

TRENDLINE



THE COLLEGE OF
ARTS + SCIENCES
BLOOMINGTON

ALUMNI NEWSLETTER FOR THE IU DEPARTMENT OF
ECONOMICS Fall 2017, VOL. 29

{ **IN THIS ISSUE:** A message from the department chair, faculty
news, student updates, department updates, and class notes }

From the Chair

*Greetings from the lovely IU
Bloomington campus!*

Another very successful academic year has come to an end. Three of our assistant professors were promoted to associate professor with tenure. Congratulations on these promotions go to professors Garcia, Hatchondo, and Lugovskyy. Congratulations also go to Professor Todd Walker, who was promoted from associate to full professor. All promotions require external reviews from at least six renowned economists in the relevant area of expertise. It has been very encouraging for me to read these letters. They are a testament to the high quality of research carried out

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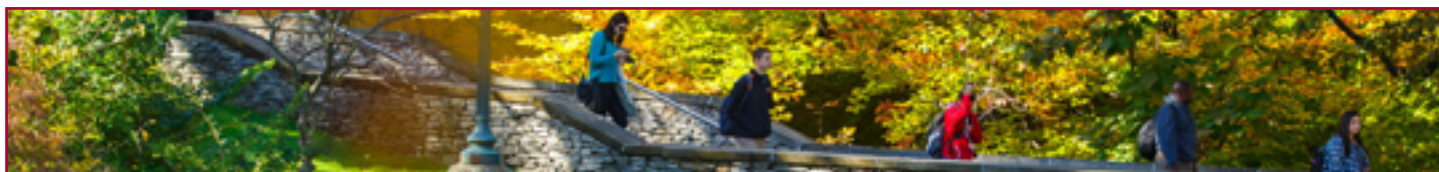
Two New Awards for Students

We are happy to announce two new awards this year.

The first is the Robert N. Johnson Economics Encouragement Scholarship. This scholarship is named for Robert Johnson, a 1988 graduate of the Department of Economics. This award is presented to an economics major in his or her senior year who has demonstrated academic excellence throughout his or her studies or shown an outstanding level of academic improvement throughout his or her undergraduate career. The inaugural winner of this award is Stewart Rivers.

The second new award this year is the Arlington W.

Williams Scholarship. This scholarship is named in honor of Arlie Williams, a longtime member of the Economics faculty, who excelled as both a researcher and a teacher, while also providing the department and its students with invaluable service in his role as Director of Undergraduate Studies for almost 20 years. This award honors Arlie for the many students he taught, advised, and mentored through his distinguished career in the department. The award is given to an economics major who has demonstrated academic excellence in his or her course work at IU. The inaugural winner of this award is Adrian Wolanski.



In Memoriam — W. Phillip Saunders

The Department of Economics announces with sadness the passing of Professor Emeritus and former department chair W. Phillip Saunders.

Several of Phil's colleagues share their memories here. First, William E. Becker, Professor Emeritus of Economics, who writes:

At the age of 82, Indiana University Professor Emeritus of Economics W. Phillip Saunders died on May 28, 2017. The IU community remembers Phil as an associate dean of the College of Arts and Sciences (1974-78),

and within the department as its chair (1988-92), director of the Center for Economic Education, and faculty coordinator for the large-enrollment, multi-section introductory macro- and microeconomics courses.

As a young man, Phil received a bachelor's degree from Penn State University in 1956; a master's degree from the University of Illinois in 1957; and a doctorate in economics from the Massachusetts Institute of Technology in 1964.



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W. Phillip Saunders

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TRENDLINE

This newsletter is published by the Department of Economics, with support from the College of Arts and Sciences, to encourage alumni interest in and support for Indiana University.

For activities and membership information, call (800) 824-3044 or visit <http://alumni.iu.edu>.

Department of Economics

<https://economics.indiana.edu>

Chair Gerhard Glomm

Editor Chris Cunningham

College of Arts and Sciences

Executive Dean Larry Singell

Executive Director of

Advancement Travis Paulin

Director of

Alumni Relations Vanessa Cloe

Newsletter Layout Daniel McDeavitt

IU Alumni Association

Class Notes Editor Bill Elliott

Headline { News }

Here are some highlights of a productive year in the department of economics. You will find more details in the following pages.

