

ALUMNI NEWSLETTER

ECONOMICS

SPRING 2005

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I am very pleased to introduce the first issue of the Department of Economics' *Alumni* newsletter.

Our department has undergone numerous changes in the last few years. The undergraduate program is bursting at the seams and our graduates from the Ph.D. program have accepted jobs at some top academic and private consulting corporations.

Over the past year, I have been in touch with several alumni, some of whom (Tain-jy Chen and Aloysius Amin) have teenagers who are currently freshmen at Penn State! Others have now taken jobs in both the private sector and universities outside of the U.S. We now have a large and expanding network of alumni in both the academic and business positions in the U.S. as well as all over the world.

I hope that this newsletter will be an effective channel for many of you who may be interested in what is going on here in the department as well as to help you connect with long-lost friends.

We are always very happy to hear from our alumni: please send news or comments to Tammy Accordino (tla1@psu.edu) or directly to me.

Bee-Yan Roberts
(byr@psu.edu)



Over the last few years much has happened in the department. The changes have improved the undergraduate program, strengthened the graduate program, deepened the quality of the faculty, and overall significantly increased

our international reputation. Every alumnus of Penn State Economics, undergraduate or graduate, enjoys a benefit from the elevated stature of the department.

With regard to the undergraduate program, currently we are in the midst of rethinking the 400-level undergraduate classes that are taken largely by our majors. The department's academic programs committee wants each and every student who diligently passes through our undergraduate program to have at least the same opportunities in terms of employment or professional schools as students who went through the economics programs at Michigan, Wisconsin, UCLA, or Berkeley. We are asking hard questions of ourselves at this time to see where we might improve.

In terms of rankings, within the next five years we aspire to be recognized as a department between ten and fifteen in the national rankings. To aspire to become a top ten department would require more resources than we can hope to obtain within the next five years. Allow me to explain some of what is involved in moving to that level.

We have had remarkable success in the past three years in placing our Ph.D. students in top departments—MIT, Harvard, Cornell, and Cambridge are some of our recent placements. We must sustain this top tier placement record, year after year, to be recognized as an elite department. Ideally, we will place one or two students each year in top-fifteen departments, and we will also place one or two students each year in departments ranked between fifteen and fifty. How can this happen? We must continue to recruit strong students for the program. Both

Professor Barry Ickes and Emeritus Professor John Riew have been instrumental in this regard. Also, the program must become bigger. We have too few students in our program as compared to departments currently ranked in the top fifteen. We need to expand the program by almost 50 percent. We now have sufficient depth in our applicant pool to do this. Note that enlarging the graduate program has significant positive benefits for the undergraduate program—fewer undergraduate students per teaching assistant means that more value can be added to the educational experience of each and every undergraduate student who passes through our classes.

Second, we must continue to recruit top faculty. We have successfully done that in the past and will continue to succeed in this important dimension. In addition, we must aggressively recruit in the new Ph.D. market and attract new Ph.D.s to accept our offers over those from departments currently ranked above us.

Third, we must actively pursue incremental resources. The faculty must actively pursue grants and establish bridges for corporate funding. We are pondering a new research center within the department that could potentially help bring in both public sector grants and corporate donations. Finally, we must steward our relationship with our alumni so that they can see the incremental benefit from investing in our department.

One of the best ways for alumni to help with our efforts in the department is to consider Penn State Economics students, both undergraduates and those from our graduate program, as candidates for employment opportunities in your firm or agency. As an example, we have developed an outstanding relationship with an economics consulting firm in Washington, DC—Bates White, LLC. They have employed many of our junior-year undergraduates as summer interns, hired several of our undergraduate majors as consultants, hired our Ph.D. students as managers and, in addition, Bates White funds one graduate fellowship in the department each year. We would very much like to broaden this kind of relationship to include many other firms.

Please feel free to contact me (rmarshall@psu.edu) should you have any thoughts or comments.



Sophie Bade, assistant professor of economics, comes to us from NYU, where she completed her Ph.D. in economics this summer. Her research interests lie in the

areas of political economy and economic theory. Her thesis develops a theory of multi-issue elections and shows that uncertainty about voter preferences can result in a generalization of the classic median-voter analysis of single-issue elections.



Ed Green moved to Penn State this academic year from the Federal Reserve Bank of Chicago, where he had been the senior vice president for risk management and had also managed applied

research regarding payment systems. During this time, he taught in the economics graduate program of the University of Chicago. Previously he had worked in the research department of the Federal Reserve Bank of Minneapolis and had taught at the University of Minnesota and several other universities.

Green is an economic theorist who conducts research in several areas. His best known contributions are a model of the incentive structure of an industry cartel and a model that takes a contract theory approach to the macroeconomic theory of consumption volatility.

Green has served on the editorial boards of the *Journal of Mathematical Economics* and the *Review of Economic Studies*. He has served on the economics advisory panel of the National Science Foundation and is a fellow of the Econometric Society.



