

Economics Newsletter

*Latest news from the
department and our alumni*

July/August 2014



Inside

- This year's new PhDs
- Reading recommendations
- A look at Economics Bootcamp
- And much more!

Hello August!

Welcome to the dog days of summer! We hope you're finding a way to stay cool. This is our nineteenth monthly Economics Newsletter, created to keep you connected to the department and our alumni. You can also stay in touch via Facebook and Twitter!

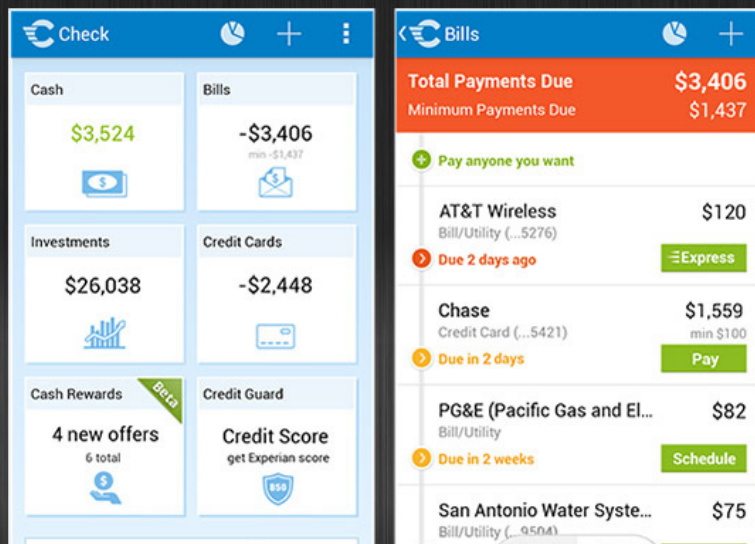


<http://www.facebook.com/umichECON>



[@umichECON](https://twitter.com/umichECON)

Photo courtesy of topapps.net



Check, the app Matthew Shapiro used to collect data on spending habits.

Faculty in the News

From Journals to Apps

- ✚ **Susan Dynarski** is quoted in a [NPR](#) article on programs that seek to make college free for students. She points out some of the unintended problems with such programs – in Georgia, the HOPE program increased the college attendance rate of students but widened the gap between blacks and whites and low and high income families.
- ✚ **Paul Courant** is quoted in [The Guardian](#) for his research on the prices institutions pay for commercial academic journals. Due to secret contracts that allow commercial journals to charge high prices, commercial publishers offer significantly less value per dollar than non-profit publishers.
- ✚ [Science Magazine](#) highlights **Matthew Shapiro** and graduate student **Michael Gelman's** research on what people do with extra cash. Shapiro used a computer and cellphone program called Check to gather detailed information about individuals' payments and spending behavior. He found that people with less cash in their bank accounts increased their spending more after receiving a paycheck than people with more money. The findings from this research could help governments stimulate the economy more effectively.
- ✚ The President's Council of Economic Advisors cites research done by **Lutz Kilian** and **Ryan Kellogg** in their [report](#) on the President's All of the Above Energy Strategy. This strategy seeks to support economic growth, enhance energy security, and lay the groundwork for a clean energy future. Kilian and Kellogg's work demonstrate the relationships between environmental policies and the economy.
- ✚ **Frank Stafford** is quoted in a [CBS news article](#) on the aging workforce. In the past 20 years the number of workers over 50 working 3 jobs has increased by 170%, which Stafford says is due to people trying to make ends meet.

New PhD Recipients



Aditya Aladangady

Essays on Household Balance Sheets and Consumption



Vanessa Alviarez

Three Essays on Multinational Production and International Trade



Breno Braga

Three Essays in Labor and Education Economics

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Available

Lasse Brune

Three Field Experiments in Development Economics



Tanya Byker

Fertility and Women's Economic Outcomes in the United States, Peru, and South Africa



