Sciences and Economics.

Arvind reports, “The past four years as an Economics major has been phenomenal—while my Pre-Medical classes were enjoyable, there was always an irresistible attraction to my Economics coursework.” He took classes in a wide range of subjects from International Monetary Policy to Antitrust and Market Structure with top-notch faculty who are both knowledgeable and approachable. These classes, in his view, equipped him with the tools necessary to understand the world as it is, but also develop policy to change it for the better. He reports that “one particular class captivated me; after taking Development Economics with Professor **Dilip Mookherjee**, I became fascinated with ‘bottom of the pyramid’ economics and social enterprise.” It changed his path.

“Professor Mookhejee’s class left me realizing that the poor are a remarkable reservoir of untapped energy and knowledge and inspired me to work as a healthcare consultant for Grameen Koota, a microfinance institution in India. As I worked with Grameen Koota in developing a healthcare ecosystem for their 2 million clients, I became aware of the abysmal access to health care for the poor in less developed regions. I also came to appreciate the role that social enterprise can play with its capitalistic strategies in lifting the poor out of poverty and improving social welfare generally. This stint provoked a period of introspection and I now envision a future in which I see myself integrating my two vastly different fields of study to improve access to health care and health service delivery for the less privileged. I have no doubt the skills and knowledge I have gained by virtue of being an economist trained at an institution like BU will propel me to realizing these lofty ambitions.”

Following graduation, Arvind will begin his medical training at BU School of Medicine in August, but for now, he is training vigorously to cycle 4000 miles cross-country (from Baltimore, Maryland to Portland, Oregon) to fundraise for cancer this summer.

Brittany Wakim grew up in the Main Line suburban area outside Philadelphia. At Lower Merion High School, she played soccer and softball as well as being a member of the National Honors Society. She’s the daughter of a BU alum: her mother Jodie M. Stupp graduated from the School of Education in 1977 with a degree in mathematics. Brittany’s an avid sports fan – she grew up supporting the Eagles, Phillies and Flyers, but has developed a new love for the Red Sox since coming to Boston. She began attending baseball games with her grandfather when she was little, following the Phillies through their tumultuous years and being rewarded with a World Series win



Arvind Nishtala and Brittany Wakim plan to pursue further education after completing their undergraduate degrees.

in 2008. As a teenager, she was introduced to the basic principles of economics in a book on baseball and “knew instantly that it was the path I wanted to pursue in college.”

Brittany shares some of her mother’s interest in education. At BU, she’s a peer tutor for the Educational Resource Center in Economics, Statistics, and French, which she sees as “a way to give back to the University community and to become a mentor to some students.” She also participates in the Upward Bound program that provides federally funded tutoring to inner-city school children. Finally, this summer, she will serve as the director of athletics at an overnight sports camp she has been involved with for the past 14 summer seasons.

Brittany took a wide range of courses at BU, ranging from Monetary and Banking Institutions, a personal favorite, to British Economic Perspective, which focused on the Margaret Thatcher era.

At BU, Brittany continued her interest in sports and economics, even though BU will not offer its first course in this area until 2011-12. To study the economic factors that cause baseball teams to leave one city and move to another, she wrote a Senior Thesis for Distinction on the subject. Her work was supervised by someone who had reinforced her initial interest in economics when she took a principles course with him: Professor **Todd Idson**, who will teach BU’s new course on Sports Economics.

Brittany also participated in the London Internship Program, where she was a credit risk and privacy intern with Barclays Wealth. At Barclays, she completed reviews of privacy-related incidents to detect patterns with a particular focus on the detection and remediation of residual risk. In this internship, she put to use her knowledge from economics courses and gained new insight into the business world.

Next year, Brittany will return to Philadelphia to attend the Earle Mack School of Law at Drexel University, where she’ll be part of the class of 2014. She also plans to put her economics background to use by pursuing an L.L.M. in Taxation.

The Department of Economics has opened a pool on the successor to Theo Epstein as general manager of the Boston Red Sox in 2021: the hot ticket is Brittany Wakim.

A sampling of...

More interviews highlighting a few of our outstanding young economists, continued from the prior page.

