

# MICHECON NEWS

Spring 2006

for University of Michigan Economics Department alumni and friends



*ELC member Allen Sinai (r.) meets Ruchir Agarwal, a senior, and Emily Beam, a junior, at the ELC luncheon. "It was very interesting to get to talk with people who had already been through the program and were well-established in their careers," said Beam. Photo by Martin Vloet, U-M Photo Services.*

## Endowed Chairs, Graduate Student Funding, Undergraduate Mentoring ELC Focuses on Department High Priority Items

Faculty endowed chairs and graduate student funding, were among the several Departmental high priority items that members of the Economics Leadership Council discussed during their annual meeting in Ann Arbor this past November. Other topics reported on included: faculty recruitment, a possible interdisciplinary undergraduate program in economics and mathematics of risk and finance, and alumni outreach programs.

In a special segment of the meeting, ELC members also met with undergraduate students and explored ways in which alumni can enrich the undergraduate experience.

At the beginning of the meeting, U-M Interim Provost Ned Gramlich thanked the ELC for their work on behalf of the Department. "State funding goes down and down and down every year and we're trying to maintain the excellence of the institution," said the interim provost and former Department chair.

"The plain math of the situation indicates we need groups like you."

LSA Dean Terry McDonald underscored the centrality of economics to the social sciences, noting that the tools of economics are used in all social sciences. He emphasized the importance of increasing the number of endowed chairs in the Department as a way to help both recruit and retain excellent faculty.

Currently, the Economics Department has three endowed professorships.

In his report on the highly successful recruiting in 2005, which resulted in nine new faculty members (see page 7), Department Chair Matthew Shapiro noted that the goal now is to build on this year's gains and "fill a significant gap in theoretical econometrics,

*(continued on page 4)*

# From the Chair

Greetings from Ann Arbor!



Once again, the University community comes to full life as a new year gets underway. Our corner of Central Campus is particularly excited about several developments this past year including: welcoming nine new faculty members, a stimulating Economics Leadership Council meeting, and launching an alumni relations program that allows us to maintain a close relationship with each of you.

Earlier in this column, I shared with you that my main challenge would be faculty recruitment. I am delighted to report that we had a truly extraordinary hiring season

this past year during which we hired four tenured professors and five assistant professors.

The immediate visibility and leadership of the new senior faculty combined with the fresh talent and excitement of the new junior faculty made for an exciting start to the fall semester. Added to the well-established reputation of our current distinguished faculty, we have a powerful mix that is critical to the ongoing success of the Department.

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The Department moved up in the 2005 *U.S. News* survey to a four-way tie—along with Columbia, UCLA and Wisconsin—for 11th place. The momentum for this past year's new faculty hiring creates an unusual opportunity for us as we aim to compete with those schools currently at the bottom of the top ten:

## **U.S. News Ranks of Ph.D. Programs in Economics.**

- 1 Massachusetts Institute of Technology
- University of Chicago
- 3 Harvard University
- Princeton University
- Stanford University
- University of California-Berkeley
- 7 Yale University
- 8 Northwestern University (IL)
- 9 University of Pennsylvania
- 10 University of California-San Diego
- 11 Columbia University
- University of California-Los Angeles
- University of Michigan-Ann Arbor**
- University of Wisconsin-Madison
- 15 New York University
- University of Minnesota-Twin Cities
- 17 California Institute of Technology
- Cornell University
- 19 University of Rochester
- 20 Carnegie Mellon University
- 21 Brown University
- Duke University
- University of Maryland-College Park
- 24 Johns Hopkins University
- 25 Boston University
- University of Texas-Austin

In November, our Economics Leadership Council met in Ann Arbor for two days of invigorating and productive discussions. During that time we explored various teaching and research initiatives that need to be undertaken by the Department as we continue to pursue the goals of our long-range plan.

You, our alumni, are so vital to the on-going success of this Department that we are continually looking for ways to better communicate with you and involve you in the day-to-day aspects of our program. In the upcoming months, you will be hearing about some exciting new opportunities to help you stay in touch with us. In the meantime, take a few minutes to catch up with your Department through this issue of *MichEcon News*, and be sure and let us know about recent happenings in your life by sending us a Class Note about yourself (see back page).