Sebastian Calonico

Robust Methods for Program Evaluation

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Yi-Jian "Uniko" Chen

Essays on Labor Market Transitions in Taiwan



Cynthia Doniger

Labor Search, Inequality, and Public Policy



Nicholas Duquette

Domestic Policy and the American Nonprofit Sector



Max Farrell

Three Essays in Microeconometrics

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Christian Gillitzer

Essays in Macroeconomics and Public Finance



Andrew Goodman-Bacon

Three Essays in Health Policy Analysis



Joshua Hyman

Three Essays on the Economics of Education



David Knapp

Essays on Dynamic Structural Models of Retirement and Organization

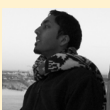
New PhD Recipients



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Jenny Lin

Essays on International Trade and Financial Development

Lin Ma

Three Essays in International Trade and Macroeconomics

Daniel Marchin

Essays on the Revenue Act of 1924

Ryan Monarch

Three Essays on Relationships in International Trade

Joshua Montes

The Macroeconomics of Establishment-Level Employment Dynamics

Eric Ohrn

Corporate Taxation and Investment

Ayhab Saad

Three Essays on International Trade and Institutions

Molly Saunders-Scott

Three Essays on Profit Shifting

Ajay Shenoy

Three Misallocations

Evan Starr

Three Essays on Covenants Not to Compete

Francie Streich

Three Essays on the Economics of Education

Caroline Theoharides

Three Essays on the Economics of International Migration

Yu Zhou

Identification and Estimation for Nonlinear Models with Endogeneity Problems in Industrial Organization and Labor Economics

Laura Zimmerman

Why Guarantee Employment: Three Essays on the World's Largest Public Works Program

Award Announcements

Lindsay Baker: *Mathematica Summer Fellow*

The PhD program is delighted to announce that Ms. Lindsay Baker has been awarded a Summer Fellowship at Mathematica Policy Research. The fellowship program supports independent, self-directed research on economic or social problems that affect minority groups and individuals with disabilities.

Lindsay's Research Project, "Breastfeeding Disparities in the United States: Understanding Historical Changes in Selection," examines the evolution of breastfeeding in the United States over the second half of the 20th century.

Olga Malkova: *Heinz Konig Young Scholar*



Olga Malkova, recipient of the ZEW 2014 Heinz Konig Young Scholar Award

The PhD program is delighted to announce that Ms. Olga Malkova was recently awarded the [ZEW 2014 Heinz Konig Young Scholar Award](#). The Heinz Konig Young Scholar Award was presented to Olga Malkova at the 2014 Summer Workshop, which focused on trends in microeconometrics and program evaluation. This award recognized her excellent research on the effects of parental leave benefits on birth rates, using data from Russia in the 1980s.

Interesting Undergrads

Matthew Freeman is the captain of the Michigan Men's gymnastics team, which won the National Championship in April. He's also an economics major. Although he wants to be a dentist, he knew after taking Econ 101 his freshman year that he wanted to major in economics. Many dentists head their own practices, and Freeman wanted to understand the financial aspects of running a business. His economics classes, like Industrial Organization, taught him not just basic supply and demand, but also how to deal with the market. This fall he will be entering his 5th year, and while he won't be competing on the pommel horse, he will be taking a few more economics classes. Maybe you'll see him there!



Left: Matthew Freeman competing on the still rings.

Right: The Michigan Men's Gymnastics National Champion team.