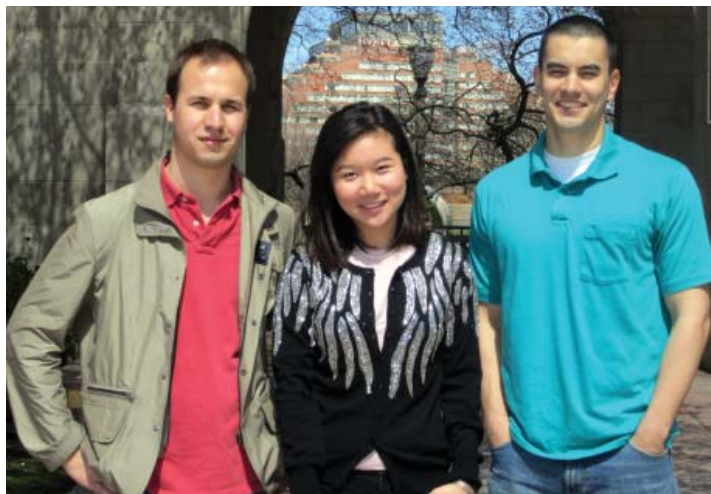
Around the world

Students come to Boston University from around the world and they leave on fascinating paths, as the experiences of Emily Loo and Roddy van der Sluis illustrate. Currently, approximately 40% of undergraduate Economics majors are international students. Economics students come from over 50 different countries and represent every continent except Antarctica. Bangladesh, Greece, Honduras, New Zealand, Germany, Kazakhstan, Egypt, Russia, and Turkey are just a few of the countries Economics students call home.

Emily Loo came to BU from St. Andrew's Junior College in Singapore. She was drawn to Economics after working in a slum in Navi Mumbai, India, for six months after high school. During that time, she chanced upon several non-governmental organizations (NGOs) working on microcredit to alleviate poverty. So, she started reading economics and, in her words, it "gradually seemed to unravel how the world works- and then things started to make sense!"

Emily has a diverse set of current interests at BU, which include an on-campus internship with the OECD (Organisation for Economic Cooperation and Development), philosophy, microcredit, and jogging by the Charles. She credits her economics professors as always being there for her during her time at BU: Professor **Michael Fenollosa** answering questions on Money and Banking at odd hours, Professor **Regina Cati** providing an understanding as she worked on statistics and Professor **Idson** giving her guidance during an internship at the Grameen Bank in Bangladesh.

But her experience is not limited to the classroom: Emily is currently managing a Boston-based company, which trades American furniture and upholstery materials with Asia. As she's preparing to pursue business ventures in China, she views her BU studies about the Chinese economy as "really giving [her] the edge." After graduation, she'll be returning back to Singapore to set up retail stores in Shanghai. That business-oriented activity will be followed by interning at the UN or working for a non-profit organization to learn more about public policy before applying for grad school.



International students Roddy van der Sluis and Emily Loo and BA/MA student Sean Rabe earn their degrees this May.

Roddy van der Sluis was born in the Netherlands, but moved to France at the age of twelve. During his sophomore year of high school, though, he opted for a change of scenery and came to school in the United States, earning his high school diploma at the Baylor School in Chattanooga, Tennessee.

Roddy views his experiences with diverse cultures as "not only interesting, but as essential to doing business globally since business is about dealing with people first and foremost." He reports that BU provided him with an opportunity to meet and interact with students from all over the world.

For Roddy, his studies in economics provided a core background for a future in business, but also an intellectual challenge, citing Professor **Andrew Newman's** class on "Economics of Organizations" as a particular example. But Roddy finds that this challenge is one of the reasons why he enjoys the study of economics: he'll continue his studies in September at Tilburg University in The Netherlands, where he will pursue a master's degree in finance.

Supporting Economics through the BU Annual Fund

Many donors choose to give to Boston University through the annual fund but direct that the funds be used for the Department of Economics. Donors wishing to learn more should contact Steve Kean (skean@bu.edu) or Professor Robert Margo (margora@bu.edu).

Information on donating to the department can be found at <http://www.bu.edu/econ/department/donations/>.

We appreciate your support.

...our undergraduates

BA/MA: two for one

About 15 students complete the combined Bachelor's and Master's degree in economics each year. Such an intensive program provides both an intellectual test and a foundation for future success. Three students graduating from the BA/MA degree this year are Sean Rabe, Chris Kramer, and Chris Salviati.

Sean Rabe hails from Boston. At the Boston Latin School, he took his first economics course and his interest in the subject was sparked. Entering BU, he initially studied electrical engineering, but changed his concentration to economics during his freshman year. He liked the combination of practicality and rigor that economics offered and joined the BA/MA program during the spring semester of his sophomore year.

Sean greatly enjoyed courses in both macro and micro economics because they enabled him to better analyze the world around him and to more clearly understand the events that occurred during the 2008 financial crisis and the response of government policymakers.

Sean is a natural leader. Throughout his college years, he has been in BU's Army ROTC program. He rose to Cadet Battalion Commander and assumed responsibility for leading, training, and maintaining a battalion of 119 Cadets at BU and 12 partner schools.