Wishing you a productive and healthy New Year,

*Matthew S. Shapiro*



# Shapiro Awarded Professorship Named for Former U-M Scholar

Department Chairman Matthew Shapiro has been awarded a collegiate professorship from the College of LSA. The prestigious honor is awarded to University professors nominated by the LSA executive committee (based on recommendations from departments) and then chosen by the central administration.

Shapiro, a macroeconomist who also is a research professor in the Survey Research Center and had received his PhD from MIT--chose to name the professorship after Lawrence R. Klein.

A Nobel Laureate and Benjamin Franklin Professor Emeritus of Economics at the University of Pennsylvania, Klein had received the first PhD in economics awarded by MIT in 1944. With fields of specialization in both macroeconomics and forecasting, Klein joined U-M's Survey Research Center in 1949 and was a lecturer in the Economics Department from 1950-1955. It was while he was at Michigan that he developed the Klein-Goldberger model of

the U.S. economy for which he won the Nobel Prize.

In naming his professorship for Dr. Klein, "the College would honor one of the most distinguished scholars to have taught at Michigan," Shapiro wrote to LSA Dean Terrance McDonald. It would also demonstrate, yet again, the on-going relationships that are both nurtured and honored through endowed professorships.

During his career, Shapiro has carried out projects on investment and capital utilization, business-cycle fluctuations, consumption and savings, financial markets, fiscal policy, monetary policy, time-series econometrics, and survey research.

Among his current research interests are modeling how recent changes in tax policy affect investment, employment, and output, modeling saving, retirement, and portfolio choices of household, improving the quality of national economic statistics, and using surveys to address questions in macroeconomics.

Shapiro was a junior staff economist (1979-1980) at the Council of Economic Advisers. As a senior economist (1993-1994) at the

Council he had responsibilities for macroeconomic analysis and weekly economic briefing of the president. Prior to joining the U-M faculty in 1989, Shapiro was an assistant professor of economics at Yale and a member of the Cowles Foundation for Research in Economics. Shapiro was co-editor of the *American Economic Review* (1997-2000).

Shapiro is a member of the Academic Advisory Panel of the Federal Reserve Bank of Chicago, the Federal Economic Statistics Advisory Committee, and is a research associate of the National Bureau of Economic Research.



**Lawrence Klein**

## A Tangible Link With the Past

It was a cozy gathering marked by fond remembrances and hearty laughs. It was a perfect setting in which to have a traditional "sit by samovar". And, in fact, the samovar was the guest of honor, linking several generations of Economics Department tradition by its very presence.

The occasion was the recent presentation to the U-M Wallace House (home of the U-M journalism fellows program) of the samovar that Leo Sharfman, former Economics chair (1928-1954), had brought with him when he first came to this country.

Persons attending the ceremony at Wallace House included Sharfman's grandson Bill, his nephew (and CBS correspondent) Mike Wallace '39, Knight-Wallace Journalism Fellows Director Charles Eisendrath, and current Department Chair Matthew Shapiro.

Sharfman, who had studied both economics and law at Harvard and had spent several years teaching at the Imperial Pei-Yang University in China, was appointed a lecturer in Political Economy at Michi-



gan in 1913. One year later, his appointment was changed to full professor.

He was named chair in 1928. "Leo guided the Department through the Great Depression, World War II, and the boom of the first postwar decade which saw the GI Bill change the face of higher education," said Saul Hymans, professor emeritus and former chair. "He left his mark on us in



*(Above) Mike Wallace '39 and Department Chair Matthew Shapiro share reminiscences of Wallace's uncle, Leo Sharfman, former Department chair. (Left) The Samovar, at home again in Ann Arbor.*

a number of critically important dimensions, including collegiality among the faculty, representative governance within the Department, and a tradition which placed exceptional value on research and innovative teaching."

"These traditions have been passed down across the generations of members of the Department: from Sharfman to Gardner Ackley, from Ackley to Harold Shapiro and Saul Hymans, and from Saul Hymans to the current generation," Shapiro added.

(continued from page 1)

build on our strength in applied economics, and lay the ground work for recruiting in the areas of experimental and behavioral economics.”