W. Phillip Saunders died in May 2017. His colleagues write about his teaching, research, and community work.

Shane Sanders, an undergraduate economics alumnus, thanks the late Roy Gardner for his help and guidance while Shane was a student at IU and during the early part of his career.

The department announces two new awards for economics students: the Robert N. Johnson Economics Encouragement Award and the Arlington W. Williams Scholarship.

Economist Charles L. Schultze, a former assistant professor in the department, died at 91.

Read the good news about our department's rise in the rankings.

Derek Wenning and Chase Abram were awarded prizes in an undergraduate paper conference at Bowling Green State University.

Economics major Stephen Moors participates on a team that earns an award at the Algorithmic Trading Competition.

We welcome two new faculty members, Nastassia Krukava and Nicholas Snow.

Congratulations to professors Filomena Garcia, Juan Carlos Hatchondo, Volodymyr Lugovskyy, and Todd Walker, who all received promotions.

Emma Sperry receives the Stadelmann Scholarship and writes about her future plans.

The undergraduate careers class enjoyed a very interesting trip to Cincinnati.

Margaret (Maggie) Jacobson, a third-year Ph.D. student, is interviewed at the AEA poster session.

Alexander Richter and Nathaniel Throckmorton, Ph.D. alumni, write about their research agenda.

Daniel Barron, an IU Economics B.A. alumnus, reflects upon the role the department played in his education and personal life.

ATTENTION ALL ALUMNI AND FRIENDS! SAVE THE DATE!

Please join us at our annual Department of Economics Alumni Reception at the AEA meeting in Philadelphia on Saturday, January 6, 2018, from 6:00 - 7:30 p.m. in Meeting Room 405 at the Philadelphia Marriott Downtown, 1201 Market Street, Philadelphia, PA 19107. We hope to see you!

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Before joining IU in 1970 as a professor of economics, he had appointments at M.I.T., Bowdoin College, and Carnegie-Mellon University.

I remember meeting Phil in 1973, when he hosted a summer institute on the Bloomington campus on behalf of the Committee on Economic Education of the American Economic Association, on which he served as a member for eight years. The aim of the program was to interest young faculty members in the teaching of economics through practice and research. I was a brand-new assistant professor at the University of Minnesota. I recall presentations by Phil, Lee Hansen (Wisconsin), Allen Kelley (Duke), and others that led me to write my first article on teaching. Many others involved in that program were likewise motivated to do research on teaching. The program was a success and became nationally known as the Teacher Training Program. It was subsequently held at numerous universities throughout the United States, with funding from the Kazanjian Foundation, the Council on

“Phil will very much be missed by his students and colleagues. His passing leaves a big hole in the department and in the Bloomington community.”

Economic Education, the National Science Foundation, and other organizations.

Phil conducted seminars and workshops on the teaching of economics throughout the United States, as well as in Russia, Poland, Ukraine, and Azerbaijan. At IU, he initiated the E 502 graduate course aimed at assisting new graduate student instructors in their first year of teaching undergraduates and acquainting them with research on the teaching of economics. Phil not only was an outstanding teacher who had received many distinguished teaching awards; he was a teacher of teachers.

It wasn't until the mid-1960s that empirical research on teaching by economists took hold. Phil was at the forefront of that movement, being one of the prime movers in the creation of the *Journal of Economic Education* and the nationally normed Test of Understanding of College Economics (TUCE). Using the TUCE he conducted path-breaking studies on the

lasting effects of formal teaching and learning of economics that were published in the *American Economic Review* and the *Journal of Economic Education*. Phil then directed the first (1981) and second (1991) large-data revisions of the TUCE, which became a standard for research involving the measurement of student learning in the 1980s and '90s.

As chair of the Department of Economics, Phil was instrumental in moving the *Journal of Economic Education* to IU in 1989, when I became its editor. IU was then the leading institution for research on the teaching of economics. Many graduate students who took Phil's E 502 course had doors opened to them because of that recognition. (Those who played softball on the department team with Phil likely have stories to tell.)

Phil and his late wife, Nancy, had five children and twelve grandchildren. After retiring from IU in 1998, he was active in sports and in many volunteer groups. In 2012, Phil was presented a Be More Bloomington Award by the Bloomington Volunteer Network “for his passion and commitment to people in poverty.” Phil led an active life and those who had an opportunity to interact with him have some fond memories.

