

# ALUMNI NEWSLETTER

## ECONOMICS

### SPRING 2007

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It is with great pleasure that I welcome you to the third edition of our Alumni Newsletter.

In this issue, in addition to the usual summary of the activities and accomplishments of our current students, faculty, staff and alumni,

we are introducing two new items which we hope will be of interest.

Preparing our current graduate students for the job market is an activity that occupies a lot of time each year. In this issue we interview four recent alumni to get their perspectives on their journey from graduate students preparing for the job market to their current

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PENNSSTATE



students preparing for the job market to their current positions in the academic, government, or private sectors in the U.S. and overseas. We hope that this feature will prove interesting and useful to all our readers. This year we interviewed Svetlana Demidova, Daniel Donath, Chandra Subramaniam, and Tor Winston.

The second is a section titled *Alumni on the Move*, where we update our readers on the whereabouts of alumni who have recently changed jobs. In order for this new feature to succeed, we are counting on you to keep in touch with us about any change in your job status. Contact your major professor or, even better, Lynn Sebulsky, our staff member handling design and production, at [lms50@psu.edu](mailto:lms50@psu.edu).

As always, we look forward to hearing from you and wish you all the best.

Bee-Yan Roberts  
([byr@psu.edu](mailto:byr@psu.edu))

## MESSAGE FROM THE HEAD



This has been my second and final year filling in for Bob Marshall, who has been visiting Bates White LLC in Washington, D.C. Over the period of Bob's visit, Bates White's support of our department has grown to two graduate fellowships as well as several Research Experiences for Undergraduates, which provide undergraduates with the opportunity to participate in research projects with our faculty. Bates White also made a start-up investment last year, along with the College of the Liberal Arts, in our new Center for the Study of Auctions, Procurements, and Competition Policy (CAPCP). This year Isabelle Perrigne, as Center Co-Director with Bob Marshall, organized lectures by Phillip Haille (Yale), Ariel Pakes (Harvard), and Frank Wolak (Stanford). Isabelle also secured generous commitments from Pakes, Eric Maskin (Institute for Advanced Study, Princeton), and Robert Porter (Northwestern) to serve on the Center's Scientific Advisory Board. Hal White (University of California, San Diego, and Bates White) will visit the department for several weeks this coming fall to teach econometrics and work with grad students. Hal will also join the Center's

economics were honored with the award of a Liberal Arts Research Professorship. Dirk Mateer, whose teaching of Principles of Microeconomics has frequently taken top honors within our department, earned first place in the Economic Communicator Contest sponsored by the Association of Private Enterprise Education and the Market Based Management Institute. Russ Chuderewicz's teaching in Principles of Macroeconomics was recognized by the College of the Liberal Arts with an Outstanding Teaching Award. The College also honored two of our graduate students this year. Tai-Wei Hu, a second-year student, received an Excellence in Research Award, and Andrew Rice, a third-year student, received an Outstanding Teaching Award.

Our hard-working department staff were faced with many challenges during the past year. Tammy Accordino moved up from her position as graduate secretary to become assistant to the department head. Lynn Sebulsky became graduate secretary, moving from her research secretary position last fall. Michele Moslak then joined us as research secretary. These moves required intense training as well as covering for empty positions during the transitional hiring process. The initiative and teamwork displayed by our staff this year has been a testament to

Scientific Board.

This year the College of the Liberal Arts supported a new Globalization Seminar, organized by Andres Rodriguez-Clare in collaboration with Quan Li of Political Science. The Seminar featured lectures by faculty from African and African-American Studies, Labor Studies and Employment Relations, and Sociology, as well as Political Science, Economics, and visitors from other universities. Many of the talks focused on the effects of globalization on economic inequality in developing countries. This seminar, which will continue through next year, is supported by the College of the Liberal Arts, with the goal of identifying interdisciplinary research opportunities for faculty and students. We hope that globalization will become an ongoing focus of interdisciplinary scholarship that will stimulate additional undergraduate course offerings and other opportunities as well.

The department's contributions to scholarship and teaching were recognized this year with several prestigious awards. Vijay Krishna was named a Penn State Distinguished Professor in January. There are only fifteen Distinguished Professors in the College of the Liberal Arts and the Economics Department now has two, the other being Kalyan Chatterjee. Kala Krishna's influential contributions in international and development

their dedication to the department's mission.

The strength of our graduate program depends heavily on recruiting good applicants and placing our graduates in successful careers. Many of you have helped us in the past by encouraging your students to apply to our grad program and by interviewing our job candidates. We hope that we can continue to count on your support in attracting, retaining, and placing exceptional students.

James Jordan

**Would you like to hire a Penn State-University Park Economics graduate?**

Please send your request to:

**Director of Graduate Studies:**

Neil Wallace (neilw@psu.edu)  
Vijay Krishna (vkrishna@psu.edu)

**Director of Undergraduate Studies:**

David Shapiro (dshapiro@psu.edu)  
Dirk Mateer (dmateer@psu.edu)

## COMINGS AND GOINGS

### 2007



**Clair Smith** is pleased to join the department as a lecturer in economics. He has a passion for teaching and is looking forward to sharing the insights of economic thinking with many at Penn State. During the 2006–2007 academic year he taught at Bowling Green State University. He has

additional teaching experience at George Mason University. Prior to his time in Bowling Green he was an associate with the Washington, D.C. office of Jones Day. During his time at Jones Day he assisted in the litigation of several international antitrust cases, as well as an international arbitration concerning environmentally-contaminated operations.