In 2005, **Mark McLeod** joined the department, adding even greater depth to our group of professional instructors. He received his B.S. in psychology and economics from The College of William and Mary, and his

Ph.D. in economics from Virginia Tech where he worked for six years as the Director of Introductory Economics. He also plays music (in Fall 2001 he released a CD of all original compositions, "McLeod Outloud," recorded in Blacksburg, VA), and has many other interesting hobbies.



Before joining the Penn State faculty, **Ruilin Zhou** was a senior economist in the research department at the Federal Reserve Bank of Chicago. Her research is mainly in the area of monetary theory

and financial intermediation. Her work has been published in *Econometrica*, *Review of Economic Studies*, and *The Journal of Economic Theory*. Zhou's research on central bank related topics, such as payment system and monetary policy, appears in the Chicago Fed's research publication, *Economic Perspectives*.

Previously, Zhou was an assistant professor of economics at the University of Pennsylvania. During that time, she visited the Federal Reserve Bank of Minneapolis as a visiting scholar.



by Neil Wallace

As is well-known, the U.S. social security program was created in 1935. However, the kind of capital theory relevant for analyzing such a system, a pay-as-you-go system, was not developed until at least the mid 1950's. Economists are sometimes hard put to point to valuable advances in economics. This is an area in which there have been such advances.

I describe a simple example in the spirit of the kind of model set out by Samuelson in a famous 1958 paper, "An exact consumption-loan model of interest with or without the social contrivance of money." Samuelson described simple examples in which the *introduction* of a pay-as-you-go social security system financed by lump-sum taxes would result in a Pareto-superior allocation. (By the way, Samuelson's result was anticipated by Malinvaud in a 1953 paper in which he showed that price-taking behavior by finite-lived individuals and firms in an infinite-horizon model does not necessarily result in an efficient allocation of resources. Samuelson seemed to be unaware of the connection between the two papers, despite the fact that Malinvaud explicitly mentions overlapping generations—Samuelson's crucial modeling innovation—as an example of a background demographic environment that is consistent with his analysis. Indeed, it was not until several years later—in contributions by, among others, Peter Diamond, Edmund Phelps, Karl Shell, and David Cass—that the connection was made evident.)

The economy has two-date lived overlapping generations. Each generation has N people. There is a single good at each date. Let C_t denote total date t consumption and let K_t denote capital brought into date t from the past. The economy's date t resource constraint is

$$C_t + K_{t+1} = W + (1 + r)K_t,$$

where r is the technologically given rate of return and W is the economy's new endowment at each date. The right-hand side is the amount of date t good available to the

entire economy; the left-hand side is total uses of that good. Denote the initial (current) date $t = 1$, the next date $t = 2$, and so on. Let's call generation t the people who are young at t and old at $t+1$. At date 1, the members of generation 0 are old. What happened to them when they were young is a bygone; it cannot be changed. In addition, at $t = 1$, K_1 is given because it was determined in the past. As regards preferences, assume selfishness. In particular, each member of generation 0 is happier the more date-1 consumption the person gets, while each member of generation t for $t > 0$ has a nice utility function whose arguments are consumption at t (consumption when young), and consumption at $t+1$ (consumption when old). As regards private ownership, in the absence of a social security scheme, at each date t for $t > 0$, each member of generation t starts out owning $w = W/N$ amount of date t good and none of date $t+1$ good. At $t = 1$, each member of generation 0 owns part of $(1 + r)K_1/N$.

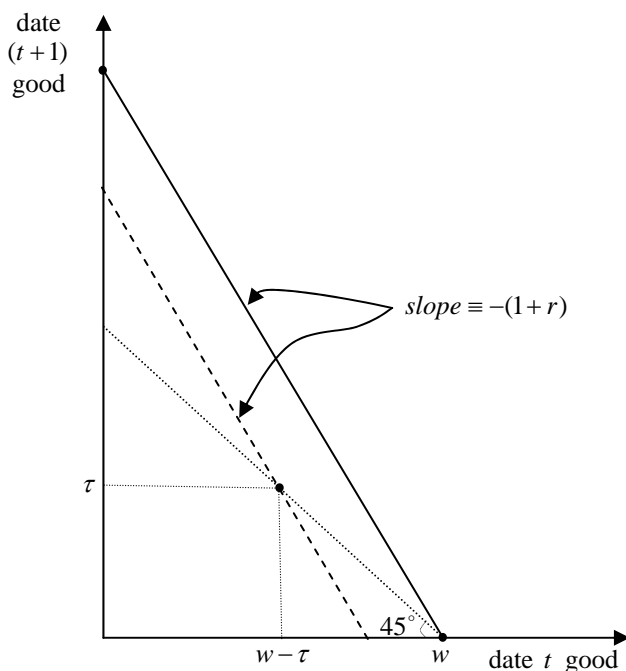
The salient features of competitive equilibrium can be represented in one simple diagram. I do that for the case that most economists think is empirically relevant: an interest rate r greater than the growth rate, which in the above economy happens to be 0. The diagram shows the consumption opportunities in competitive equilibrium under two alternatives: no pay-as-you-go system (the solid budget line) and a pay-as-you-go system with a lump-sum tax τ levied on each young person and a lump-sum transfer of τ to each old person (the dashed budget line).