Robert Becker, James Walker, and Willard Witte write:

Phil was a colleague who continually put social responsibility ahead of self-interest. In addition to being instrumental in a large number of professional organizations, he served as department chair from 1988 to 1992 and as associate

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IU Department of Economics 1989 softball team. Phil Saunders (back row), Jimmy Walker (front row), and graduate students. Photo courtesy of Ike Brannon.

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dean in the College from 1974 to 1978.

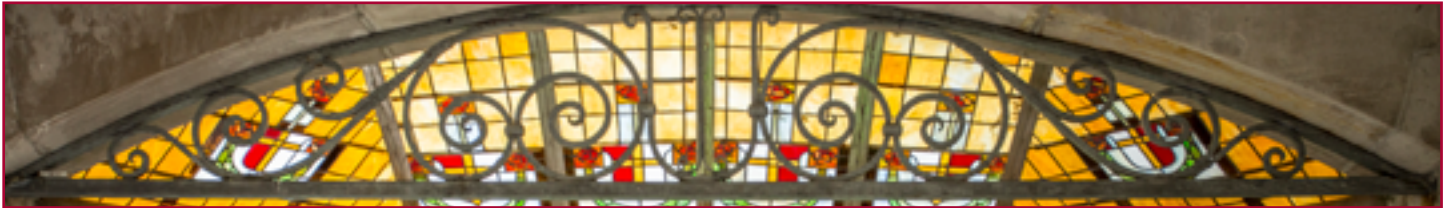
Phil always had a kind word and was more than generous with his time. His contribution to the department went well beyond Ballantine Hall and Wylie Hall. He was a wonderful role model to both junior faculty and graduate students, from his approach to teaching introductory economics to his participation

on the departmental softball team up until he retired. His personal generosity funded an award to honor the department's best student instructors. Very simply, he cared deeply about his colleagues and students.

Phil's sense of giving back to the community continued after his retirement. With his wife, Nancy, he played a major fundraising role in the Shalom Community Center, a Bloomington organization

that provides services for the homeless. After Nancy passed away, Phil and his family created the Nancy Saunders Almost Awesome Tennis Tournament, which raised thousands of dollars in support of the Shalom Center.

Phil will very much be missed by his students and colleagues. His passing leaves a big hole in the department and in the Bloomington community.



From the Chair (cont.)

in our department.

We are always working hard at our teaching mission, both at the graduate and undergraduate level. An email we received recently from a parent of one of our students states: "I just wanted to say thank you for the incredible education [our son] received. ... Clearly you have built a top department with amazing professors. I wanted you to know that as a parent, how truly appreciative I am. Coming from California, we did question the cost/value proposition of sending him to IU. Because of your department, I know it was worth it!" Feedback like this makes all of the efforts on behalf of our students worthwhile.

Periodically I meet with our students for Coffee with the Chair. It is heartening to talk to them and to learn about their aspirations and dreams. Our best

"I feel privileged to be associated with a department with excellent faculty, a wonderful, dedicated staff, and generous and supportive alumni."

students are tops. They are smart and they are ambitious. One of our students told me: "Among the three things, classes, extra-curricular activities, and sleep, it is easy to give up sleep." With energetic young people like that, who have their heart in the right place, we can be optimistic about the future.

I feel privileged to be associated with a department with excellent faculty, a wonderful, dedicated staff, and generous and supportive alumni. Without our dedicated staff, our department would come to a grinding halt. Many of the things we do are only possible through the strong support of our alumni.

Please stay in touch and share with us your news and exciting events in your life. If you have not been back to our lovely campus in a while, perhaps you want to plan a trip to Bloomington. Please let me know. I would love to meet you.

With best wishes,

Gerhard Glomm,
Professor
and Chair



Around the { Department }

Economics at Indiana Rises in the Rankings

Economics research at IU is making great strides. Tilburg University in the Netherlands regularly creates a ranking of all Ph.D.-granting economics institutions. (<https://econtop.uvt.nl/rankingsandbox.php>).

According to this ranking, IU's economics program currently ranks 45th in the world, 22nd in the United States, and in the top 10 among U.S. public universities.