Clair has a J.D. from the George Mason University School of Law and an M.A. in economics, also from George Mason University. He is currently ABD in Economics. His dissertation research explores the relationship between institutional organization and



**Misty Crawford Stone** received her B.S.B.A. in business economics from the University of Arkansas in 2001 and M.A. in economics from Penn State in 2006. Her teaching experience began at Penn State as a graduate lecturer and an “EconProjects” teacher's assistant. Additionally, since leaving Penn State last year, Misty has taught at

McKendree College in Radcliff, KY. Her teaching philosophy and style emphasize student involvement in the classroom, enthusiasm for the subject, underscoring key principles to be built upon, and relating coursework to the real world. Since leaving residence in State College, Misty has married and lived in Kentucky and Michigan. We welcome her back.

### **Farewells**

**Paula Rees**  
Print Shop Operator

relationship between institutional organization and performance in higher education, especially in public universities. He earned a B.A. in economics from Grove City College.

A native of south-central PA, Clair is looking forward to returning to the Commonwealth. He will be moving to the State College area this summer with his wife, Meredith, and newborn daughter Kendall Grace.

**Daniel Goldstein** joins the department as a lecturer after completing his Ph.D in economics at the University of Michigan. Before that, he earned his B.A. in economics from Carleton College in Minnesota, and spent three years as an analyst at NERA, an economic consulting firm. His research background is broad, with topics ranging as far as: industrial organization, monetary policy, terrorism, commodities pricing, and political economy. His recent work has been a study of the implications of incorporating human emotions into the classical model of utility maximization.

**Norm Clifford**  
Senior Lecturer

**David Schlow**  
Lecturer



Norm (left) and Dave at the retirement party in May.



## GUEST CONTRIBUTION

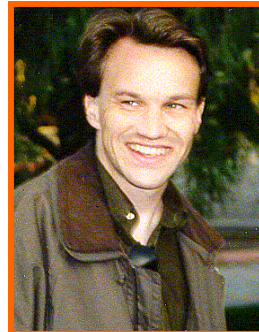
### Abuse Of Ebay's Feedback System Among Some Users

by John Morgan

Some eBay users are artificially boosting their reputations by buying and selling feedback on the Internet auction site, according to John Morgan, a professor at the University of California, Berkeley's Haas School of Business. eBay harbors an active market for feedback, where users can buy a compliment to artificially boost their feedback status," Morgan explains. "Users enter this market to leverage their gains in reputation to get higher prices for other, presumably larger, transactions."

Morgan and co-author Jennifer Brown, a UC Berkeley Department of Agricultural and Resource Economics doctoral student, detailed the abuse on eBay in an article titled "Reputation in Online Auctions: The Market for Trust" in the latest issue (Fall 2006) of the journal [California Management Review](#).

Under eBay's reputation system, buyers and sellers can submit feedback to each other at the conclusion of each transaction. The feedback consists of a rating such as



"Such a listing makes no economic sense unless the seller is trying to increase his feedback rating," Morgan says.

Morgan and Brown tested the feedback market by buying a one cent "Positive Feedback Ebook" from three different sellers in the U.S., UK, and Australia. They received a three-page file entitled "100 Feed Back in Only 7 Days," which advised buying 100 different items on eBay that cost almost nothing in order to "get your feedback score up to 100 in just a few days."

Why would eBay users buy and sell feedback? Several studies have found that positive feedback results in a higher selling price. In fact, Morgan and Brown found one particular seller, whom they dubbed the landseller, had accumulated hundreds of feedback points in June 2005 by posting 304 offers for feedback enhancement on eBay. The landseller ultimately incurred a net loss

transaction. The feedback consists of a rating such as positive, neutral, or negative and a brief description of the quality of the transaction. The transaction is bilateral, meaning that both buyers and sellers exchange feedback—and can thus increase their own feedback ratings—through a transaction.

Between June to December 2005, 526 sellers posted 6,526 unique feedback listings for low-priced or seemingly valueless items, whose sales appeared to be designed only to artificially enhance feedback ratings, Morgan and Brown found. Seventy-six percent of the listings, or 5,127 items, resulted in a sale. A follow-up study revealed the market for feedback remained active in 2006, with 398 feedback listings counted from April 25 through May 30.

Morgan and Brown noted that more than 80 percent of the listings studied in 2005 and nearly 88 percent of the 2006 listings had a Buy-It-Now option and a price of one penny. With the Buy-It-Now option, a seller sets a fixed price and no bidding auction occurs for a sale.

A Buy-It-Now sale for a penny automatically results in the seller losing 29 cents because eBay charges a 25-cent listing fee and 5 cents for the Buy-It-Now option.

on eBay. The landseller ultimately incurred a net loss of \$87.64 because most sales were Buy-It-Now listings for only a penny. After his feedback rating reached 598, the landseller went on to try to sell several parcels of undeveloped land in the southern U.S. on eBay. Opening bids ranged from \$2,200 to \$6,000, although the landseller said the properties could be worth up to \$12,000.

"After receiving 100 percent positive feedback before entering the real estate market, the landseller mysteriously received no positive feedback in any of the land transactions," Morgan says.

Morgan, who has studied online marketplaces for eleven years, notes that eBay is banking on big-ticket transactions, including real estate and cars sales, to drive U.S. growth. "One wonders whether eBay will ultimately be the victim of its own success in making reputation valuable as users take advantage of the system and ultimately kill the golden goose," he says.