On May 21, Sean will be commissioned as a Lieutenant in the United States Army, after which he will serve on active duty as an Armor officer. Upon completion of military service, Sean plans to earn an MBA in finance.

Christopher Kramer is originally from Connecticut, where he graduated from South Windsor High School in 2007. Entering BU undeclared, his interests in Economics were inspired during his freshman year introductory level courses. In the spring of his sophomore year, he applied and was accepted into the BA/MA program. His favorite courses include Behavioral Economics, Game Theory and Financial Economics, which have enabled him to better understand the decisions made by people, businesses and governments.

BA/MA student Chris Kramer cheered on BU sports teams as Rhett throughout his college years. Here he supports the men's hockey team as they take on BC at Fenway Park in January 2010.



Christopher Salviati and Christopher Kramer both completed the BA/MA program.

During his time at Boston University, Chris has been highly involved in many student organizations and University offices. He has founded two clubs: the Cultural Experience club, whose purpose is to bring a diverse array of opportunities to the student body, and the Business Dining Club, whose purpose is to train students in the specifics of business dining and proper etiquette for various dining scenarios. He is also a Senator in the Student Union, a member of the Cycling Team, a volunteer for the Class Gift campaign, and has been involved in a number of other student organizations. Chris has also worked for the University for the past four years: at the Financial Assistance office as a Peer Coordinator and at the Athletic Department as the Terrier's mascot, Rhett.

Chris has career interests in finance, public policy, consulting and entrepreneurship. After graduation, Chris hopes to find a job that will allow him to apply his expertise in Economics, and eventually to start his own company. After gaining experience in the job market, Chris plans to return to academia to pursue an MBA.

Chris Salviati attended Dracut High School, about 35 miles north of Boston. During his freshman year, after starting with an undeclared major, he took courses in a variety of subjects and found that he had both an interest in and aptitude for economics. He became an economics concentrator and then joined the BA/MA program in his sophomore year, looking to challenge himself.

Chris has worked as a research assistant for Professor Megan McGarvie (SMG) since fall of 2009, gaining practical experience and learning how economic research is conducted. He's been a resident assistant at Warren Towers since the fall of 2009.

Chris has garnered a highly competitive research assistant position in the Macroeconomic Analysis Section at the Federal Reserve Board. He'll be moving to Washington, D.C. over the summer to start his work at the Fed.

Highlights from the Master's Program

MA Alumni Leadership Council

The MA Alumni Leadership Council was formed at a dinner meeting in the Elephant Walk Restaurant on February 19, 2010. Following are the current members of the council.

In Boston:

John Affleck (MA 2000), International Economist at Property and Portfolio Research

Greg Brown (BA/MA 2005), Senior Consultant at StoneTurn Group

Fei Rong (MAEP 2008), Associate at Boston Strategies International

Charles Tao (MA 2008), Research Analyst at i3innovus

Rebecca Wildner (MA 2009), Analyst at Abt Associates, Environment and Resources Division

Ashley Seamans (MA 2010), Business Analytics Manager at Rapid7

In New York:

Joseph Kung (BA/MA 2004), Assistant Vice President at Deutsche Bank Group

Megan Gorman (MA 2007), Strategist at CB Richard Ellis Econometrics Advisors

In Washington DC:

Jessica Sincavage (MA 2003), Division Chief of International Technical Cooperations at the US Bureau of Labor Statistics

Michael Kheyfets (BA/MA 2007), Senior Consultant at Edgeworth Economics



MA student Chelsea Carter (BA/MA 2011) poses a question to the panel at the MA Career Information Meeting.

The younger alumni are the MA program's best friends and most effective ambassadors. They are on the forefront of the MA job market, and their energy and enthusiasm have helped to foster a strong sense of identity and community amongst the graduates of the program. Even prior to joining the leadership

council, these alumni had been active participants and counselors of the Economics Department's MA placement and networking efforts – offering career guidance to current students in Career Information Meetings and through personal mentoring, sharing their own professional expertise by offering information sessions on campus, and organizing social events.

The formal establishment of the leadership council took this work to a new height. Generous as always with their time and ideas, the Council members now host two important web resources for MA alumni: a network on LinkedIn and a group on Facebook. These social media initiatives have immediately attracted a large following of former graduates from far and wide.