Developing a cohesive strategy for multi-year funding of doctoral students was another area of focus during the meeting. In addition to being one of the goals in the Department’s long-range plan, “it is also a most important one,” said Shapiro, “as we are currently unable to promise a solid financial-support plan to incoming students.”

Financial support has been crucial for Economics doctoral students Dmitry Lubensky and Marta Murray-Close.

When Lubensky was accepted by Michigan, he was looking at a \$60,000 price tag for the first year alone. “For me,” said the first-year PhD student who did his undergraduate and masters work at Northwestern, “funding is a big, big deal. I’m very grateful.”

Murray-Close, who has a bachelor’s degree in psychology from Smith and a masters in public policy from Minnesota, firmly believed that Michigan was the best choice for her as she looked to begin her PhD. She wanted to study microeconomics, but without funding, the alternative would be to consider another area of study. She still had undergraduate loans to be paid off and had depleted her savings to help pay for her masters degree. “I wanted to make a change,” she said, “but I

was not willing to go into an additional \$50,000 a year in debt.”

When she received a letter informing her that she had been awarded a Rackham Fellowship (that would cover tuition and living for the first year), she entered the program in Ann Arbor. Now in her second year, a second fellowship is covering costs for the next three years.

In addition to the financial assistance, both students agreed that there is another more personal, yet equally important, benefit that should not be overlooked.

“Aside from the money, receiving funding is a mental thing, too,” said Lubensky.

“When someone is giving you money to do something, it feels as though they’re on your side. Graduate school is an uphill battle and it’s nice to know that someone is behind you.”

Murray-Close agreed. “If someone has invested in you, you think they believe that you can do it and that they want you to succeed.”

With sufficient funding, Shapiro said that a standard financial support plan for doctoral students could consist of two years of fellowship and three years of being a graduate student instructor (GSI).

The ELC also learned about an interdisciplinary undergraduate concentration proposed by the Economics and Math departments.

“The Economics and Mathematics of Risk and Finance” concentration “situates finance within a broader liberal arts context



*ELC Members dialogued with students during the business meeting. Clockwise (from upper left): David Berson, Jeffrey Leeds, Gary Dorman, Michael Beauregard. Photos on these pages by Martin Vloet, U-M Photo Services.*

## Economics Leadership Council: Continuing A Legacy of Leadership at U-M

The Economics Leadership Council is the primary alumni service organization for the Department of Economics.

Its roots are embedded in the 1837 legislation that established the University of Michigan along with a provision for a board of visitors “to make an examination into the state of the University and report results to the superintendent, suggesting such improvements as they deemed important.”

The last published report of the University’s board of visitors was submitted in

1873, although it remained in existence for several years afterwards. Ultimately replacing it were individual groups of alumni, such as the Economics Leadership Council. Today these graduates, organized by individual schools, colleges, programs, or departments, generously offer their insight, assistance, and support.

Current ELC members are:

**Michael Beauregard**, AB ‘86econ  
Partner, Huron Capital Partners LLC

**David W. Berson**, MPP ‘79; PhD ‘82econ, Vice President and Chief Economist, Fannie Mae

**Peter Borish**, AB ‘81econ; MPP ‘82, Chairman of the Board, OneChicago LLC

**Gary Dorman**, AB ‘72econ, Senior Vice President and Chair, Global Antitrust Practice, NERA Economic Consulting, Los Angeles



that sets it apart from other undergraduate finance programs,” said Shapiro, adding that “this program would give students the basic tools they need to prepare for a career in finance—or financial aspects of careers in law, accounting, etc.—while still maintaining a liberal arts focus.”

A special part of the meeting was a discussion between ELC members and undergraduate students about the undergraduate experience.

Students who met with the ELC included: Ruchir Agarwal (senior, Calcutta), Emily Beam (junior, Livonia, MI), Adam Berman (senior, San Diego), Breanna Lynn Bode-Higgeson (junior, Royal Oak, MI), Elisabeth Margaret D’Arcy (junior, Grosse Pointe Woods, MI), Meghan Elizabeth Dubois (junior, Grosse Ile, MI), Paul Wheeler Hammond (senior, Mason, OH), Ben Healy (junior, Troy, MI), Arman Kayupov (junior, Troy, MI), Danny Leonard (freshman, Hopkins, MN), Timothy McQuade (sophomore, Long Valley, N.J.), Jason Zachary Pesick (senior,

West Bloomfield, MI), Kellen Smetana (junior, Novi, MI), and Patrick Tokarski (junior, Plymouth, MI).