*John Morgan* is a 1996 Penn State economics alumnus.

(Reprinted with the permission of the Haas School of Business, UC, Berkeley)

## FACULTY NOTES AND AWARDS



Faculty at the annual department Fall picnic

### **Grants and Other News**

**Barry Ickes** has received grants from the Smith Richardson Foundation to study Russia's medium-term future and from the NSF to study the role of markets in climate change policy.

**Mark Roberts** will be giving the Keynote address "Empirical Findings on Entry and Exit" at the 8th Annual CEPR Applied IO conference in Tarragona, Spain in May.

**Jim Tybout**, joint with **Nezih Guner** and **Hale Utar**,

### **Sabbaticals 2007–2008**

**Barry Ickes** will be spending the year at the RAND Corporation in Santa Monica, CA and the Brookings Institution in Washington, D.C.

**Kalyan Chatterjee** will be an Overseas Visiting Scholar at St. John's College, Cambridge from October to December, and an academic visitor at the Universities of Auckland and Sydney in March. He also plans to visit the University of Warwick, the University of Essex and the Centre for Studies in the Social Sciences, Calcutta, for short periods.

He will be working on three topics: (i) bargaining and coalitions with incomplete information (ii) temptation-based preferences and individual decision-making and (iii) diffusion of knowledge in networks.

**Isabelle Perrigne** and **Quang Vuong** are visiting UCLA Economics for the 2007–2008 academic year.

received a National Science Foundation grant for 2007–2009 to study “Openness, Industrial Evolution and Job Flows.”

**G. Dirk Mateer** earned first place in the Economic Communicator Contest sponsored by the Association of Private Enterprise Education and the Market Based Management Institute. Contestants from across North America submitted videos of a short public lecture that presented an original idea for teaching economic concepts, or a great explanation of an existing idea in economics, along with an accompanying written work. All of the submissions were judged by a panel of experts and the three finalists were invited to Cancun to speak in front of a plenary session at the APEE meetings and be judged in front of a live audience. Dirk received the first place prize worth \$10,000.

### ***Department Teaching Awards***

#### ***Fall 2006***

Dirk Mateer (Econ 002)  
Mark McLeod (Econ 302)  
Andrew Rice (Econ 404W)

#### ***Spring 2006***

Dirk Mateer (Econ 002)  
Mark McLeod (Econ 302)  
Andrew Rice (Econ 014)  
Herman Li (Econ 302 rec)

## ***Faculty Awards***

### ***Dirk Mateer***

1st Place Economic Communicator  
Association of Private Enterprise Education

### ***Russ Chuderewicz***

Outstanding Teaching Award  
College of the Liberal Arts

### ***Vijay Krishna***

Distinguished Professor  
Penn State University

### ***Kala Krishna***

Research Professor  
College of the Liberal Arts

## ***Staff Promotions***

### ***Tammy Accordino***

Administrative Assistant I

### ***Lynn Sebulsky***

Graduate Assistant

### ***Michele Moslak***

Research Staff Assistant

## INTERVIEWS WITH RECENT ALUMNI

Every year we say goodbye to our most senior graduate students who transition from lives filled with taking exams, writing papers and their thesis to professional, government, or academic positions in the “real world.”

I thought it will be both useful and interesting to get the perspectives of some of our recent alumni about their experiences, first as graduate students in our program, second as job seekers, and finally as potential employers.

**Svetlana Demidova**, Ph.D. 2006, University of Georgia

**Daniel Donath**, Ph.D. 2003, CRA International, London

**Chandra Subramaniam**, Ph.D. 2004, Indira Gandhi Institute of Development Research, Mumbai, India

**Tor Winston**, Ph.D. 2001, Justice Department, U.S.

### **Graduate School Training**

**What areas in your graduate school training were most valuable in getting you your current job and**

this comprises a large part of my job. The time I spent talking with my thesis advisers was also very valuable.

**Svetlana:** My field courses in international trade and development economics were very useful to me. I benefited greatly from the guidance and enthusiastic support of my adviser, Professor Kala Krishna. In addition, the department seminars, particularly the Wednesday lunch seminars and Growth seminars, provided me with valuable exposure to the latest research as well as the opportunity to present my own work. Finally, the experience in teaching undergraduate courses gave me an important head start in the first year of my new job.

### **On the Job Market**

**In retrospect, what would you have spent more time doing in preparation for the job market? How important do you view your presentation versus having a well polished paper?**

**Daniel:** In the consulting area what matters for a job candidate is the abstract and the introduction to the

***best prepared you for your current work?***

***Tor:*** The basic training in theoretical modeling that I received from micro and industrial organization classes and from writing with Kala, as well as the basic applied econometrics and programming skill that I developed from working with Bee Yan and Mark, are the skills that most obviously carry over to my job. Through interactions with faculty and among graduate students I think we got important practice in articulating our ideas, evaluating and questioning research, and collaborating with others.

***Chandra:*** The course work in micro and econometrics has ensured that I can teach these core courses at masters and Ph.D. level. In addition, the current course that I teach in development economics is patterned after the course I took with Prof. Jim Tybout. Finally, the teaching opportunities I had in the department gave me valuable experience in my current job.