Is $\tau > 0$ worse than $\tau = 0$? No, it is not. The members of generation 0, us old folks, are better off under the $\tau > 0$ scheme. Is there some way for the current and future young to compensate the members of generation 0 for a move from the $\tau > 0$ scheme to the $\tau = 0$ scheme? Would doing it gradually help? Here is where the theoretical results provide an answer. The $\tau > 0$ allocation is Pareto efficient! In such a world, what should an economist recommend? Nothing. The economist's job ends with the description of all the Pareto efficient

allocations. (Notice that this model predicts that a young person would say that he or she would prefer to invest some of the social security tax privately.)

This example seems not to have in it a *funding crisis* for social security. In a sense, that is not the case. One view of a funding crisis is that prior to date 1 it was thought that W was growing at a rate close to r and that suddenly at $t = 1$ it is realized that W will be constant. A simple view is that the earlier beliefs are irrelevant starting at $t = 1$. A better approach is to build into the model uncertainty about the path of W that is partially resolved with new observations. In such a model all feasible schemes would have current taxes and transfers contingent on new observations.

Of course, a great deal is missing from the model. The social security tax is not a lump-sum tax. Recognition of that takes us out of the realm of theorems into the realm of estimated models that include the tax distortions. A generous interpretation of the divergent views of economists regarding proposals to change the social security system is that the divergent views arise from divergent views about the best model that includes the tax distortions.



Organizer: **Neil Wallace**

When: **Each fall and spring**

Where: **Cornell (fall),
Penn State (spring)**

Who: **Faculty and Graduate Students
from Cornell and Penn State
and others by invitation.**

History and Purpose:

When Karl Shell of Cornell learned that Neil Wallace was joining the faculty at Penn State, he suggested that they run a joint macro workshop. The first one was held at Penn State in the spring of 1998 and since then we have had two each year.

Each workshop lasts a day and a half. At the most recent workshop, outside presenters included Hamming Fang from Yale, Per Krusell from Princeton, and Richard Rogerson from Arizona State.

For the purposes of this workshop, macro is interpreted very broadly. Thus, we have had Penn State student presentations on topics in international trade, labor economics, empirical industrial organization, game theory, and monetary economics. The workshop is valuable for our students as they prepare for the transition from being students to being economists because participation in conferences is an important part of an economist's professional activity. It is, of course, an especially valuable experience for those who present at the workshop.

If you would like to attend one of the workshops when it is held at Penn State, please let Neil Wallace know at (neilw@psu.edu).

Ed Coulson's 2004 paper on the social benefits to cities from having NFL football teams was the subject of features in the *New York Times* and other major media outlets.

Ed Green just became a co-editor of the new vaporware journal, *Theoretical Economics*. (First issue anticipated next Fall.) For more information, see <http://theory.economics.utoronto.ca>

Barry Ickes gave the first Presidential Address to the Association of Comparative Economic Systems at Philadelphia in January.

Dirk Mateer has written a new book, *Economics in the Movies*, designed for use in the principles market. www.economicsthemovies.swlearning.com

Isabelle Perrigne and Quong Vuong received a NSF grant for 2005-2008 and the Arnold Zellner award in 2003 for the best paper in the *Journal of Econometrics* from 2000/01.

Mark Roberts has been serving as chairman of the American Economic Association's Advisory Committee to the U.S. Census Bureau. He is also serving on a National Academy of Sciences Panel reviewing Federal Business Statistics. He is on the executive committee of the Conference on Research in Income and Wealth (CRIW) and is currently organizing a conference (jointly with Tim Dunne, Ph.D. 1987) for the CRIW/NBER on Producer Dynamics.

David Shapiro is spending his sabbatical in the Dept. of Population Sciences and Development of the University of Kinshasa. Dave is involved in the department's new master's-level program that began last year. He has taught an English course, a course on computers applied to the social sciences, and is presently in the midst of a third course on gender and development and an introductory computer course for undergraduate students (in a classic illustration of "African time," the 2004 academic year began only this week in our department!).

Did you know that

- there are currently 24 tenured and tenured track faculty, down from 34 in 1995.
- more than half of the current faculty (13) are from outside the U.S.
- there are six fellows of the Econometric Society on the faculty.
- we have three faculty members who are NBER Research Associates.
- together, the faculty serve on the editorial boards of more than a dozen professional journals.

* Faculty Awards *

Liberal Arts Distinction in The Social Sciences Award
2005
Neil Wallace

Liberal Arts Outstanding Teaching Award (for non-tenured faculty)
2005
Dirk Mateer