During a panel discussion and lunch with ELC members, undergraduate students expressed a strong interest in receiving career advice from, and having interaction with, Economics alumni.

Numerous ways were discussed for alumni to become involved with both undergraduate and graduate students such as through mentoring and speaking opportunities as well as providing internships and scholarship support.

“The ELC meeting was an important step by the Economics Department to connect with the undergraduates,” Michigan Economics Society (MES) President Arman Kayupov said after the meeting.

“I hope that more students can participate in this type of facilitated discussion next year.”



*ELC members met with students and faculty during their November meeting on campus. Clockwise (from upper left) Jonathan Rye (l.) and junior Paul Hammond, Peter Hooper and MES Corporate Liaison and junior Kellen Smetana, Joel Sobel (l.) and Professor Jim Adams, John Sweetland (l.) visits with RSQE Director and Professor Emeritus Saul Hymans, sophomore Timothy McQuade (l.) meets Stephen Gallagher and Allen Sinai (r.)*

**Stephen Gallagher**, AB ‘84econ, Managing Director and Chief US Economist Société Générale (SG)

**Peter Hooper**, AM ‘71econ; PhD ‘75econ, Chief US Economist, Deutsche Bank Securities

**Jeffrey R. Leeds**, AB ‘67econ, Executive VP and CEO, North Fork Bancorporation, Inc. (GreenPoint Financial Corporation)

**Jonathan P. Rye**, AB ‘78econ; MBA ‘80, Chairman, Greenfield Commercial Credit

**Allen Sinai**, AB ‘61econ, Chief Global Economist, President and Co-Founder, Decision Economics, Inc.

**Joel Sobel**, AB ‘74math, Professor, Department of Economics, University of California, San Diego

**John W. Sweetland**, AB ‘58econ; AM ‘59, President, The Winsford Corporation

**Herbert S. Wander**, AB ‘57econ, Partner, Katten Muchin Zavis Rosenman, Chicago

**Mark L. Yeager**, AB ‘72econ, Senior Partner, McDermott, Will & Emery

New ELC Members are:

**Cynthia Bates**, BS ‘87biology General Manager, U.S. Small Business Div., Microsoft

**Mark Harms**, AB ‘83poli sci, Chief Executive Officer and Managing Director, Global Leisure Partners LLP

**Diane C. Swonk**, AB ‘84econ; AM ‘85applied econ, Senior Managing Director and Chief Economist, Mesirow Financial

**Gail Wilensky**, AB ‘64psych; AB ‘65econ, PhD ‘68econ, Senior Fellow, Project HOPE

# Faculty News

When Provost **Paul N. Courant** stepped down from that position on August 31, the professor of economics and of public policy returned to teaching and research in the Department and the Ford School of Public Policy.

As the University's chief academic officer, Courant guided the institution through a revision of its undergraduate admissions process following the U.S. Supreme Court's ruling (2003) that the U-M's point system was unconstitutional. Throughout his tenure, Courant also provided key fiscal leadership as the University dealt with an unprecedented series of significant state budget cuts.

Professor and former Economics Department Chairman **Edward M. Gramlich**, has served as U-M interim provost and executive vice president for academic affairs, since September 1.

Gramlich, who has been professor of economics and public policy at the U-M since 1976, also served as chair of the Department in 1983-86 and 1989-90. On the national level, he most recently served as a governor of the Federal Reserve Board since 1997. He resigned from the Fed on August 31, to return to the University where he has been appointed as the Richard Musgrave Collegiate Professor of Public Policy.