***Daniel:*** My field courses (particularly in industrial organization) and my thesis research were the most valuable part of my training. That is where I learned how to think about data, clean it, and analyze it and

paper. Selling the idea well in the beginning is very important because nobody has time to read the paper in depth. Compared with the long four hour presentations we went through in preparation for the job market, I found that my advisers' help with the abstract and introduction to the paper was much more valuable. It is very hard for a job candidate to make up for a poorly motivated beginning to their paper.

***Tor:*** As stressful as it all was, the job market process seemed pretty straightforward to me. The practice interviews and job market presentations were extremely helpful in that they helped me step back from the details and focus on explaining the motivation for my research.

***Svetlana:*** In my opinion, a good presentation is more valuable than a well polished paper: if the idea in the paper is good, then with time the paper can be improved, while a poor presentation leaves a bad impression on people. I also realize that not all of them read your paper, so it is more important to be able to explain everything during the presentation. The other advantage of focusing on presentation is that people can evaluate your skills as a teacher.

## INTERVIEWS WITH RECENT ALUMNI

The department really prepared me for the job market through seminars and mock presentations which were videotaped so we could see our mistakes. The feedback from multiple professors in the department helped me to handle questions under pressure and deal with comments and questions from people outside my field. If I had more time, I would read more papers and books outside my field, since it is important to show your future colleagues that you have wide and different interests.

**Chandra:** I did not go to the job market in the U.S. but moved back to India. I think I was hired because they believed I could teach, and also because my research interest was in development economics. I was expected to devote some time to working on planning commission and government of India projects. I was fine with this requirement. In India it is becoming increasingly competitive to get a decent position in the top 5 institutions. Many Indians, even those with tenure track jobs in the U.S., are coming back.

**As An Employer**

viewed 12 people this year, and only one of them was able to answer these questions and he was the only person that I invited back.

The most important skills are an ability to write (hence the abstract is so important), whether the person is good with data and, particularly, with thinking about what information can be learned from data (in many instances the data request we send to the client at the beginning of a case has a big impact on our final work product many months down the line), and the way the person interacts with others (can they be sent to talk with a client on their own).

**Chandra:** At IGIDR we look for a polished paper plus a decent presentation—that is what I have been led to believe. Ability to teach a core course sequence is a must. There are not too many people in India who teach and do international trade and industrial organization for a living. So anyone with that focus has a good chance. Almost every institute will hire someone with strong econometric skills.

**Now that you are on the buying side of the market, what distinguishes a good candidate from the masses? What are the important skills that you look for in a job candidate?**

**Svetlana:** I would definitely look for somebody who will be a good colleague, which means that this person would be both enthusiastic about his/her own work and open to a discussion of other people's ideas. Basically, I still feel like a student in the sense that I want to learn a lot, so I would love to have a colleague who can show me something new and be passionate about his/her research area.

**Daniel:** To me the most important skills are basic things that are probably viewed as too simple in today's Ph.D world. It is amazing how many candidates cannot clearly answer simple questions such as "how many observations does your data set have?", "what are the basic correlations or patterns that you observe?" "how does the industry that you are looking at work?" or "what is the meaning of this correlation coefficient?" I look for somebody that can give very clear, common sense answers to these questions. I inter-

The make or break thing I have noticed is whether the faculty will fit in. Would he or she make an effort to reach out and get to know others? There is some amount of social capital built up around the 11 a.m. and 3 p.m. tea time sessions where the real interaction takes place. I think ISI Delhi too has a 11 a.m. tea time. The tea time sessions are probably unique to India.

**Tor:** My favorite candidates have been those that have an interesting question, build a theoretical model that contributes to the literature, and empirically test the predictions (or estimate important parameters) of their theory. It doesn't have to be rocket science, but it's still hard to do. In terms of skills, "clarity" is probably the skill that most distinguishes one candidate from another.

I think it is far more important for a candidate to address an interesting question than to demonstrate a particular econometric technique. I find that candidates often do not justify their use of advanced econometric techniques and fail to explain (or show) why simpler techniques would lead to different results. I also think it is very important for candidates to understand and explain the limitations of their theories or empirical results.

## *JOB MARKET, DEGREES AND AWARDS*

### *An Update from the Graduate Director*

This is the first year of our new one-year Ph.D. core. The standard curriculum for first year students includes three courses in the fall and four in the spring, of which two are macro courses. The two macro courses are being taught in two modules: one instructor meets both courses for the first half of the semester and another instructor meets both for the second half of the semester. This year, I survived teaching the first module; whether the students did is still to be discovered. We will know more about the success of the new program after the candidacy exams are given at the end of the summer. Perhaps, appraising its success will be someone's applied econometrics project.

This year, ten students were seeking positions. There is a consensus among the faculty that we are not placing well in a large segment of the market: academic institutions outside the top forty research universities. We will be working hard to improve our placements in that segment of the market. While the job market is still underway, below is the list of placements to date.

*Isa Hafalir.* Asst. Prof. Economics, Carnegie Mellon



Graduate students at the annual dept. Fall picnic

### ***M.A. and Ph.D. Degrees 2005–2006***

#### **Spring 2006**

Misty Crawford (M.A.)  
Emin Karagozoglu (M.A.)  
Lihong Shen (M.A.)

#### **Summer 2006**

Zafer Akin (Ph.D.)  
Erkan Erdem (Ph.D.)  
Byoung-Ki Kim (Ph.D.)  
Shubhro Sarkar (Ph.D.)  
Hale Utar (Ph.D.)