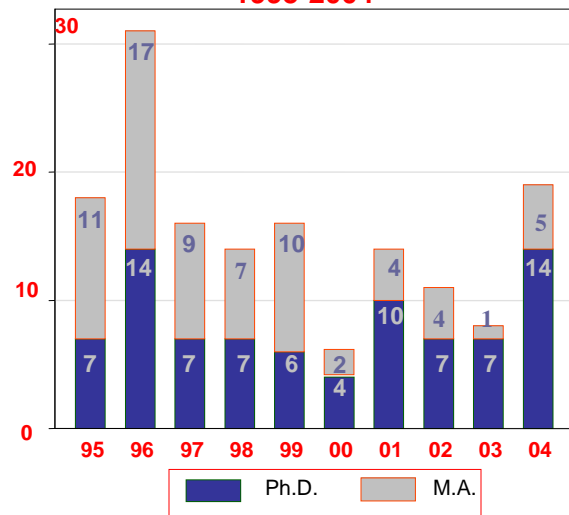
* Outstanding Teaching Awards *

Spring 2004	Fall 2004
Paul Graf (004)	Dirk Mateer (002)
Russ Chuderewicz (351)	Shubhro Sarkar (302)
Bee Roberts (404W)	Norm Clifford (404W)
Ed Coulson (432)	

Spring 2003	Fall 2003
Dirk Mateer (002)	Dirk Mateer (002)
Dirk Mateer (351)	R. Chuderewicz (351)
Nezih Guner (424)	Derek Laing (497B)
Ed Coulson (432)	

GRADUATE PROGRAM AND MORE AWARDS

Degrees Granted 1995-2004



Over the last ten years (see above chart) the department graduated 83 Ph.D.s and 70 M.A.s. The average number of Ph.D.s over this period is eight per year. The most significant change has been the reduction in the numbers of M.A.s from an average of 11 per year from 1995-99 to three per year from 2000-04. This is a reflection of change in department policy toward admitting only those students interested in pursuing the Ph.D.

We currently have a total of 62 students (nine M.A.s and 53 Ph.D.s) from 18 different countries in our graduate program. Of these students, 50 hold some form of assistantship.

The largest number of students come to us from South Korea (11), Turkey (11), China (8) and Russia (8). Other countries represented include Argentina, Brazil Canada, Columbia, France, India, Japan, Nepal, Nicaragua, Portugal, Taiwan, Ukraine, United States, and Vietnam.



A snapshot of our current graduate students at the Department Picnic September 2004

* Graduate Student Awards *

The Robert C. Daniels Graduate Fellowship
Spring 2005
Sunghyun Na

The David W. Grow Fellowship Award
Fall 2003 and Spring 2004
Roman Zakharenko

* Staff Awards *

Liberal Arts Outstanding Staff Award
2003
Janette Moore

Liberal Arts Innovator Award
2004
Connie Stahlman

Liberal Arts Esprit Award
2004
Tammy Accordino

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

To bring your job opportunity to the attention of our students, please send your request to:

Director of Graduate Studies: Vijay Krishna, (vkrishna@psu.edu)

Director of Undergraduate Studies: David Shapiro (dshapiro@psu.edu)
Dirk Mateer (dmateer@psu.edu)

- ◆ The department produced 144 Ph.D. graduates since 1980 at a rate of 7.2 students a year.
- ◆ Of the total of 113 graduates for which we have dependable information.
 - 74 graduates have jobs in the U.S.; 72 percent are in academic institutions, 15 percent work for the federal government and the rest have jobs in the private sector.
 - 39 graduates work outside the U.S.; 56 percent have academic jobs and the rest are evenly spread between the private and government sectors.
- ◆ Since 2000, an average of two-thirds of our Ph.D. graduates each year have accepted jobs outside of the U.S.

Jun Xue, 2004

After leaving Kern in 2004, I joined the Faculty of Economics at the University of Cambridge. I am also a teaching fellow at King's College, Cambridge. My research interest is in decentralized systems (e.g. city traffic) that exhibit spontaneous emergence of order and is sensitive to deliberate interventions. The idea of emergence and non-linearity is old and universal. My context is the problem of cooperation that involves the participation of a large number of people. Examples include boycott, tax compliance, recycling, and again, city traffic. How does cooperation emerge? How robust is it? How does a social norm evolve, and what role does law play? How to measure an individual's social influence? And finally, how does it depend on the structure of the underlying social network?

Shawn Klimek, 2004

For those of you I'm not regularly in touch with, here's a recap. I started in the department in the fall of 1994 and completed comprehensive exams in January 1997. I moved to Pittsburgh to work as a research assistant for Mark Roberts at the Carnegie-Mellon Census Research Data Center. I defended my proposal in August 1998, and then moved to Washington, DC to become an economist at the Center for Economic Studies (CES) in March 1999. I finally defended in May 2004. I've been at CES for almost six years now, and am enjoying my work here.

My family and I enjoy living in the D.C. area. Amy and I were married in September 2001, and our daughter Cora was born in November 2003. We've also got

our hands full with our dog, Jasper. We're kept busy with the demands of work, owning a house, and being parents. When we do have free time, we try to spend it hiking, backpacking, rock climbing (sans Cora...for now) and anything else that can be done outside. In 2003 I was lucky enough to successfully summit Denali (20,320 ft.; the highest point in North America) with three good friends on an unguided expedition.