*In January, U-M President Coleman announced that Dr. Teresa A. Sullivan, executive vice chancellor for academic affairs for the University of Texas system, had accepted appointment for a five-year term as provost and executive vice president for academic affair. The U-M Board of Regents approved the appointment later that month.*

*Gramlich will continue to serve as interim provost until May 31. Between June 1 and Aug. 1, he will serve as special adviser to the president and to the new provost during her transition.*

*Sullivan, who has distinguished herself as an outstanding scholar in labor force demographics, with a particular focus on economic marginality and consumer debt, will also hold a tenured faculty position as U-M professor of sociology.*

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**Joel Slemrod**, professor of Economics, McCracken Collegiate Professor, Ross



**George Johnson's** fall term Econ 102 students were as delighted as the good professor when the latter was surprised with a lifetime teaching award at the end of the term's last lecture in MLB Auditorium 4.

*"The Undergraduate Program Committee, by acclaim and unanimously for the record, has voted to award George Johnson the Teacher of the Year Award," announced Professor Jim Adams in making the presentation. Economics Professor and former U-M Provost Paul Courant's observation that "it's a wonderful moment because Dr. J. is speechless," drew a hearty laugh from the students, but it was his comment that he and George had been together for 32 years that seemed to hit the most responsive chord in the lecture hall filled with mostly 19- and 20-year-olds.*

*Gathering for a photo following the surprise announcement were (l. to r. in photo at right): Professor Emeritus Richard Porter, Professor of Economics and J. Ira and Nicki Harris Family Professor of Public Policy Jim Levinson, Courant, Lawrence R. Klein Collegiate Professor and Chair of Economics Matthew Shapiro, Johnson, Adams, and Lecturer Paula Malone. Photos by Martin Vloet, U-M Photo Services.*

School of Business, and director of the Office of Tax Policy Research, has been named president of the National Tax Association.

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RSQE Director **Saul H. Hymans**, Assistant Research Scientist **Joan P. Crary**, and Senior Research Scientist **George Fulton**, presented the economic forecasts for the nation and state of Michigan at the 53rd RSQE Conference in November.

Other conference sessions included presentations by several Department alumni: "Inflation, Jobs & Economic Conditions in the Small Business Sector" presented by **William C. Dunkelberg**, AB '64econ, AM '66econ, PhD '69econ, professor and former dean of the School of Business and Management at Temple University, and chief economist for the National Federation of Independent Business (NFIB); "The Housing Market in 2006: Continued

Strength or A Popping Bubble" by **David W. Berson**, MPP '79; PhD '82econ, Federal National Mortgage Association, and Vice President and Chief Economist, Fannie Mae; "The Consumer Outlook for 2006" by **Richard T. Curtin**, PhD '75econ, director of the U-M Survey of Consumers; and "The Dangers and Opportunities Inherent in Globalization" by **Carl E. Liedholm**, PhD '65econ, professor and former chair, Michigan State University Department of Economics

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Professor **Jim Adams**, along with former U.S. Secretary of State Madeleine Albright and U.S. Supreme Court Justice Stephen Breyer, participated in a meeting of the Cercle des Economistes in Aix en Provence, France, last summer. The Cercle consists of 40 prominent French economists who are highly influential in academia, government, and business.





1974 until his retirement in 1993. In the article, he recalls first coming to the Department “where I also had some friends there—(Harold) Shapiro and (Saul) Hyman—who were already working on the Klein economics models.”

## Nine Faculty Members Join the Department

New professors in the Department this year are:

**Patrick Bajari**, Ph.D., Univ. of Minnesota; formerly associate professor, Duke Univ.; *Empirical Industrial Organization and Applied Microeconomics*.

**Tilman Börgers**, (the first Zell professor), Habilitation, Universität Basel; formerly director and professor, University College London; *Game Theory and its applications*.

**Kathryn M. E. Dominguez**, Ph.D., Yale University; also professor of Public Policy in the Ford School; *International Finance, Macroeconomics, Financial Economics, Monetary Economics*

**Jeffrey Smith**, Ph.D., Univ. of Chicago; formerly professor, Univ. of Maryland; *Labor Economics and Applied Economics*.

New assistant professors are:

**Martha Bailey**, (appointment effective September 2007), Ph.D., Vanderbilt Univ.; *Labor Economics and Economic Demography*.

**Lucas Davis**, Ph.D., Univ. of Wisconsin-Madison *Public Finance; Labor Economics, Econometrics*.

**Michael Elsby**, Ph.D., London School of Economics; *Labor Economics with a secondary specialization in Macroeconomics*.