We can all be very proud of this worldwide recognition.

Funding for Economics Seminars

The Department of Economics has traditionally run three very active seminar series in microeconomics, macroeconomics and econometrics. These series are truly at the heart of the intellectual life in the department and maintaining them is essential in helping us stay current with modern research on the frontier of knowledge.

If you would like to help us preserve this crucial part of intellectual life in the department, please send a check, made out to Indiana University Foundation, and write 'Economics Seminars' on the memo line. Checks should be mailed to the address at the right.

Howard Swyers
Department of Economics
Wylie Hall 105
Indiana University
100 S. Woodlawn Ave
Bloomington, IN 47405-7104

Your help is greatly appreciated.

Results of BGSU Conference

By Derek Wenning

Derek Wenning, a junior in economics, and Chase Abram, a sophomore in economics, recently participated in an undergraduate paper conference at Bowling Green State University (BGSU) in Bowling Green, Ohio. Derek's paper, titled "*Comparative Analysis of Simultaneous Ascending Auctions and Combinatorial Auctions*," considers various multi-unit auction designs and applies the results to the relative efficiency and revenue gains with regard to spectrum license auctions. Chase's paper, "*Individual Strategy Choice in Electoral Decisions With Up to Three Options*," constructs a game-theoretic model to understand optimal voting strategies from an individual's perspective in a simple majority election.

Derek and Chase were among 14 applicants selected to present papers at the conference, which was held on April 8, 2017. Prizes were awarded to the top four papers, as well as to the best three presentations. Chase's paper was awarded second place, and his presentation won first place. Additionally, Derek was awarded second place for his presentation. Collectively, Indiana University took home the most awards of any university in attendance!

{ "Collectively, Indiana University took home the most awards of any university in attendance!" }

Algorithmic Trading Competition Sponsored by Trading Technologies, Chicago, IL, September 2016-January 2017

Trading Technologies (TT) is a Chicago-based software company specializing in the development of analytic and algorithmic tools for electronic trading on commodity and other exchanges. For the last two years, TT has hosted the Algo(rithm) Showcase. Teams of students, supported by faculty and TT staff, develop algorithms in TT's graphical-interface Algorithm Design Lab (ADL) software. The teams run their algorithms at predetermined dates and times in October and November. Select teams are then invited to attend the Algo Showcase in January at TT headquarters in Chicago. Teams present a 10-minute summary to TT staff and representatives of several Chicago-area trading firms. These experts judge teams in three categories: algorithm design, presentation, and risk-adjusted returns. The event concludes with a networking reception.

(continued)

Around the { Department }

A core group of especially dedicated students comprised our team. On January 13, 2017, jointly supported by the four participating departments, they travelled to Chicago to present their algorithm. Participating were teams from Case Western U., Illinois Institute of Technology, IUB, Johns Hopkins, and Wisconsin. Our team's hard work over the past term earned them an award for best risk-adjusted return.

Stephen Moors, a junior from Evansville, IN, is studying in the Department of Economics and the Liberal Arts Management Program. Here are his reflections on participating on the team that traveled to Chicago in January to compete in the Algo Showcase.

How can one maximize return while mitigating risk? This is the problem our team works with every day. There is no single correct answer, but by implementing a multidisciplinary approach across Indiana University's departments and schools, we are able to develop and execute strategies that address the risk vs. return problem. Being a member of the team motivated me to successfully apply theoretical knowledge I have learned in the classroom to commodity futures markets. Additionally, my membership has allowed me to gain skills outside my field, such as coding, through collaborating with students that have differing academic and professional backgrounds. My participation on the algorithmic trading team has not only strengthened my knowledge of financial markets but also has pushed me to be a better critical thinker, teammate, and problem solver.

Faculty { News }

New Faculty 2017



Nastassia Krukava joined the department in July 2017 as a lecturer. Her primary responsibilities include teaching an undergraduate course in Statistical Analysis for Business and Economics. Her research interests include macroeconomics, firm dynamics, misallocation of resources, and analysis of health insurance and health-care policies. Her research focuses on inefficiencies generated by the system of employer-sponsored health insurance on the production side of the economy. Professor Krukava earned her B.A. in economic cybernetics from Belarus State Economic University (Belarus) in 2003, her M.S. in economics from Georgia Institute of Technology in 2008, and her Ph.D. (jointly with her M.S.) in economics from Arizona State University in 2017. Prior to joining Indiana University, she also held a faculty position at Belarus State Economic University and a researcher position at the Economic Research Institute of the Ministry of Economy of Belarus.