Hajime Katayama, 2003

After graduating from Penn State, I joined the Economic Department and Econometrics and Business Statistics Department at the University of Sydney, Australia. I am jointly appointed in the two departments as a lecturer (the equivalent for assistant professor in U.S. universities). I serve as the honours program coordinator in the Econometrics and Business Statistics Department. We hope to send our excellent students to Penn State in the near future. Sydney and Penn State are creating a stronger bond. In fact, recently we hired Olexii Birulin (Penn State 2004). My research interest was originally economics of crime. However, my current research is becoming more and more diverse, including those on environmental economics and international trade. My wife, Hanae, is currently working on her Ph.D. in Applied Linguistics at Penn State. We are hoping to become the wife and husband team with Ph.D.s from Penn State in a couple of years.

Eliot Maenner, 2002

Presently I am Jean Monnet Fellow at the European University Institute in Florence, Italy. EUI is a post-graduate institution

which trains Ph.D. students in economics, history and political science. The university provides excellent research support and the department of economics hosts seminars and programs in several fields. Every Autumn the department of economics offers fellowship opportunities to post-doctoral researchers who are in the early stages of an academic career. In Autumn of 2005 I will join the department of economics at the University of Copenhagen as an assistant professor.

David Mills, 2001

I spent one year as a Visiting Assistant Professor at the Economic Department of Purdue University before joining the Federal Reserve Board in Washington, D.C. I have been in the Payment System Studies section since I started there in the summer of 2002. The section is a small group of economists and research assistants from a variety of economic backgrounds (industrial organization, finance, monetary theory) who conduct research and policy analysis on a variety of payment system issues. These issues typically center on the safety and efficiency of systems such as credit/debit card networks, electronic payments, check processing, bank-to-bank payment networks, securities settlement systems and foreign exchange settlement. I continue to do research in monetary theory with a particular emphasis on applying micro-founded models of money to address payments questions. My policy projects include participation in international workgroups comprised of policymakers from mainly G10 central banks who explore a variety of payments related policy issues. This has afforded me an opportunity to see a bit of the world. Katherine and I live in Northern Virginia with our three sons Nicholas (5), Zachary (3), and Timothy (1).

Tor Winston, 2001

Since I graduated in 2001 I have been working at the Antitrust Division of the Department of Justice. The work is essentially very applied industrial organization and I am loving it. I typically spend a good chunk of time interviewing

producers and customers to get a sense of the institutional structures of a particular market and then draw ideas from a wide spectrum of IO theory to make a judgment about whether a specific merger would be anticompetitive. Often, that judgment is supported by econometric results. Thus, I periodically get my hands dirty with data. The work often reveals potential research topics, but I have only recently started to write anything down formally. Linda and I are enjoying the D.C. area with our two kids (Lea, 5 and Erik < 1). We live in a quaint WWII-era suburban development that is within walking distance of a Metro station and biking distance of downtown. I used to bike to work in all kinds of weather, but now I am more discriminating/lazy!

Ron Davies, 1999

After graduating from Penn State, I joined the Economic Department at the University of Oregon where I'm now an associate professor. My research primarily deals with factors influencing the location of foreign direct investment with a particular focus on the strategic use of tax policy. Some of this work has been published in *American Economic Review*, *International Economic Review*, *Journal of Public Economics*, *Journal of International Economics*, and *Journal of Development Economics*. My wife and I got married in 2000, and our daughter was born while we were in Copenhagen during 2002. Recently, I served on the dissertation committee for Helga Kristjansdottir, who received the first Ph.D. in Economics ever awarded in Iceland. Under what conditions do small things (e.g. a small increase in IRS's auditing effort) make big differences (a big increase in the tax compliance rate)? These are the kind of questions I am interested in.

R. Badri Narayan, 1999

The last doctoral graduate of the twentieth century of the econ department, I came back to my home country India at the end of 1999. I rejoined the Indian Railways and continued to pursue my interests in economics through visiting teaching assignments at Jawaharlal Nehru University, New Delhi, and New Economic School, Moscow. For the last three

years I have been responsible for design and development of software modules for long-range investment planning on the Indian Railways. This assignment has involved transportation modeling and evaluating design of software modules. One added bonus of this assignment was that it brought me to the US for a couple of months in two consecutive years and gave me the chance to get back in touch with fellow Penn Staters. My research work is moving slowly but has focused on Federalism and Railway Infrastructure in India, and State-wise Analysis of Public Expenditure Performance. With two teenagers at home, Nayantara nearly 16, and Vikram Aditya 14 plus, Sunetra and I are still learning as parents. And my receding hairline inspires me to play regularly on the tennis court and lately on the golf course, ostensibly to maintain my waistline. I can be contacted at (rbadrinarayan@hotmail.com) and if you are in New Delhi it is very easy to find me.

Ataman Ozyildirim, 1999

After graduating from Penn State, I joined the Economics Program of The Conference Board as a member of the then recently established *Global Indicators Research Institute*. The Conference Board assumed responsibility for the *U.S. Business Cycle Indicators Program* from the Bureau of Economic Analysis of the U.S. Department of Commerce in 1995 (I believe the first time a government statistics program was privatized in the U.S.) and initiated a project to expand the indicators program globally in 1999. Since 1999, we have developed new indexes of leading economic indicators for eight major economies around the world and began to track their economies monthly. My research has been focused on forecast evaluation using real time data, forecasting short term macroeconomic fluctuations, using regime switching models in forecasting, and trend estimation methods for macroeconomic series. It has been interesting to observe the 2001 recession and its aftermath from an up close perspective since we publish many of the series the NBER Business Cycle Dating Committee uses to determine recession dates and, Victor Zarnowitz, one of the

committee members, is a Senior Fellow at The Conference Board. Also, it's been fun to present papers internationally in cities as varied as Paris, Beijing, and Singapore. Of course, it's always nice to come home to New York City.