**Yusufcan Masatlioglu**, Ph.D., New York Univ.; *Individual Decision Theory, Game Theory, Microeconomic Theory, Experimental Economics*.

**Jing Zhang**, Ph.D., Univ. of Minnesota; *International Economics, Macroeconomics*.



In a speech titled “The American University in the Global Knowledge Economy,” (“*L’université américaine dans l’économie mondiale de la connaissance*”) Adams discussed five challenges and two advantages of American universities as they attempt to maintain their global preeminence.

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Professor **Gary Saxonhouse** has been awarded a John Simon Guggenheim Memorial Fellowship and a National Endowment for the Humanities Fellowship. Both awards will support his research on the evolution of labor standards in Japan.

Saxonhouse is the first member of the Department to receive the Guggenheim Fellowship since Hal Varian received one in 1979. Guggenheim Fellows are appointed “on the basis of distinguished achievement in the past and exceptional promise for future accomplishment”.

Other 2005 winners from economics departments are: Matthew Jackson, Edie and Lew Wasserman Professor of Economics, California Institute of Technology, and Stephen Morris, Ford Foundation Professor of Economics, Yale University.

The NEH Fellowship Saxonhouse received is jointly funded by the Japan-United States Friendship Commission in support of advanced research in the social sciences on Japan.

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An interview with Emeritus Professor **Jan Kmenta** appeared in *Econometric Theory* (June 2005). The article highlights Kmenta’s life, studies, and work in econometrics. It is an edited transcript of two tape-recorded interviews conducted when Kmenta was at the University of New South Wales in 2004, to present the seminar, “Econometrics: A Failed Science?”

Kmenta taught in the Department from





# Comings and

*In between purchasing books and getting settled in on campus last August, PhD students gathered on the Lorch Hall lawn for a Welcome Back picnic with members of the faculty and staff.*

***Photos (this page, top) Prof. Charlie Brown shares a laugh with (l. to r.) Eric Johnson, Todd Pugatch, and Jessica Goldberg. (Below, left) Prof. Lutz Kilian visits with Elias Walsh and Wenjie Chen. (Below, right) Toinu Reeves (l.) and Seb Moosapoor enjoy a conversation.***

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*Former students, colleagues, family and friends were on hand to honor Saul Hymans and Philip Howrey at a seminar, reception, and dinner recognizing the two professors, both of whom have retired from their faculty positions.*

*The seminar revisited a paper, "The Measurement and Determination of Loanable Funds Savings," written by the two in 1978.*

*Hymans, the chief architect behind U-M's national economic forecast and an expert in macroeconomics, came to U-M in 1964, serving as Department chair from 1977-1980. He has been director of the University's Research Seminar in Quantitative Economics (RSQE) since 1981 and received the national Blue Chip Annual Economic Forecasting Award*







# Goings at Lorch Hall



(AEFA) in 1984 and 1987 (the first person to have received the AEFA twice). He graduated from Harvard College and holds a PhD in economics from the University of California, Berkeley.

Howrey, professor of economics and statistics, received his PhD from the University of North Carolina, Chapel Hill. He was a member of the faculty at Princeton University and the University of Pennsylvania before joining U-M in 1973.

While retired from the faculty, both men have continued their work at RSQE: Hymans as director and Howrey as a research associate.



*Photos (this page, starting at the top, l.-r.): Saul Hymans, Philip Howrey; the retirees and their wives, Eileen Hymans and Sharon Foster-Howrey, admire framed photos of the old Economics Bldg. and Lorch Hall.; Hymans addresses seminar attendees; Additional seminar speakers included (bottom, l. to r.): Professors Miles Kimball, Robert Barsky, Joel Slemrod, and John Laitner. U-M Photo Services.*

# Alumni News

**Herb Neil, '62econ, MBA '65, PhD '80,** died of cancer, June 12, 2005.

After receiving his doctorate at U-M, Herb moved to Chicago to work as an economist with Harris Trust and Savings Bank.

"Mr. Neil was well-known in the 1980s for his frequent articles and press briefings on the economy," noted his obituary in the *Chicago Tribune*. "In 1985, Mr. Neil was quoted in a *Tribune* article warning the nation that it was 'playing with fire' to continue to pile up deficits."