Nicholas Snow is joining the department in fall 2017 as a lecturer. He will be teaching Introduction to Microeconomics and an undergraduate seminar in economics entitled Economics of Regulation. Professor Snow's research interests are primarily on the political economy of prohibition, but he is also interested in Austrian economics, law and economics, public choice theory, history of economic thought, and constitutional political economy. He has taught in the department of economics at Ohio State University, Kenyon College, and Wabash College. Professor Snow earned a Ph.D. in economics from George Mason University in 2012, an M.A. in economics from San Jose State University, and a B.A. in economics from Loyola University in New Orleans.

Faculty Promotions

The department is pleased to announce **Filomena Garcia**, **Juan Carlos Hatchondo**, and **Volodymyr Lugovskyy** were promoted to associate professor with tenure and **Todd Walker** was promoted to full professor.

Faculty Honors

The College of Arts and Sciences announced the recipients of the IU Trustees Teaching Award.

Amanda Michaud received this award in 2016 and **Robert Becker** and **Todd Walker** were recipients of this award in 2017. This award honors individuals who have a positive impact on learning through the direct teaching of students, especially undergraduates.

Lee Alston has been named a fellow of the Cliometric Society, an academic organization interested in the use of economic history and statistical technique to study economic history.

James Self and co-authors Kim Huynh and David Jacho-Chavez received the Michael Szenberg Prize for the best article published in *The American Economist* in 2015. Their article was entitled “The Distributional Efficacy of Collaborative Learning on Student Outcomes,” 60(2), 98-119. A commemorative plaque was presented during a reception at the January 2017 Allied Social Sciences Association annual meeting in Chicago.

Gustavo Torrens received the 2016 ANCE Award for his co-authored paper “Autocracy, Democracy and Trade Policy,” which was published in the *Journal of International Economics*, 93(1), (2014), 173-193. The National Academy of Sciences Argentina, Economics, presented this award in December 2016.

Ke-Li Xu received the 2017 Econometric Theory Multa Scripsit Award from the *Econometric Theory* journal. This award recognizes Professor

Xu’s sustained contributions to econometric theory and was announced in the April 2017 issue.

Faculty News and Accomplishments

Michael Alexeev authored “Fiscal Incentives in Federations: Russia and the US Compared,” which was published in *Comparative Economic Studies*, 58(4), (2016), 485-506. Professor Alexeev traveled to Moscow to give an invited talk, “The ‘Oil Curse’ and Institutions: A Brief Survey,” at the conference in honor of the 75th anniversary of the Economics Department at Moscow State University.

Lee Alston co-authored *Brazil in Transition: Beliefs, Leadership, and Institutional Change*, Princeton University Press, (2016). He also co-authored “Why Countries Transition? The Case of Brazil, 1964-2016,” published in the *Atlantic Economic Journal*, 44(2), (2016), 197-224.

Robert Becker presented “Recursive Utility and Thompson Aggregators” at the European Workshop in General Equilibrium Theory at the Economics Department, University of Glasgow, in Glasgow, Scotland.

Mostafa Beshkar co-authored “The Escape Clause in Trade Agreements,” which was published in the *Handbook of Commercial Policy* (2016), pp. 69-106. He also wrote “Arbitration and Renegotiation in Trade Agreements,” published in the *Journal of Law, Economics, & Organization*, 32(3), (2016), 586-619.

Edward Buffie and co-authors had several articles published

in *Finance and Development* in 2016: “Robots, Growth and Inequality” and “Hidden Value.”

Yoosoon Chang co-authored “A New Approach to Model Regime Switching” in the *Journal of Econometrics*, 196, (2017), 127-243. One of her co-authors for this article is Yongok Choi, who earned his Ph.D. at IU in 2012. Professor Chang also co-authored “A New Approach to Modelling the Effects of Temperature Fluctuations on Monthly Electricity Demand” in *Energy Economics*, 60 (2016), 206-216.