#### **Fall 2006**

Svetlana Demidova (Ph.D.)

### ***Graduate Student Awards***

University  
*Elif Incekara*: Visiting Asst. Prof. Economics, Carnegie Mellon University  
*Han Joon Jung*: Lahore Univ. Pakistan  
*Remzi Kaygusuz*: Sabanci Univ./Istanbul, Turkey  
*Yi Lee*: Chung Hua Institution for Economic Research, Taiwan  
*Hosin Song*: Korea Institute of Public Finance, South Korea  
*Daniel Yi Xu*: Asst. Prof. Economics, New York University

Recruitment of the next entering class is now close to being completed. Relative to when I last worked on graduate admissions (five years ago), the applicant pool seemed very strong. We aggressively recruited and have been rewarded with a promising group of entering students. Much of the work this year was done by an admissions committee chaired by Ruilin Zhou. The other committee members were Kalyan Chatterjee, Manolis Galenianos, Barry Ickes, Sung Jae Jun, Joris Pinkse, John Riew, and Andres Rodriguez-Clare. We are especially indebted to John Riew who travels the world meeting with potential graduate students.

*Neil Wallace*

Bates White Fellowship  
Fall 2006 and Spring 2007  
*Ivan Cherkashin*  
*Manaswini Bhalla*  
*Yao Huang*

The David W. and Carolyn P. Grow  
Graduate Fellowship Award  
Summer 2006  
*Myeonghwan Cho*

Will E. Mason Memorial Award  
Summer 2006  
*Daniel Xu*  
Summer 2007  
*Myeonghwan Cho*

College Dissertation Support Competition  
*Hae Won Byun*

College of the Liberal Arts:  
Excellence in Research Award  
*Tai-Wei Hu*  
Outstanding Teaching Award  
*Andrew Rice*

## ANNOUNCEMENTS



Jan Prybyla (left), Henry Wan (center) and John Riew

### *Prybyla-Riew Lecture Series*

We welcomed back Professor Jan Prybyla, a faculty alum of the department, to our annual Prybyla-Riew Lecture Series held on April 13, 2007. The speaker this year was Professor Henry Y. Wan, Jr. from the Department of Economics at Cornell University. The title of his talk was "Industrial Policy in a Globalization Age: Lessons from East Asian Experience."

### *Cornell-Penn State Conference*

The Cornell-PSU macro workshop met on April 6 and 7 at Penn State. Aside from participants from Cornell and Penn State, the workshop also had participants from other

**Bryan McCannon** (Ph.D. 2003): After four years at Elmira College, I will be moving to Winston-Salem, NC where I have accepted a position in the Economics Department at Wake Forest University.

### *Lindau Nobel Laureate Meetings*

**by A. Kerem Cosar  
Graduate Student**

Since 1951, Lindau, a small medieval town in Germany, hosts an annual prestigious event: The Lindau Nobel Laureate Meetings. Since then, economics has become a part of the program as well. In August 2006, I attended the second meeting in Economic Sciences together with 50 students from other top universities in the U.S. and over 200 students from other countries. Participation from U.S. universities was screened and funded by the NSF.

This year, prizewinners that presented in Lindau were R. Engle, C.W.J. Granger, F. Kydland, R. Selten, J. Nash, J. Mirrlees, R. Mundell, and D. North.

The event can be best described as a festival of economics lasting four days. Lectures given by laureates were followed by small group discussions,

Penn State (students and faculty), we were pleased to have three outside invited speakers: Nubuhiro Kiyotaki and Hyun Shin from Princeton and Jim Peck from Ohio State. We plan to continue holding the workshop at Penn State each spring. Alumni who wish to attend should contact me.

### *Alumni On The Move*

**Timothy Dunne** (Ph.D. 1987 ): In August 2006, I moved from the University of Oklahoma in Norman, OK (where I had been for 14 years) to the Federal Reserve Bank of Cleveland. The position at the bank is with the Research Department and entails carrying out studies on applied microeconomics topics. The family is still getting used to the concept of a "White Easter".

**John Moran** (Ph.D.1997): In January of 2006, I moved back to Penn State after a six year stint in the Economics Department at Syracuse University. I am now working in the Department of Health Policy and Administration, currently housed in North Henderson, but moving to the old BAB building this summer. All of my work these days is in health economics, which makes HPA a good place for me. Needless to say, it's great being back in Happy Valley!

informal conversations with laureates, and meetings with peers from other universities. It was a very intense and enriching period full of new encounters, new perspectives, and ideas.

In many instances, I found myself strolling through the cobblestone streets of the medieval town with a Nobel laureate discussing economic phenomena as well as current political affairs and meeting fellow Ph.D. students with common research interests.

If you are interested in finding out more, the website of the organization is [www.lindau-nobel.de](http://www.lindau-nobel.de).



Where's Kerem?

## ALUMNI NEWS

### **Svetlana Demidova, 2006**

After spending four wonderful years at Penn State, I joined the Department of Economics at Terry College of Business at the University of Georgia, where I continue to do research in International Trade with a particular emphasis on the economy responses to different trade policies in the presence of firm heterogeneity.

The UGA is located in Athens, a town slightly bigger than State College. It also has a football team named the Bulldogs and a large stadium, which I can see from the windows of our department. All of this makes me miss Penn State a little bit less. In addition, I still come back to State College to see my husband, Maxim Ivanov, who is currently working on his Ph.D. in Economics, so I can enjoy both a new life in Athens and visiting my alma mater.