Econ Bootcamp

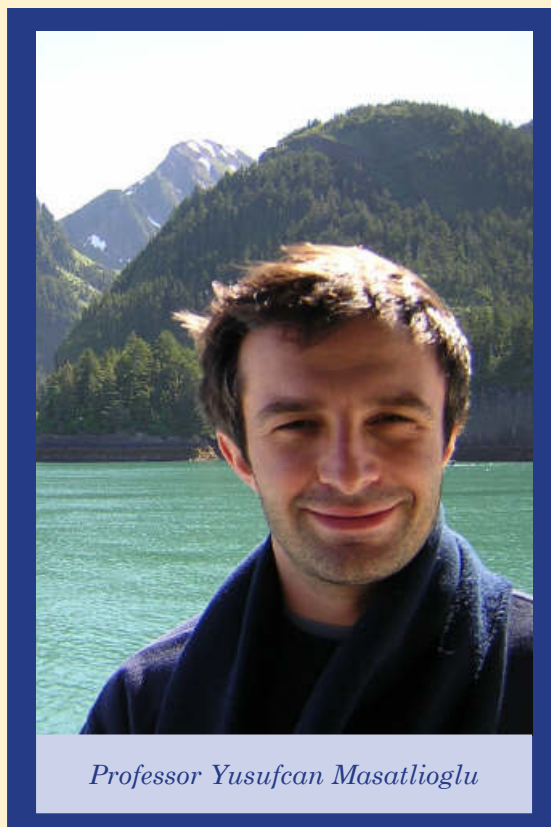
Bootcamp is not the first place you'd think to look for an economics student, but, if you are looking for an incoming student to the University of Michigan's economics PhD program, that is where you will find them. Professor Yusufcan Masatlioglu teaches Economics 600, also known as "Economics Bootcamp", to the incoming Economics PhD students. It may not be a physically rigorous course, but it certainly is a mentally rigorous one – the course is designed to prepare PhD students for the intense math needed for an Economics PhD.

The course is divided into a summer session and a fall session. The bulk of the course hours take place during the three weeks at the end of August, when students meet for three hours a day. The fall schedule eases up a bit, meeting for three hours a week through mid-October. During this time everything from mappings to dynamic programming is covered.

Professor Masatlioglu knows that this course can be intense, but he wants to remind students that others have struggled through it before. Not only have these students been able to pull

off the course, but they've also ended up in very good jobs. While the experience is challenging, it is also rewarding, and Professor Masatlioglu encourages students to come in open-minded – it might even be fun.

Special thanks to Professor Yusufcan Masatlioglu for his help with this article.



Professor Yusufcan Masatlioglu

Recommended Reading

Robert Stern's "My Studies in International Economics"

From Professor Emeritus Robert Stern:

I recently had occasion to prepare a personal history entitled "My Studies in International Economics," which has been published in the book *Eminent Economists II: Their Life and Work Philosophies*. This was an opportunity to review my early life experiences, my career, and my years working at the University of Michigan. After being on the Economic Department's faculty from 1961-2009 and being a joint professor of Economics and Public Policy from 1980-2009, I moved permanently to Oakland, California at the end of 2009 to be near family.

I look upon my nearly five decades of teaching and research in the Department with enormous gratitude and pleasure. I recall particularly fondly my involvement with the many students in my international trade theory and international finance classes and the PhD students that I helped supervise. It was also during these years that I worked with Alan Deardorff and several of our graduate students on a number of modeling and empirical studies dealing with trade and finance, including the oft-cited *Michigan Computational General Equilibrium Model of World Production and Trade*. Even though I am no longer there, the high points of my career at the University of Michigan continue to be an inspiration.



Left: Professor Emeritus Robert Stern.

Bob Stern is currently a visiting professor at the Goldman School of Public Policy at the University of California – Berkeley. In his recently published personal history he reflects upon his career and time as a Professor of Economics at the University of Michigan. You can read more about Bob Stern's life and career in Eminent Economists II: Their Life and Work Philosophies, edited by Michael Szenberg and Lall Ramatran and published by Cambridge University Press 2014.

Economics Department Updates

LSA Today

Matthew Shapiro's research with Twitter and employment data was featured on [LSA Today](#). By using tweets and hashtags Shapiro and his research team have created an index that tracks unemployment data.

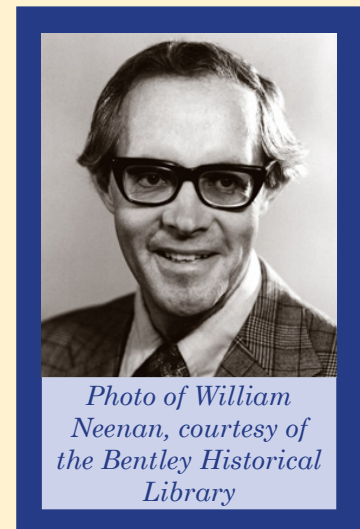
When they began work on the project they had no idea if it was possible to track job loss through tweets. In the past two years the social media index has performed quite well - even better than the government's official reports. Whenever Shapiro's numbers didn't match the official reports, his data turned out to be more accurate than the government's.