Juan Carlos Escanciano co-authored “Distribution-Free Tests of Conditional Moment Inequalities,” in the *Journal of Statistical Planning and Inference*, 173, (2016), 99-108. Professor Escanciano also co-authored “Semiparametric Estimation of Risk-Return Relationships,” in the *Journal of Business & Economic Statistics*, 35(1), (2017), 40-52.

Filomena Garcia co-authored “Price Competition with Differentiated Goods and Incomplete Product Awareness,” which will be published in *Economic Theory*. She also co-authored “Conformity-based Behavior and the Dynamics of Price Competition: A New Rationale for Fashion Shifts” in the *Journal of Dynamics and Games*, 3(2), (2016), 153-167.

Gerhard Glomm co-authored “Sectoral Infrastructure Investment in an Unbalanced Economy: The Case of Potential Growth in India” in the *Asian Development Review*, 33(2), (2016), 144-166. One of his co-authors is Jialu Liu Streeter, who earned a Ph.D. at IU in 2010. Professor Glomm and co-authors Juergen Jung (Ph.D., IU, 2008) and Chung Tran (Ph.D., IU, 2008)

Faculty { News }

have an article in press, “Fiscal Austerity Measures: Spending Cuts vs Tax Increases,” in *Macroeconomic Dynamics*.

Grey Gordon presented his research “Regional Migration and Default” at the Econometric Society North American Summer Meetings in Philadelphia. Professor Gordon also attended the Midwest Macro Meetings in West Lafayette, IN, where he presented “Rating Credit: The Value of Unsecured Debt.”

Paul Graf authored “Evaluating the Teaching Effectiveness of Principles of Microeconomics Instruction at the IU Bloomington Campus Relative to Other Institutions” as an invited Fellow of the Student Learning Analytics Fellows Program at IU.

Bulent Guler has co-authored journal articles under revision at the *Journal of Monetary Economics*, *Labour Economics*, and the *Scandinavian Journal of Economics*.

Juan Carlos Hatchondo and co-authors published “Debt Dilution and Sovereign Default Risk” in the *Journal of Political Economy*, 124(5), (2016), 1383-1422. Professor Hatchondo presented “Non-defaultable Debt and Sovereign Risk” at the Society of Economic Dynamics Conference at the University of Toulouse in Toulouse, France.

Michael Kaganovich received a grant from the U.S. Russia Foundation for “Improving Economics Instruction in Russian Universities.” Professor Kaganovich is an invited Fellow of the Learning Academics Fellows Program at IU studying “The Factors of Differential Grading Standards across Academic Units.”

Ahmad Lashkaripour was invited to the UECE Lisbon Meetings in Game Theory and Applications, where he presented “National Differentiation and Aggregate Scale Effects.” Professor Lashkaripour was also invited to present “Markups and the Structure of International Specialization” at the International Trade Workshop, Federal Reserve Bank of Chicago.

Eric Leeper co-authored “Understanding Inflation as a Joint Monetary-Fiscal Phenomenon” in the *Handbook of Macroeconomics*, 2B, (2017), 2305-2416, Amsterdam: Elsevier Press. Professor Leeper’s paper “Why Central Banks Should Care about Fiscal Rules” was published in *Sveriges Riksbank Economic Review*, 3rd edition, (2016), 109-125.

Dean Lueck authored “The Curious Case of Horne v. Department of Agriculture: Good Law, Bad Economics?” in the New York University *Journal of Law and Liberty*, 10(2), (2016), 608-625. Professor Lueck was invited to present “The Evolution and Organization of Environmental Agencies” at the Research Roundtable on Energy Regulation, Technology, and Transaction Costs: Cross-Cutting Perspectives held at Northwestern University.

Volodymyr Lugovskyy co-authored “Positive and Negative Effects of Distance on Export Prices” published in the *Journal of Economic Behavior and Organization*, 127, (2016), 155-181. Professor Lugovskyy was invited to present his paper “Quality Slopes” at a seminar at the University of North Dakota.

Emerson Melo presented “Imperfect Price Competition in Networks” at the Latin American Meeting of the Econometric Society in Medellin, Columbia, and “Testing the Quantal Response Hypothesis” at the North American Summer Meeting of the Econometric Society in Philadelphia.