### **Erkan Erdem, 2006**

After graduating from Penn State last spring, I joined Bates White in July 2006. As most of the readers of

through only a year ago. It was also a nice opportunity to catch up with some of the Penn State faculty and graduate students at the Bates White—Penn State party.

### **Shubhro Sarkar, 2006**

After graduating from Penn State in 2006, I joined the Indira Gandhi Institute of Development Research (IGIDR). Another Penn Stater, Chandra, is also here. The institute is located in a quiet, picturesque setting on the outskirts of Bombay, away from the hustle and bustle associated with any Indian metropolis.

My research interests continue to be in IO and applied microeconomics in general. Even though experimental economics is yet to catch on in India, I'm trying to set up a lab at the institute so that I can run experiments on a small scale. I have also developed an interest in political economy, more specifically, the political economy of investment in infrastructure projects. I recently taught a course in Public Economics.

this newsletter know, Bates White is a litigation consulting firm with offices in Washington, DC and San Diego, CA.

Since I started I have been involved in many antitrust cases; mostly mergers and acquisitions. I have also worked on a few disputes in energy markets. As a long term project, I have been working on demand estimation and merger simulation algorithms.

I am really happy with the nature of the work we do and the work environment. I learn new things about different industries, work with different groups of people, and contribute to different cases. It is definitely not a boring environment. At times, it is extremely demanding in the sense that I do not get much sleep. There are many hard working and smart people here who put their best on the table.

This year I was a member of the Ph.D. recruiting team for Bates White. Since we intended to hire an empirical IO economist, I had the chance to see the recent topics that are being studied. I met many new economists throughout the recruiting process. It was equally interesting to remember what I was going

If you're in India, do get in touch. It will be wonderful reminiscing about the good old days in State College. I can be reached at [shubhro@gmail.com](mailto:shubhro@gmail.com).

### *Luis Martins, 2005*

After leaving Penn State, I re-joined the Department of Quantitative Methods at ISCTE-Business School placed in Lisbon, Portugal, where I worked from 1998–2000. My time at Penn State was as if I was on leave from work for five years. Returning to the school was a unique opportunity and a blessing. I have been teaching econometrics at BA and MSc levels for some Economics and Finance programs. My research interest is still in econometrics and, more recently, financial econometrics (there is a good Finance department in my school). I have a joint paper with Dr. Bierens which is under revision for *Econometric Theory*. Hopefully, I will have tenure within three years. The higher education system in Europe is facing an important challenge with the Bologna treaty where mobility (students and faculty) is promoted and the curricula revised.

## ALUMNI NEWS

My school (ISCTE–BS) is among the group of Portuguese universities working in a long-term collaboration with the Massachusetts Institute of Technology to expand research and education in engineering and management.

I must say that while I was happy at Penn State, I really missed my family and friends; I marveled at the fall leaf colors, but I missed the warmer weather here; I enjoyed the bagels and the barbeques but prefer the Mediterranean diet; I had a great time at the Beaver Stadium, but I love soccer; finally, I will never understand why we couldn't ask for different flavors in one single cone at the Creamery!

I am happily settled in an apartment now in Lisbon although it still needs to be furnished. I continue to play badminton and travel around in Europe in my spare time ... and I miss you all (*saudades*, in Portuguese)!

**Andrei Roudoi, 2005**

I left Penn State in the summer of 1996, when I was

the dissertation, I received invaluable guidance from Dr. Ickes, Dr. Phillip Klein, and Dr. Lawrence Klein. I have been living in the Washington, DC area for over ten years. My wife, Maggie, also works for an economic consulting firm.

**Bryan McCannon, 2003**

Hello. After finishing my Ph.D. in 2003, I took a position as an Assistant Professor at Elmira College. I really enjoyed my time at the College. I get to teach small classes, pick which electives I teach, and interact with great colleagues and students. Elmira College is quite small. There are approximately 1,200 students and only two other economists! Small, liberal arts colleges are wonderful places for those interested in teaching and interacting with students. Last spring I co-taught a course with a biologist. We spent just over three weeks in Southeast Alaska studying the local economy and environment. I am pleased to report that for the 2005–06 academic year the student body voted me "Faculty Member of the Year". That was wonderful and unexpected. My time at Elmira College has come to an end, though. This summer I will be moving to Winston-

still working on my dissertation. I got an internship at the World Bank and they offered to me a short-term consulting position. Then, in late 1996, I was unexpectedly offered a permanent position as Senior Economist with WEFA in their Washington, DC office. So, I could not spend much time on my dissertation and dissertation work became even more difficult when, in 1999, I was promoted to Director of the Emerging Europe Service that conducted analysis and forecasting for all transition countries in Eastern Europe and the former Soviet Union.

In 2001, WEFA merged with another large consulting company, DRI, and now the company is called Global Insight. I gradually moved to managing consulting projects financed by international organizations such as the World Bank. My projects have focused on forecasting, including macroeconomic, tax revenue, health expenditure, and foreign trade forecasting. While working on one of these projects, I met with Dr. Lawrence Klein of the University of Pennsylvania, who founded WEFA in 1963. He encouraged me to resume my dissertation research. Finally, in June 2005, I defended my dissertation on the forecasting of national account variables in transition economies. To prepare

Salem, NC as I have accepted a position in the Economics Department at Wake Forest University.