Later that year, he left Harris Bank to head a consulting firm called Financial and Economic Strategies Corp., offering interest-rate forecasts for banks.

Herb was active in the Illinois Council for Economic Education and Northfield Community Church. He was a member of the Economic Leadership Council.

In addition to his wife, Joan, he is survived by daughters Cynthia (Deal) and Marcia; sons Robert and Stephen; a brother, Richard; and seven grandchildren

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**David Berson, MPP '79; PhD '82econ,** vice president and chief economist for Fannie Mae, was named as the top economic forecaster for the first half of 2005, in the *Wall Street Journal's* semiannual forecasting survey.

The *WSJ* noted that, "Mr. Berson accurately predicted that the nation's gross domestic product—the most widely used

barometer of economic growth—would be above the consensus expectation of 3.5 percent growth in the first quarter of 2005. His forecast was 3.9 percent; the government reported Wednesday (June 29) that the actual figure was 3.8 percent. Mr. Berson also nailed his forecast for the change in the consumer-price index, which advanced 2.8 percent for the 12 months through May."

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**Sarah E. Turner, PhD '97,** has been identified by *The Chronicle of Higher Education* as one of the "up-and-coming thinkers who has already made a mark on debates about American higher education and who are poised to influence national policies." She is associate professor of education and of economics at the University of Virginia.

In recognizing Sarah, along with University of Virginia colleague Brian Pusser, the *Chronicle* said that the two "are best known for their research on the growing political and economic influence of for-profit colleges, a result of their work through the Curry School's Center for the Study of Higher Education."

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The following students earned their PhD in economics this December: **Justin Garosi** (placement: North Dakota State University); **Irina Grafova** (School of Public Health, University of Medicine and Dentistry of New Jersey); **Christian Jaramillo** (Central Bank of Colombia); **Daehaeng Kim** (International Monetary Fund); **Ed Knotek** (Federal Reserve Bank of Kansas City); **Chris Kurz** (Federal Reserve Board of Governors); **Laura Malaguzzi** (Economic and Social Research Institute, Dublin); **Jordan Matsudaira** (PhD in Public Policy and Economics – Robert Wood Johnson Fellowship at UC, Berkeley with two-year deferral of placement in the Department of Policy Analysis and Management, Cornell University); **Quinn Moore** (Mathematica); **William Powers** (U.S. International Trade Commission); **Jody Schimmel** (Northeastern University); **Mine Senses** (School of Advanced International Studies, Johns Hopkins University); **Heidi Shierholz** (University of Toronto) and **Lina Walker** (Congressional Budget Office).

## In the Beginning There Was... Oeconomica!

It was Augustus B. Woodward, first chief justice of the Michigan Territory (and close friend of Thomas Jefferson), whose proposed education plan was adopted as part of Territorial law on August 26, 1817, the date to which the University of Michigan traces its origins.

A colorful part of Woodward's proposal was his invention of words used to describe his various concepts. Hence the Catholepistemiad (or "university") of Michigania would include didaxiim (professorships) taught by didactors.

Woodward's list of 13 didaxiim included oeconomica (economics). In doing so, "much more than eccentric intellectualism was at work here," noted U-M historian Howard Peckham. "At a time when Eastern universities were heavy with ancient languages and literature, with religion and philosophy, and with mathematics and a nod to ancient history—the classical curriculum—Woodward had boldly emphasized science and introduced economics for the University of Michigania. He was cracking an old and powerful tradition."

For the record, Woodward's 13 didaxiim for the Catholepistemiad were:

1. Catholepistemia (*universal science*)
2. Anthropoglossica (*literature and languages*)
3. Mathematica (*mathematics*)



*Had it been struck (and there is no evidence that it ever was), this would have been the first seal of the Catholepistemiad of Michigania. Bentley Historical Library, Univ. of Mich.*

4. Physiognostica (*natural history--what we include today under biology and mineralogy*)
5. Physiosophica (*philosophy*)
6. Astronomia (*astronomy*)
7. Chymia (*chemistry*)
8. Iatrica (*medical sciences*)
9. **Oeconomica** (*economics*)
10. Ethica (*ethics*)
11. Polemitactica (*military science*)
12. Diegetica (*history*)
13. Ennoeica (*intellectual sciences, including psychology and religion*).