(from right) Srikant Narasimhan (MA 2006), Michael Kheyfets (BA/MA 2007), Professor Robert EB Lucas, and Jessica Sincavage (MA 2003) and her guest at the first Graduate Alumni Gathering hosted in Washington DC on February 25, 2011 at the Beacon Hotel & Corporate Quarters



Alumni Leadership Council member John Affleck talks with Xin Huang (MA 2011) following the MA Career Information Meeting held on October 15, 2010 at BU's Photonics building.

We Need Your Help: An Appeal for MA Prizes

BU Economics is seeking funds to endow one or more prizes to recognize outstanding academic achievement by our MA students. Such prizes will be especially meaningful if they come through the generosity and goodwill of MA alumni and their families. If you would like to donate to the MA Prize Fund or support other worthwhile activities in the MA Program (such as the RA-Mentor program reported in this letter), please contact the Department Chair, Robert Margo (margora@bu.edu) or the Director of MA Program, Hsueh-Ling Huynh (hluhynh@bu.edu).



A merry crowd of MA students enjoy the fare at the Graduate Alumni Night held on October 29, 2010 at the Hyatt Hotel in Cambridge. Alumni, graduate students, and faculty mingled at this event.

MA in Research

Started in Spring 2010, the **RA-Mentor Program** gives MA students the opportunity to serve as research assistants to junior faculty members or PhD candidates, under the overall supervision of their faculty advisers. Applicants are selected on the strength of their academic record, knowledge in statistics and econometrics, and software skill. The typical workload is 10 hours per week during the Spring semester, and a total of 160 hours over two months of the summer. The RAs receive a modest stipend for their work, but even more valuable is the research experience and credential that is so highly desirable in the job market. From its inception, the program was a resounding success. Both mentors and MA students were enthusiastic about the productive working relationships they formed. Currently, 12 MA students are participating in the program as research assistants, with 3 junior faculty members and 11 PhD students acting as mentors.

Sayon Deb (MA 2011) was awarded first prize in the ICPSR's international competition for the best social science research paper. His paper, "The Long Term Effects of Colonial Land Tenancy: Micro Evidence from India," was written last Fall for the MA elective course EC565: Economic Institutions in Historical Perspective, taught by Professor **Robert Margo**. The ICPSR (Inter-university Consortium for Political and Social Research) at the University of Michigan judges entries from undergraduate and master's students on originality, statement of purpose, thesis development, quality of analysis, and supporting evidence. The first prize award is \$1000 along with publication in the ICPSR Bulletin and ICPSR Web site. Each winner is given a plaque and certificate in recognition of the award. Letters of achievement are written to the student, faculty, departments, and dean of student's institution. More information at <http://www.icpsr.umich.edu/icpsrweb/ICPSR/prize/>.

Gumilang Sahadewo (MA 2011) and his co-authors from the University Gadjah Mada in Indonesia conducted some behavioral experiments about a year ago. Their article, "Evidence of Homo Economicus? Findings from Experiment on Evolutionary Prisoners' Dilemma Game" was presented in the Global Accounting, Finance and Economics Conference at Monash University (February 14-15, 2011) and it was awarded best paper in the economics track. Details at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1765923.

Tithee Mukhopadhyay (MAGDE 2011) and Emily Martin (MAGDP 2011) [pictured below] traveled to India in November of 2010 to complete field work for their Capstone Project with the Global Development Program. The program offers two closely related MA degrees, Global Development Economics (GDE) and Global Development Policy (GDP). This highly interdisciplinary venture is a joint project of the Economics, Geography & Environment, International Health, and International Relations departments.



The Master's Program sponsors career development activities in conjunction with the economics master's programs at Columbia, Duke, Johns Hopkins, and NYU.

On February 24, 2011, we hosted the second annual International Summit for Careers in Economics at Duke University. Close to twenty BU students traveled to Durham, N.C. for this career fair. Liberty Mutual Group, the CIA, RTI International, and American Express were among the employers represented. If you are interested in having your company represented at this event, please contact Courtney Sullivan at csull@bu.edu.



Amongst the MA graduates this year is Brent Justin Bernkrant, Lieutenant of the United States Navy and Assistant Professor of Naval Sciences at Boston University. Please see page 12 for an interview with LT Bernkrant (U.S. Navy, MA 2011).

SubMARiner

Amongst the MA graduates this year is **Brent Justin Bernkrant**, Lieutenant of the United States Navy and Assistant Professor of Naval Sciences at Boston University. Prior to entering the economics MA program in January 2010, Brent graduated Magna Cum Laude from Boston University in May 2004 with a Bachelor of Science in Business Administration and dual concentrations in finance and operations management. He represented BU in NCAA Division I swimming competitions and was named Boston University's Male Scholar Athlete of the Year in 2004.