If Shapiro's data continues to hold true, the resulting data will be more accurate and available much more quickly. Shapiro hopes that policy makers will be able to use this data to make decisions in real time.



In Memoriam

It is with sadness that we report that our former faculty member, William B. Neenan, S.J., passed away on June 25, 2014 at the Jesuit residence in Roberts House at Boston College. The University of Michigan Department of Economics became Bill Neenan's academic home first as a doctoral student in 1963 and then during 1966-79 as a faculty member with a joint appointment in the School of Social Work. He left the University of Michigan in 1979 to become the first Gasson Professor at Boston College. He spent the rest of his academic and administrative career there, culminating in the post of vice president and special assistant to University President William P. Leahy, S.J., a position he held for the past 16 years. Read more about Bill Neenan's life and contributions in a memorial written by a former student, Andrea Long, on the [Department website](#).



Top Tweets *of the Month*



U-M Economics


@umichECON

The Economics Department in the College of LSA at the University of Michigan.


Ann Arbor, Michigan · lsa.umich.edu/econ


TWEETS	PHOTOS/VIDEOS	FOLLOWING	FOLLOWERS	FAVORITES
1,501	44	158	1,159	46

 U-M Economics @umichECON · Jun 22
.@umichECON's Szymanski is quoted in this fascinating read about economics and the World Cup wapo.st/1nf2PqH
View summary

 U-M Economics @umichECON · Jun 16
.@umichEcon in the Peony Gardens! Lovely picture!



 U-M Economics @umichECON · Jun 24
.@umalum Anna Bernasek writes a great article on Pres. Obama's move to cut coal emissions bit.ly/1qj3FaX
View more photos and videos

 U-M Economics @umichECON · Jun 26
.@umichECON's @dynarski and Judith Scott-Clayton provide a simplified FAFSA application option, pretty sweet
View summary

Econ Shirt Contest

Traveling this spring/summer? Bring your economics shirt and show off your department spirit, wherever in the world you might be!

Take a photo of yourself wearing your shirt and post it on the Economics Facebook page at <http://www.facebook.com/umichECON> or tweet us at [@umichECON](https://twitter.com/umichECON). Whoever submits the best photo will win a \$50 Amazon gift card. Online voting for the best picture will take place August 18th through the 22nd.

Peony Gardens



Photo courtesy of Forbes.com



Alumni All Over

Dr. Rajiv Shah shaking hands with Pope Francis.

✚ **Kate Burkhart** (Econ '06) wrote a piece for Michigan's LSA Young Alumni [Tumblr](#) page. She talks about how by forcing her to try new things, LSA introduced her to subjects she would never have explored. These experiences have taught her that trying new things isn't only alright; it's the best thing you can do for yourself.

✚ **Rajiv Shah** (Econ '95) was interviewed by [Forbes](#) about his participation in the Vatican's Investing For the Poor conference this June. During the conference Dr. Shah, Pope Francis, and investors from around the world discussed how some models of investing can deliver financial returns while also serving the needs of the poor.

✚ **Diane Swonk** (Econ '84, MAE '85) is interviewed on [Marketwatch](#) saying that recent consumer spending reports indicate that the winter's harsh weather hasn't been the economy's only problem. Despite progress in the labor market, most of the new jobs are in the low-wage sector. Swonk describes the recovery of the economy as "every time we move two steps forward we maybe move one step back."

✚ **Anna Bernasek** (Econ '90) wrote an article for [Newsweek](#) about the impact of the Great Recession on American families. The average household saw its wealth cut in half, something that the strong stock market has yet to fix. She cautions that the economy still has a long way to go.

Have exciting news to share? Let us know what you're up to! Send an update to econ.news@umich.edu. If you are interested in contacting any of our alumni, you can email Olga Mustata at omustata@umich.edu for contact information. We look forward to hearing from you!

Regents of the University of Michigan: Mark J. Bernstein, Julia Donovan Darlow, Laurence B. Deitch, Shauna Ryder Diggs, Denise Ilitch, Andrea Fischer Newman, Andrew C. Richner, Katherine E. White, Mary Sue Coleman, ex officio.

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