# Welcome Back Classes of '55, '56

The nation liked Ike, a postage stamp was three cents and people of all ages were "Rockin' Around the Clock" when U-M graduates of 1955 and 1956, left Ann Arbor to begin post-University life. And when they did, they could do some things that no other graduates had been able to do--such as grab a hamburger at McDonald's or go to Disneyland (both places opened in 1955).

Economically speaking, the "real" world they entered was one in which the Federal debt stood at \$274.4 billion (1955)/\$272.7 billion (1956), the CPI was 26.8/27.2, and the nation's unemployment was 5.5%/4.4%.

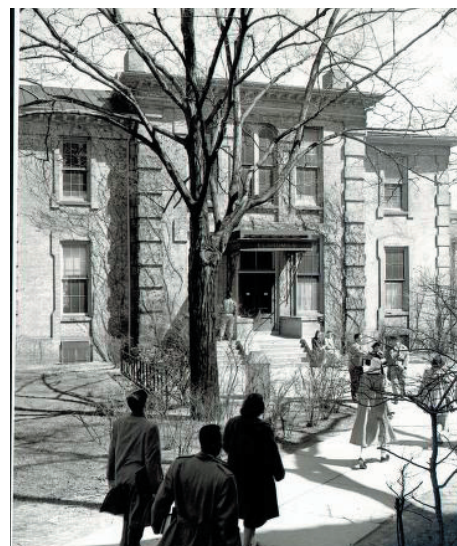
Fifty years later, on Friday and Saturday, June 23 and 24, LSA will be welcoming graduates from 1955 and 1956, back to

campus for a festive reunion weekend. Economics alumni are receiving information in the mail about the reunion from the College of LSA.

**Mark Your Calendars for  
Friday and Saturday,  
June 23 and 24.  
We'll see you then!**

As part of the weekend's activities, the Department of Economics will be welcoming back its alumni from those years (there are 102 of you!) for a Saturday luncheon, tours of Lorch Hall, and the opportunity to meet and visit with faculty.

We look forward to your return visit. It promises to be a memorable event, as was last year's 50th reunion organized by Class President Michael Scherer, AB'54 and others.



*It was April 1952 when these students were headed to the Econ Building--perhaps to public finance with Professor Musgrave and a "hello" to Mrs. Uhlenhof on the way. Bentley Historical Library, Univ. of Mich. (BL004176)*

## Your Gift is Important

*Your gift provides vital support for learning and research, program innovation, and new initiatives. Every gift is important and makes a difference in the Department's ability to provide unique opportunities for students and faculty. We especially need your support for high priority items including: Department Strategic Fund, Foster Library, graduate student support, and seminar series.*

Name (please print) \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Daytime phone \_\_\_\_\_ E-mail \_\_\_\_\_

Enclosed is my gift of: ☐ \$1000 ☐ \$750 ☐ \$500 ☐ \$250 ☐ \$100 ☐ \$50 ☐ Other \_\_\_\_\_

Please Use my gift to support: ☐ Department Strategic Fund ☐ Graduate Student Support  
☐ Other \_\_\_\_\_

I have enclosed the following:

☐ Check made payable to University of Michigan ☐ My/my spouse's matching gift form

Charge my gift to:

☐ VISA ☐ MasterCard ☐ AMEX ☐ Discover

Account Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature (required for all credit card payments) \_\_\_\_\_

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*We thank you for your support!*

# We Want to Hear from You...

## Submit a Class Note for *MichEcon News*

We welcome news of your recent accomplishments and transitions. Send your class note to: [econ-alumnews@umich.edu](mailto:econ-alumnews@umich.edu); fax (734-764-2769); or mail (Economics Alumni News 238 Lorch Hall, 611 Tappan St., Ann Arbor, MI 48109-1220).

### **Submission guidelines**

Include your class year and contact information (e.g. email, phone no., address) • *News should directly concern you* • Be specific about the names and locations of companies and schools, and about publication titles and publishers • *If you mention other alumni in your note, please give their class affiliations and contact information* • Specify if you do not want your note to appear on our website.

Department website: [www.lsa.umich.edu/econ](http://www.lsa.umich.edu/econ)