Last spring, Brent and his naval colleagues led a group of BU faculty, administrators and fellow MA students on a tour to the naval base at Groton, Connecticut. The tour included the active nuclear submarine USS Virginia. Below is a short interview with LT Bernkrant.

When did you join the U.S. Navy? How did you become involved with submarines, and rise to be an Operations Officer at such a young age?

I joined the Navy ROTC program in my freshman year at BU, and was commissioned as an officer when I graduated in 2004. In my senior year I was selected for the nuclear submarine program after a rigorous application process, which involved a series of technical interviews with engineers at Naval Nuclear Reactors' in Washington D.C. After eighteen months of intensive training I reported to my first submarine – the USS Topeka out of San Diego. In the next couple of years I served in a variety of division officer billets in the submarine fleet. Enriched by this experience, I was promoted to be a department head and became Operations Officer for Submarine Naval Research 1 in October 2008. My tour on NR-1 ended in fall 2009 and I was assigned to return and teach naval sciences at BU.

How did you become interested in economics? What was your experience in the MA program?

I was interested in economics ever since my freshman year of college. I double concentrated in the School of Management as an undergraduate and the Navy ROTC program also required me to take a number of engineering courses. This study plan precluded me from taking anything other than two introductory economics courses, but I had always wanted to learn more about the subject. I really enjoyed the economics MA program and felt quite challenged in every course I took. Fortunately I have had some fantastic professors whose knowledge, competence and dedication to teaching I really admire. The theoretical background I gained by pursuing an MA in economics lends incredible insights into business and financial concepts that I never completely understood as an undergraduate.

What are your plans after earning your MA degree?

I have nine months left in the Navy serving as an Assistant Professor here at Boston University. Upon leaving the Navy as an active duty officer, I plan on joining the reserves and getting a position in civilian consulting. I have already received some very positive feedback from potential employers about my qualifications. The MA degree is going to open many doors for me in the work force.

Reconnecting PhDs



PhD Alums **Calixte Ahokposs** (PhD 2009), **Nandini Krishnan** (PhD 2008), and **Aditi Mehta** (PhD 2007) met up at the DC Alumni Event.

Development theory meets practice



John R. Harris, BU Professor of Economics, and **Santiago Levy Algazi** (PhD 1980) share a moment at Washington, DC Alumni meeting. Harris was recently honored by the American Economic Association which selected his "Migration, Unemployment and Development: A Two-Sector Analysis," 1970, as one of the top 20 articles of the first century of the *American Economic Review*, the association's flagship journal. Mexican economist Levy is the Vice President for Sectors and Knowledge at the Inter-American Development Bank and the author of over 75 published articles and several books, notably his recent *Good Intentions, Bad Outcomes: Social Policy, Informality and Economic Growth in Mexico*, Brookings Institution Press, 2008.

Alumni Networking on the Web

Graduates of the Master's Programs and PhD Program are encouraged to visit www.bu.edu/econ/alumni for information about future alumni events. The page also includes links to the MA Alumni LinkedIn network and Facebook group, photo galleries of previous alumni events, and utilities to update contact information or submit an alumni note.

Teaching Awards



Rob Munger, Guillem Rimbau Armet, and Paul Karner were recognized for excellence in teaching.

Rob Munger won the Graduate School of Arts and Sciences award for best Teaching Fellow of the year in Economics, which recognizes excellence and dedication. The Department's "Special DGS prize for sustained excellence in teaching services" recognizes long-term excellence of PhD students in a variety of roles, including teaching fellows; instructors in summer and regular year CAS courses; and instructors in MET courses. While is not necessarily given every year, there were many strong candidates this year. **Guillem Rimbau Armet** and **Paul Karner** each won a prize for consistently outstanding teaching for several years.

This year's winner of the *Neu Family Award For Teaching Excellence in Economics* is **Bruce Watson**. After working six years as a financial futures analyst and trader, Bruce Watson completed graduate work in economics at the University of Colorado and at Harvard. He has introduced a huge number of students to macroeconomics at Boston University. This year's winner of the *Gitner Prize for Excellence in Undergraduate Teaching* is **Wesley Yin**. Prior to coming to Boston University, Wes Yin was a Robert Wood Johnson Scholar in Health Policy at Harvard University and an assistant professor at the University of Chicago's Harris School of Public Policy. His research interests span the areas of health, economic development and public finance. He has taught economic statistics to rave reviews, which is like getting a 10 point score on a 10 point dive.