### *Tao Zhu, 2002*

After graduating from Penn State in summer 2002, I joined Cornell University as an Assistant Professor. I have now lived in Ithaca for almost five years. Ithaca is a small town with long winters, beautiful summers, and nice waterfalls. Like State College, Ithaca is a place that is good for research. Of course, a formal job keeps life busy. This makes the student time in State College even more memorable.

My research interest is monetary theory built on decentralized trade and its applications. After completing my dissertation, I started several new projects, some of which were joint with my thesis adviser, Neil Wallace. In one of these papers, recently published in the *Journal of Monetary Economics*, Neil and I provide a coherent explanation to a well-known puzzle related to National Banking System note issuance. We view this as a good application of the theory we have worked with for a while.

## ALUMNI NEWS

In the last five years, I have travelled to Penn State once or twice a year, in part because of the bi-annual Penn State-Cornell Macroeconomics Workshop. My wife, Juan Feng, who graduated from Smeal College of Business, often comes with me. She is now an Assistant Professor at the University of Florida. Her thesis adviser is Kalyan Chatterjee, so she was once quite close to our department. We enjoyed seeing our old friends and professors, although on our last visit was in April this year, we knew very few fellow students from Penn State—five years are long enough for most students to graduate from the program.

I still love to watch Penn State football each fall and keep my eyes on the Blue & White game each spring.

**Harrison Hartman, 2001**

After graduating from Penn State, I visited at Ursinus College for one year and was at Kennesaw State University briefly before joining the University of Georgia faculty as a lecturer. This past year, I was very glad to be joined by a fellow Penn Stater, Svetlana Demidova

on. Of course, all this with the purpose of bringing deals to the trading books. And how did I get here ...?

After completing my Ph.D., I joined KPMG in Washington, D.C., where I worked on a broad range of projects that were generally related to economic modeling, econometrics, or statistics. Working in consulting was a great experience: I picked up a lot of new skills and really enjoyed the work. (I probably would still be at KPMG if it wasn't for the excruciatingly slow green card process that drove me back to Germany).

In 2005, my wife, Roshni, and I moved back home to Germany, where I joined the structured derivatives trading group of the HypoVereinsbank (now UniCredit Group). In the beginning, the job was extremely demanding. Exotic derivatives are pretty challenging as they are one of the most complex “animals” traded in the financial markets. The necessary analytical skills involved have to be digested intellectually and most market practices can only be learned by doing.

On the personal front, Roshni and I got married in State

Svetlana Demidova.  
During my time here, I am honored to receive university-level recognition as an Outstanding Professor. I am also honored to be chosen by the University of Georgia Economics Society as Teacher of the Year last year. I have tried to stay active with research, occasionally submitting or refereeing a paper. Sometimes, it is challenging, though, when I have more than 500 students in the three or four class sections in a semester! Recently, I was pleased to learn that an article that I wrote was published in the March 2007 edition of Applied Economics Letters.

I am very glad that I decided to study at Penn State. I hope everyone is doing well.

### ***Boris Molls, 2001***

For the last two years I have been a “structurer” of exotic interest rate payoffs working on the trading floor of UniCredit Markets & Investment Banking in Munich, Germany. Structurers typically price, analyze and develop exotic options, help sales to market products (exotics “wrapped” into swaps, bonds, certificates, etc.), analyze client needs and market trends, and so

On the personal front, Roshni and I got married in State College in 2001. Roshni is from India and also holds a PhD from Penn State. We also had an Indian wedding ceremony in Bombay in 2002. Our daughter, Maya, was just born this January in Munich. Below is a family picture taken recently during a family outing.



What's next? This summer, we'll be moving to London where I will join ... <stay tuned>. And if you are in need of innovative, option based investments or ways to manage your interest rate obligations and you bring the right size-\$\$\$ to the table, get in touch. ☺ Actually, just get in touch if you are in London.

## ALUMNI NEWS

### *Hyoojong Kim, 1996*

After getting my precious Ph.D. degree from Penn State, I came back to my country Korea and joined SERI (Samsung Economic Research Institute) as a chief researcher. I researched many topics on cultural industries such as film, music, and computer game, etc. for about five years in the institute. Because Korea is experiencing a rapid growth in cultural industries, my research papers got much attention in Korea. I moved to an academic position in 2001 and became the dean of graduate school of culture and art management, Chugye University for the Arts which is in Seoul.

My wife and I got married in 1998 and have two lovely daughters. Kathy is 7 years old and Julie is 4. In February this year, I visited Penn State and had a great dinner with Dr. Mark Roberts and Dr. Bee Roberts. My e-mail address is david@chugye.ac.kr and I'm truly looking forward to hearing from any one of you.

### *Wei Der Tsai, 1996*

I left Penn State in 1996 when I started working as an Assistant Research Fellow at Academia Sinica,

The focus of the Canadian work has been on examining how the rapid change in market shares within the North American markets due to globalization is altering the mix of countries that Canada is most exposed. Gary and I have a couple of working papers out, two more soon to be released, and a less technical version published in a policy journal sponsored by Canadian government.

Our work has been getting some attention in Canadian circles. For instance, our work is getting cited in some French-Canadian textbooks and we have been interviewed by the French newspapers. The interest in our work stems primarily from the Quebec media since, among Canadian cities, Quebec is most exposed to influence from China. Alas, I can't read the printed articles and interviews as I don't (yet anyway) speak or read French. It is a little like the old Oscar Wilde line: "I don't care what they're saying, as long as they're talking about me".