Sukkyun Chung, 1998

Upon graduating from Penn State, I joined the Korean Ministry of Finance and Economy as a Deputy Director. After spending two years establishing general economic policy framework, I became involved in more specific industry issues concerning information and communications. This gave me the opportunity to work with the Ministry of Information and Communications as a director in 2000. Currently I am working at the Permanent Korean Delegation to the OECD in Paris where I attend Information, Computer and Communications Committee meetings as a vice president, and participate in Budget Committee meetings at the OECD. My job involves research into the best practices of Member countries and formulation of a policy framework to recommend these practices to my government. I am tentatively scheduled to return to Korea early next year, however my wife, Namie, and my two children, Shelie (14) and Hansol (12), love Paris very much and so would like to extend our stay here. You may get in touch with me by e-mail at the following address: (skchung03@mofat.go.kr). I look forward to hearing from anyone.

Julie Kraut, 1998

My adventures after Penn State began with a two-year postdoctoral fellowship with the Centers for Disease Control and Prevention (CDC) in Atlanta, Georgia. I worked in the Division of Sexually Transmitted Diseases (STD) Prevention where I conducted demographic and economic analyses of STD.

Upon completion of the fellowship, I moved to Chicago to be with my husband, David. I spent three years there teaching health economics, research methods and epidemiology to undergrads and Masters of

Public Health students as an Assistant Professor of Public and Community Health in the School of Allied Health Professions at Northern Illinois University.

After three years in the cornfields, David and I relocated to Philadelphia in 2003. I spent last year as a fulltime Visiting Assistant Professor of Economics at Swarthmore College where I still teach one course per semester.

I am currently a Research Associate (fulltime faculty position) in the Center for Studies of Addiction at the University of Pennsylvania. The focus of the division is HIV prevention among intravenous drug users (IDUs). We are in the process of conducting several clinical trials for an HIV vaccine, a vaginal microbicide, and a social network-oriented peer education intervention among IDUs. My research interests include demographic and economic analyses of women's reproductive health issues such as teenagers' non-marital childbearing and sexually transmitted diseases.

Rob Reed, 1998

I graduated from Penn State in 1998. My first job was at Iowa State University. In August 2000, I moved to the University of Kentucky. I have been fortunate to work with a number of people who have been willing to spend time mentoring me. After waiting five years for my first publication, I now have five articles in print at the *International Economic Review*, *Economic Inquiry*, *Journal of Money, Credit and Banking* and *Economics Letters*. I have requests for revisions at the *Canadian Journal of Economics*, *Journal of Economic Dynamics and Control*, *Journal of Urban Economics* and the *JMCB*. I am currently a thesis advisor for four dissertation students. In June 2003, I served as a visiting scholar at the Center for European Integration Studies at the University of Bonn, Germany. My initial research focused on issues involving search frictions. However, current projects are based upon overlapping generations models of money and banking. I am also working on research studying the general equilibrium effects of population aging. My tenure case will come up next

year so I may be contacting a number of you soon for help. My email address is rrreed@uky.edu.

John Moran, 1997

My first "job" after graduate school was a two-year postdoc in health policy at the University of Michigan. It was a valuable experience that allowed me to learn more about the institutional side of health care markets from a really knowledgeable group of policy-oriented economists. Another perk of the postdoc was that Keith Crocker had moved to UM the year before, so I was able to milk another two years of training out of him at no cost to myself!

When my postdoc ended, I took a job in the economics department at Syracuse University and have been there ever since. In an amazing piece of good luck, a job opened up in the speech and hearing clinic at SU the week before classes started, which facilitated Maryellen and I living in the same city again after two years apart. At SU I've had the good fortune of being surrounded by many talented applied micro types, which I've come to learn is an invaluable resource when attempting to do empirical work.

These days I'm more of a health economist than anything else, but still work on a fairly broad set of topics (too broad I'm told). Most recently, I have been estimating models of hospital quality and the demand for prescription drugs among the elderly. In the near future, I hope to utilize some of the IO training I received at Penn State when I begin a project on tax pass-through and market structure with Don Kenkel. It would be great to hear from anyone that I might have lost touch with over the years. My email address is: jmoran@maxwell.syr.edu

Paul Jensen, 1996

I have been in the Economics Department at Drexel University since 1997. Recently my research has focused on the implications of preferential trade agreements and the formation of trade policy. The Drexel-Penn State connection is growing stronger: a couple years ago we hired Kerry Anne McGeary (Penn State 1996) and this year we hired Costas Syropoulos who was a Penn State faculty member until 1996.

Mary Ann and I now have three boys: Eric (10), Michael (7), and Matthew (3).