PhD Program News

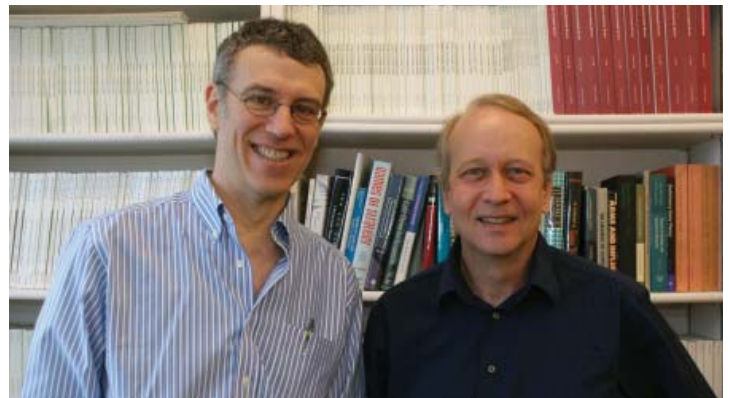
Eleven PhD. graduates found excellent placements around the world, from China, Australia and Europe to across the continent and the Charles River: **Gabriele Gratton** (University of New South Wales); **Sean Horan** (Universite de Quebec a Montreal); **Dara Lee** (U of Missouri); **Jee-Yeon Lehmann** (University of Houston); **Michael Luca** (Harvard Business School); **Yin Hing (Henry) Mak** (Max Weber fellowship at European University Institute, Florence); **Naoaki Minamihashi** (Bank of Canada); **Ana Nuevo** (Universitat de Barcelona); **Caixia Shen** (Shanghai University of Finance and Economics); **Jonathan Smith** (College Board); **Shinsuke Tanaka** (Fletcher School of Diplomacy, Tufts University); and **Martino Tasso** (Bank of Italy)

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 2011 awards are: **Marric Buessing**, **Hyo Youn Chu**, **Andrew Ellis**, **Emily Gee**, **Rania Gihleb**, **Osea Giuntella**, **Yoichi Kimura**, **Wendong Shi**, **Michael Siemer**, **Denis Tkachenko** and **Nate Young**. Congratulations!

Editorial Boards

The academic stature of our faculty is illustrated by the large number serving on editorial boards of top journals, including a number that serve as principal editors or co-editors.

Marianne Baxter (Journal of Monetary Economics), **Peter Doeringer** (World Development; MassBenchmarks), **Randy Ellis** (Journal of Health Economics), **Larry Epstein** (Journal of Economic Theory; Journal of Risk and Uncertainty; International Journal of Economic Theory), **Ivan Fernandez-Val** (Journal of Econometric Methods), **Simon Gilchrist** (Review of Economics and Statistics), **Jacob Glazer** (Journal of Health Economics), **Francois Gourio** (Journal of Monetary Economics), **Todd Idson** (Journal of Sports Economics), **Robert King** (Journal of Monetary Economics), **Kevin Lang** (Labor Economics), **Bart Lipman** (Econometrica; Games and Economic Behavior; Theoretical Economics), **Albert Ma** (Rand Journal of Economics; Pacific Economic Review), **Robert Margo** (Quarterly Journal of Economics; American Economic Journal: Applied Economics), **Dilip Mookherjee** (Journal of Development Economics, RAND Journal of Economics; Berkeley Electronic Press Theoretical Economics), **Andrew Newman** (Berkeley Electronic Press Journals in Theoretical Economics and Journal of Development Economics), **Claudia Olivetti** (Macroeconomic Dynamics; Labour Economics), **Daniele Paserman** (Journal of the European Economic Association; Labour Economics), **Pierre Perron** (Econometric Journal; Journal of Time Series Econometrics; Revista de Econometria, Economia Applicada; International Scientific Committee, Actualite Economique), **Marc Rysman** (International Journal of Industrial Organization; RAND Journal of Economics; Journal of Industrial Economics; Review of Network Economics), **Ingo Vogelsang** (Journal of Regulatory Economics, International Economics and Economic Policy; Review of Network Economics and the German language journal *Netzwerkwirtschaften & Recht; Information Economics and Policy*)



A Conversation with Andrew Newman



What drew you into economics?

It was basically an accident. I had always loved science and math in school. Cutting edge-physics seemed especially fascinating at least as far as I could understand from popular portrayals, so I started college sure I'd become a physicist. But the stuff I actually studied was disappointingly dull (no doubt my professors viewed me the same). Economics was the opposite: the popular image was less than inspiring, but when I took an economics course to fulfill a distribution requirement, I found it intuitive and interesting. Meanwhile, I was working for a large company each summer to pay for college, and that helped me become interested in the inner workings of firms and the overall workings of society. As I learned that I was much more likely to have a good economics idea than a good (or any) physics idea, I switched to economics.