The family news is ever busier. My wife Ellen has been working part-time at IUP for the Biology department and the kids keep growing. Elizabeth is 12, Lorraine is 10, and Julian is 5.

which is the most prestigious research institute in Taiwan. I stayed in Academic Sinica for a year and a half before joining the Graduate Institute of Industrial Economics, National Central University (NCU) as an assistant professor in 1998. My major research interests concern health economics and empirical microeconomics. I am still with NCU now and have been promoted to associate professor.

I am married and have two sons (one is 8 years old, and the other one is 17 months).

***David Yerger, 1994***

I am currently at the Indiana University of Pennsylvania. Much of my work time is devoted to teaching although I have been able to get some research done as well. In the past couple of years, I have been doing research in three areas: some institutional research for IUP, a just completed grant on rural unemployment and underemployment done for the Center for Rural PA, and ongoing research with a Ph.D. economist, Dr. Gary Sawchuk, who works for the Canadian government.

***Xun Pomponio, 1991***

I have been at St. Olaf College for many years. Most semesters I teach international economics and principles. Every other year, I teach an interim course which takes students to China for a month in January. Some of these students move on to obtain Fulbright Fellowships to go to China. In fact, one of them is in China right now.

My research interests have changed in the past few years. In particular my current research interest is on the use and allocation of resources such as water. Right now I am working with one scientist in China on their water problem. This summer I plan to be in China to further my research in this area.

My family life is the same. I am still married to Carmen Pomponio whom I met in China in 1979. All my siblings have immigrated to the U.S. and live nearby. Since most of them still speak limited English, a lot of my time outside of my job is devoted to helping them make the transition from China to life in the United States.

## ALUMNI NEWS

### *Adora Holstein, 1987*

The path I took after Penn State may be atypical. I was first appointed to a full-time teaching position in finance and economics when Robert Morris was just a college offering undergraduate degrees mainly in business administration. While teaching I did consulting work in finance. As we added degree in nursing, education, communications, computer info systems, the institution became a University. I was reappointed to teach only economics when we became a candidate for AACSB accreditation. With that came greater expectations for research. So, I gave up the consulting work and have renewed research activities. My current research interest is in finding empirical evidence of the linkage between the extent of public financing of health care expenditures and health outcomes using international data. I have done similar work using pooled data for 50 states. I have just one son; he's 15 and looking forward to focusing on computer animation and filmmaking for a career.

### *Hamid Eftakhari, 1986*

Southwestern regions of the United States. This was a very exciting time for me. In this new role, I had to manage a large group of AT&T managers located in different parts of the country. I must admit, however, the traveling was a little bit too much, especially when my kids were growing up fast and I wanted to be with them. Of course, I did manage all of that; and, fortunately, despite AT&T having gone through a large number of layoffs over the years, I have survived. I think of myself as being one of the lucky ones. As everyone knows, the telecom industry went through tremendous shake ups during late 90s and all the way through 2005.

Currently, I am a Senior Pricing Manager responsible for developing Pricing Strategy and Financial Modeling for AT&T's Residential markets promotional pricing. As you all may know AT&T is now an amalgamation of SBC, Cingular, BellSouth and the old AT&T Long Distance with a market value of around \$240B. I still live and work in the Dallas metro area in the great State of Texas.

Throughout all my years at AT&T, I've always been a

After graduating from Penn State in May 1986, I accepted a position with AT&T working in the Market Analysis and Forecasting ("MA&F") Department located in New Jersey. Initially, while at MA&F I managed forecasting minutes and revenues generated from a number of AT&T's Private Line Business Services. The job required application of econometrics and data analysis which I enjoyed very much. After a few years of doing that, I received a promotion to Staff Manager at AT&T and became responsible for all aspects of forecasting minutes and revenue for calls made by residential customers living in the Western region of the United States. This geographic territory generated one-third of total AT&T's revenue. Among others things, one advantage of this new role was to be able to go to AEA meetings and participate in recruiting new talent and potential new employees.

In 1995, I was presented with a new opportunity. I was asked to move to Dallas to manage AT&T's IntraLATA and Local Pricing in the Southwest Region. After a few years of successfully managing this new role in Dallas, I was granted yet another promotion and became responsible for all aspects of strategic pricing for AT&T's local Service in the West, Southeast, and

proud Penn Stater and made sure that every one around me knows the quality of education at Penn State and how good Penn State is as a university, with emphasis on the Economics Department. All of you who know me know that I've always been an enthusiastic Penn State football fan. In fact, I never missed a home game while I was at Penn State, and I don't miss watching them now, if they show the games on television around here. My family and I have been to a couple of fantastic Bowl games and still enjoy watching Penn State games.

I really cherished the friendship and intellectual integrity of the people around me at the Penn State Econ Department. This applied to my colleagues as well as the faculty. As I read more about the success of people graduating after me, it makes me more proud to be a graduate of the Penn State Econ Department.

## *WHAT ABOUT YOU?*

**Looking for your long-lost friend in Penn State-Economics? If so, we can help. The department is building an alumni database. To search for fellow alumni, go to:**

**[www.econ.psu.edu/Alumni/alum\\_contacts.html](http://www.econ.psu.edu/Alumni/alum_contacts.html)**

**We are missing the e-mail addresses of some of our alumni and would welcome help in contacting them.**

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