What's New with John Morgan, 1996

After coming to Berkeley from Princeton some two and a half years ago, I am now a full professor at the Haas School of Business and the Department of Economics at Berkeley. More importantly, during that same time period, my little boy, Aidan, was born. He's lucky enough to have his Mommy, Heather, at home to take care of him although he will be going to preschool this coming fall. If you'd care to read about his adventures, check out Aidan's weblog (<http://aidanmorgan.blogspot.com>) In addition to getting promoted, I also founded the first experimental economics laboratory at Berkeley. The lab, called Xlab (<http://xlab.berkeley.edu>) is the largest wireless experimental economics lab in North America, with facilities to host more than forty subjects. I continue to devote significant research time to understanding the e-retailing marketplace. As part of these efforts, former Penn State professor Mike Baye, Patrick Scholten, and I created the web site Nash-equilibrium.com (<http://Nash-equilibrium.com>), which contains historical as well as up to the minute information on e-retailing pricing and trends. The site and the research to come out of it have received attention from places like *Forbes*, *The Chicago Tribune*, and *The New York Times*. Finally, in the past year or so, I decided to take up golf. My best score so far, 90, seems to me not too bad for someone so relatively new to the game.

Jiandong Ju, 1995

After graduating in 1995, I joined the Department of Economics at the University of Oklahoma where now I am an associate professor. My wife, Kate, and my daughter, April, live with me in Norman, a beautiful city in the American Heartland. My main fields are industrial organization and international trade. My research in industrial organization started with the analysis of divisionalization problem with Michael Baye and Keith Crocker, and now I focus on intermediary market structure and

pricing mechanisms. My research topics in trade are tariff reforms and free trade areas. Most of them are joint work with Kala Krishna at Penn State. I am currently investigating the joint determinants of international trade, focusing on the role that factor endowment, technology and institution play. I still enjoy "hearing" football games. When I was in State College, I lived in Graduate Circle near Beaver stadium. Most Saturdays in the fall season was spent "hearing" football game played by the top Penn State team in my apartment. Now I do the same thing, "hearing" the game in my office played by the Sooners, which has become a top team only after I came to OU. I certainly do not imply a causal relationship between my residence and top football programs.

Geeta Batra, 1994

After leaving Penn State in 1994, I joined the World Bank and was here until 1996. Marriage and my husband's appointment at Arco Chemical took me to American Express in New York where I was Senior Risk Manager responsible for developing credit risk systems. I missed the independence and the research environment at the Bank and the East Asia crisis in 1997/1998 provided me with an opportunity to head back to the World Bank in 1998. I was with the Foreign Investment Advisory Service responsible for Central America and the Caribbean, until a few months ago when I was appointed as Principal Monitoring Officer for the International Finance Corporation's Technical Assistance Programs. My husband started a small chemical company with his former adviser and work takes us back to Penn State quite often. I've been working with Bee and Mark ever since I graduated and get to see the best and the latest on the applied micro front. I have a daughter Roshini, now 2, and true to the meaning of her name, has definitely illuminated our lives. Would love to hear from all of you, and when in D.C. do give a call. My co-ordinates: (gbatra@ifc.org); phone 202-473-4442

Theodore Palivos, 1992

After graduating from Penn State in 1992, I joined the Department of Economics in the Louisiana State University (LSU) as an Assistant Professor

until 1997. From 1995 to 1997 I was also an Assistant Professor at Tilburg University in the Netherlands.

In 1997, I was promoted to Associate Professor at LSU where I was the Mack H. Hornbeak Business Partnership Professor from 1998-2003. In 2001, I accepted the position as professor and chairman of the newly founded Department of Economics in the University of Ioannina in Greece. I also served for a year in the Board of Trustees in the new University of Western Macedonia in Greece. Since the December of 2004 I am a Professor at the University of Macedonia in Thessaloniki, Greece. My research interests are in Macroeconomics, Growth Theory and Monetary Economics. My research has been published, among others, in the *American Economic Review Papers and Proceedings*, *Canadian Journal of Economics*, *Economic Theory*, *International Economic Review*, *Journal of Economic Dynamics and Control*, *Journal of Economic Theory*, *Journal of Money Credit and Banking*, *Oxford Economic Papers*, and *Review of Economic Studies*. I have been a co-editor of the *Journal of Macroeconomics* since 2000.

Carol Scotese Lehr, 1991

In 1991 I left the rural and comfortably isolated Penn State campus for Indiana University, another pretty, rural, isolated campus, for a position as an Assistant Professor in the School of Business. In 1997 I moved from IU to Virginia Commonwealth University (VCU) in Richmond, Virginia where I am now an Associate Professor in the Business School. The urban campus life at VCU is quite different from the campus environment I had always known (I was also an undergraduate, political science major, at Penn State), but my department is a small and active group of interesting scholars. My research has focused mainly on empirical relationships between education, growth and fertility. During my early career, I also studied the relationship between financial markets, growth and business cycles. Recently, I have developed an interest in the effects of technological change on income inequality and am working with census data to study the evolution of wage inequality across occupation and profession groupings. On a

more personal note, I am married to a fellow Penn State PhD Economics alum, David Lehr. David and I have a son, David, who is 11 years old and a daughter, Alisa, who is 9. I look forward to meeting fellow Penn State alumni and would love to hear from some of you: (cslehr@vcu.edu).