You got your PhD at Harvard. What was your dissertation on?

It was on the theory of income and wealth distribution. One part studied how distributions evolve when people face incentive problems. Another showed how wealth distributions could affect the organization of production in ways that could alter aggregate performance. There was a lot of evidence from land reform episodes suggesting those effects were present, but few formal models that could help us understand why.

It is sometimes said that economic theory is the hardest field to be in because it is a luxury good. Do you think this is true?

I don't know if it's the hardest field: I find empirical work hard. But theory is definitely not a luxury good. Economics needs it more than ever. Some fields of economics are trying to do without theory nowadays, and they are turning into a mess.

You have written a number of important research papers during your career. Is there any particular paper that stands out as most significant to you personally? Can you explain what that paper does?

Usually I'm most excited by whatever I'm working on at the moment. But my most successful paper so far is probably "Occupational choice and the process of development" that I wrote as a second-year assistant professor. Among the things it did was develop the idea of inequality traps, where inequality in the present leads to inequality in the future. These are difficult for an economy to escape, because small amounts of individual upward mobility, which can take an economy out of a conventional poverty trap, won't do much to cure an inequality trap.

What are you working on now?

In the area of income distribution and economic performance, I've been modeling labor and education markets and the effects of policies like affirmative action that try to correct "mis-matches."

In organization economics, I'm focused on the behavior of product markets inhabited by "organizational" rather than "neoclassical black box" firms. Among the things we've found is that corporate governance policy may be important for consumer as well as investor protection.

Most recently I've been thinking about "loopholes" in the design of incentive systems, which is about organizational and regulatory evolution. Workers, managers, and regulated firms sometimes "game" the incentive systems that are supposed to govern them, and I'm interested in the consequences of that.

You have worked in a number of excellent institutions during your career. How does BU compare, and what do you see as the main challenges for our department?

Of all the departments I have worked in, BU's is the most collegial. The faculty are superb researchers, which usually means very focused, but here they have interest in each other's work, more so than I've seen anywhere else. The main challenges are going to be keeping up that culture as people retire or leave for other reasons. We need to attract more outstanding and accomplished people from outside and to provide the resources that enable everyone here to thrive at what they do best.

How would you compare the many exciting cities you have lived in during your career?

The other cities I lived in (Chicago, New York, London) are bigger, and academia is relatively peripheral. In Boston, academia is a leading "industry." That's good and bad: professionally exciting, but also difficult to escape when you need to.

How do you spend your free time?

I don't have much! But I do try to spend time in the mountains when I can.

Interview by Leena Rudanko

Conversations with...



Hiroaki Kaido

and



Wesley Yin

Who or what got you interested in economics? And why econometrics?

In high school, I had a chance to read a book written by Toshihiko Hayashi, then an economist at Osaka University. The book was mainly about public policies. I became interested in the analytical approach economists take. My former advisors Yoshiro Tsutsui at Osaka University and Makoto Saito at Hitotsubashi University both gave me a strong motivation to pursue a research career. San Diego's traditional strength in econometrics made it a natural choice for me. Among many econometricians I met there, Hal White had the biggest influence on me.

My research projects are mainly on partially identified models. In these models, parameters (such as the impact of education on personal income) cannot be fully recovered by available data, but we may get some bounds on them. One project tries to answer the question: what would be an appropriate efficiency criterion for estimating a parameter set?

You have some research at the intersection of econometrics and finance with Halbert White of UC San Diego. Can you tell us what you study in this work?

We looked at asset price data and tried to recover a parameter called the market price of risk, which measures how investors evaluate economic risks. Actually, people used to think that the asset price data don't tell us much about this parameter if the strong assumption of market completeness isn't made. Even without this assumption, though, we can still recover the set of risk prices that are consistent with the asset price data.

You just moved to Boston from southern California. How are you enjoying New England?

I've been enjoying the change of seasons in New England, but when it gets too cold, I miss the weather in southern California. Boston has a good combination of historic culture and a vibrant atmosphere.

How do you spend your free time? Or is there any – between your baby and new job?

Most of my free time goes to my 11 month-old daughter. Fortunately there are many family friendly places in Boston. I enjoy going out to parks and museums with my wife and daughter.

Who or what got you interested in economics?

I was a psychology/neuroscience major when I entered college. On a whim I took a microeconomics course. I was struck by the elegance of the standard model of competition. In that same class, we read Arrow's "Limits of Organization" which challenged the ability of markets to allocate efficiently. That tension was truly thought-provoking. I was hooked. Studying the world at the level of individuals within organizations—as opposed to chemicals within the body—just spoke to me.

What research project are you working on right now?

In one project, colleagues and I are implementing a field study in India in which we test the quality of drugs purchased at mom and pop pharmacies during secret shopper audits. These audits will inform us as to how drug quality changes in response to the rapid entry of new chain pharmacies in India, a process of development that may have implications for health and inequality.

You have a research paper titled "Tying Odysseus to the Mast..." with Nava Ashraf of Harvard Business School and Dean Karlan of Yale University, in which you study the demand for commitment devices. Please tell us about that project?

Many of us experience temptation of some sort. ("I'll start dieting tomorrow, but for now, I'll have that pie.") We applied this notion to savings among the poor. We partnered with a rural bank in the Philippines to offer a product that committed clients to making future deposits. We found that a) clients who exhibited a temptation to spend money were more likely to demand the product; and b) the product led to higher savings.

You grew up in Maryland, like our other American junior faculty (Alisdair McKay and Josh Lustig). Is there something special about Maryland that fosters good economic thinking?

It must be the Maryland blue crab. Unlike with larger species, drawing out the meat of the blue requires great time and effort. So perhaps early exposure to delayed gratification (and hence, to the principle of time-discounting) is what led us to economics.

What do you do in your free time?

When I'm not racing formula one or skydiving, I write manuals on seduction and high stakes gambling.

College Prize for Excellence

Each year, the Department chooses one or more exemplary undergraduate students for the College Prize for Excellence in Economics. These awards recognize students who have shown great achievement in economics, commitment to the field and a deep passion for learning. This year's recipient is Michael Clancy.

Michael Clancy grew up just north of Boston in Chelmsford. Right now, the five kids in the family trace out the arc of education: his brother is in grad school at 26, Michael is an undergraduate, his sister is in high school at 15, another brother is in middle school at 13, and his youngest sibling is in elementary school at 9. Michael was very into music in high school, playing piano in the pit for high school musicals, captaining the drum line, and playing mallet percussion in the Massachusetts All-State Band and All-East Band. He was introduced to many outdoor activities while working towards his Eagle Scout award; he now frequently hikes and camps in New Hampshire and Maine, as well as being an avid downhill skier.

Michael is completing his BA in economics and mathematics, as well as his MA in economics. He is the current president of the BU Econ Club, the timpanist in the All-Campus Orchestra, and a member of the Fed Challenge team. In addition to extracurricular activities, he works as a grader for the Department of Mathematics.



What got you interested in economics?

Before college, I had virtually no exposure to the study of economics. As a high school senior entering college, I was deciding between engineering and accounting when I began my studies at the University of Illinois at Urbana-Champaign. I took an introductory macroeconomics course with Professor Werner Baer my first semester. It only took about a month for me to decide that I wanted to focus on economics for the rest of my time as an undergraduate. I found it fascinating that economics could be used to explain many aspects of individual human behavior and macroeconomic events. I knew economics would help hone my analytical skills.

Why did you come back to Boston?

I decided to transfer to BU at the end of my freshman year because the school has a very strong economics department, so that I would be able to take a variety of challenging courses as an undergraduate, and I also wanted to go to a college in the middle of a city.

What classes here have particularly piqued your interest?

I have had the opportunity to take many interesting economics classes while at BU, but the most important to me was EC 545, Financial Economics, with Professor **Arindam Bandopadhyaya**. The class sparked my interest in finance, which is the field I will be entering next year.

What other activities have you done here at BU related to economics?

I have also had the opportunity to learn more about economics by participating on the Fed Challenge team and acting as an officer for the BU Econ Club. I was fortunate that through these activities I was able to work with Professor **Todd Idson**, who was a tremendous help to both the Fed Challenge team and the BU Econ Club, and many other students who share a passion for economics.

What will you be doing next year?

Upon graduation I will be working as an investment banking analyst for Barclays Capital in New York.

Congratulations...

to our Graduating Seniors, Master's and Doctoral Student

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.

We wish to send a special thank you to all of our active alums who continue to support our students and the department. Graduates, alumni, and current students are encouraged to keep us updated of their whereabouts. Please send us your contact information as it changes so we can be sure to keep you involved with all our upcoming alumni activities. Use the web form on the alumni section of the departmental website, or email us at alumecma@bu.edu or alumecdr@bu.edu.

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Please visit our website for detailed and updated information about our undergraduate, MA and PhD programs, our faculty research interests and publications, and for any news regarding the department.

Boston University's policies provide for equal opportunity and affirmative action in employment and admission to all programs of the University.