Aloysius Ajab Amin, 1989

Before undertaking the Ph.D program at Penn State, I was teaching in University of Yaounde, Cameroon. Hence, after graduating from PSU, where my wife (Rebecca M.N. AMIN also graduated with a degree in Agricultural Economics and Rural Sociology), I resumed my teaching career with the University of Yaounde. At the university, besides teaching I occupied various administrative and managerial positions including Chief of Division- University Planning and Development; Chief of Division - University Lodgings; Head of Computer Services. Today, I am the Deputy Director and Head of Training-African Institute for Economic Development and Planning (IDEP) which is a Pan-African Institution created in 1962 by the General Assembly of the United Nations. IDEP provides training in economic development, planning and related fields as well as undertakes research and advisory activities in its 53 African member States. In addition to my administrative and managerial duties, I teach development economics and have also written and published on development issues. Currently, I am working on two books: *Long Term Economic Development in CFA Zone of African Countries*; *Developing a Sustainable Cameroonian Economy*. Jan Prybyla, Barry Ickes, Bee Roberts, James Rodgers, Mark Roberts, Joseph Terza, James Stewart, David Shapiro and Milton Halberg greatly contributed towards my success at Penn State. I am really grateful to them.

James Dearden, 1987

I am Arthur F. Searing Professor of Economics at Lehigh University. The professorship is less like a chair and more like a footstool. For excitement, I have been working on the design of two types of

mechanisms: corporate governance and compensation systems, and methods to rank universities. A few of my Lehigh colleagues and I have a new paper investigating why the ratio of equities to risk-free assets of state employee defined benefit pension plans varies from state to state. Dorothy (Raffel) Klotz, who is in the management science department at Fordham, and I have a paper on the delegation of decision making authority in *RAND Journal of Economics*, Winter 2002. My wife Kathy has moved from the computer industry to the tennis courts, and is quickly moving up in the USTA rankings, now playing at the 4.5 level. Life with two teenagers is active and challenging, and for me also means spending a lot of time at swimming pools. Ben is a junior at LaSalle College High School, and we have been taking college tours. Our first stop was Penn State. Will is in eighth grade, and will be going to LaSalle in the fall. My biggest post-40 accomplishment: breaking 18 minutes in the 5000 meters (17:50). Our greatest family fun since leaving Penn State: spending a semester at CentER, Tilburg.

Timothy Dunne, 1987

Since graduating from Penn State in 1987, I have worked primarily at the U.S. Census Bureau and the University of Oklahoma. I served as an economist and as the Director of Research at the Center for Economic Studies, US Census Bureau. I was chair of the Department of Economics at the University of Oklahoma (1999-2002) and am currently the Chong K. Liew Professor of Economics. I have two very lovely daughters (ask Bee Roberts) and a truly exceptional spouse. Finally, after almost twenty years, I still work with my Ph.D. advisor, Mark Roberts, on applied industrial organization topics.

David A. Macpherson, 1987

After graduating from Penn State in 1987, I became an assistant professor in the economics department of Miami University. In 1992, I became an associate professor in the economics department at Florida State University. Currently, I am the Rod and Hope Brim Eminent Scholar in Economics as well as

the Director of the Pepper Institute on Aging and Public Policy at Florida State. I am a co-author on two textbooks, *Economics: Private and Public Choice* and *Contemporary Labor Economics*. My specialty is applied labor economics. My current research interests include pensions, discrimination, industry deregulation, labor unions, and the minimum wage. I enjoy listening to classic rock, seeing movies and plays, playing sports with my two sons (ages 11 and 15), and going to the seashore with my family.

Tain-Jy Chen, 1983

After graduation, I went to teach at University of Mississippi for two years, and later at Drexel University in Philadelphia for one year. This experience was interesting as I was exposed to Southern cultures and city living, which differ distinctively from State College. In 1987, I returned to Taiwan to work for Chung-Hua Institution for Economic Research (CIER), a government-sponsored think tank. My initial work was area study and I was responsible for Latin American countries. Later I was engaged in policy studies and Japan became a frequent destination for travel. In 1995, I moved from CIER to become a professor at National Taiwan University. My research since graduation has focused on foreign direct investment, which also happened to be the major endeavor of Taiwanese business firms since the middle of 1980s. It was quite interesting to look at the real activities of firms and to see what economic theories have to say. Often times, the theory was inadequate or outdated.

It was also quite satisfactory that you were studying the real world that lies so close to you rather than something abstract or foreign. Beginning in 2002, I have been serving as the president of CIER. Although administrative work absorbed most of my time, I am happy that the institute carried on its mission as a government think tank when Taiwan's economy went through one of the most difficult times in history. But the happiest thing to me is that my son, Anthony, was admitted to the Department of Economics as an undergraduate student last year. Looking at him walking through the doors of Kern Building which housed four years of my youth was something very touching.

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