Amanda Michaud was invited to present her research at several places, including the Federal Reserve Bank of Chicago and the NBER Summer Institute.

Frank Page was invited to give talks, including the Summer Workshop on Economic Theory at the University of Paris I. Professor Page and his co-presenter Rui Gong (who is an IU Ph.D. student) presented “Systemic Risk and the Dynamics of Temporary Financial Networks” at the 2nd Annual Conference on Network Science in Economics at Stanford University.

Joon Park and co-author Jihyun Kim (Ph.D., IU, 2014) published “Asymptotics for Recurrent Diffusions with Application to High Frequency Regression” in the *Journal of Econometrics*, 196, (2017), 37-54. Professor Park co-authored several other publications, including “Testing for a Unit Root against Transitional Autoregressive Models” in the *International Economic Review*, 57, (2016), 635-664.

Daniela Puzzello was awarded a grant from the National Science Foundation to investigate “Collaborative Research: Experimental Evidence on Monetary Policies.” Professor Puzzello is Co-Editor in Chief of the *Journal of Economic Behavior & Organization*.

Faculty { News }

James Self and **William Becker** published “Teaching and Learning Alternatives to a Comparative Advantage Motivation for Trade” in *The American Economist*, 61(2), (2016), 178-190. Professor Self presented “Why Standardized Exams in Economics are Unenlightened,” co-authored with **William Becker**, at the Seventh Annual AEA Conference on Teaching and Research in Economic Education, which was held in Denver.

John Stone is developing a new course entitled “Ethics and Economics.” This course will briefly introduce important ethical theories and then delve into ethical questions that unavoidably arise in the study of economics. Professor Stone presented “Charter School Policies’ Effects on Traditional Public Schools: A State-Level Analysis” at the Southern Economic Association Conference in Washington, D.C.

Gustavo Torrens co-authored “Collective Action: Experimental Evidence” in *Games and Economic Behavior*, 99, (2016), 36-55. Professor Torrens also co-authored “Fiscal Federalism and Legislative Malapportionment: Causal Evidence from Independent but Related Natural Experiments” in *Economics and Politics*, 28, (2016), 133-159.

George von Furstenberg, following up on his 2015 book on *Contingent Convertibles [CoCos]*, had his latest article, “Managing the Terms for Converting CoCos,” accepted by the *Journal of Advances in Economics and Finance*. Extra mention by Gerhard Glomm: emeriti do not slow down (much).

James Walker co-authored “An Individualistic Approach to

Institution Formation in Public Good Games” in the *Journal of Economic Behavior and Organization*, 129, (2016), 18-36. Abihijit Ramalingam (Ph.D., IU, 2010) was one of the co-authors for this article. Professor Walker also co-authored “The Tension between Private Benefits and Degradation Externalities from Appropriation in the Commons” in the *Journal of Economic Behavior and Organization*, 125, (2016), 136-147.

Todd Walker co-authored “Informational Stability of Rational Expectations Equilibria” in the *Review of Economic Dynamics*, 21, (2016), 147-159. Professor Walker and co-author Hyunduk Suh (Ph.D., IU, 2013) published “Taking Financial Frictions to the Data” in the *Journal of Economic Dynamics and Control*, 64, (2016), 39-65.

Stefan Weiergraeber and colleagues **Juan Carlos Escanciano** and **Ruli Xiao** are developing a new undergraduate course on the Econometrics of Big Data to be offered in spring 2018. Professor Weiergraeber was invited to the FCC Expert Seminar Series, Federal Communications Commission in Washington, D.C., where he presented “Network Effects and Switching Costs in the US Wireless Industry – Disentangling Sources of Consumer Inertia.”

Willard Witte, co-director of the Center for Econometric Model Research and a member of the IU Kelley School’s Business Outlook Panel, made appearances around the state presenting 2017 economic forecasts for Indiana and the nation.

Ruli Xiao has a paper entitled “Nonparametric Identification of Dynamic Games with Multiple

Equilibria and Unobserved Heterogeneity” submitted to *Econometric Theory* and another paper “Identification and Estimation of Incomplete Information Games with Multiple Equilibria” resubmitted to the *Journal of Econometrics*.

Ke-Li Xu published “Model-Free Inference for Tail Risk Measures” in *Econometric Theory*, 32(1), (2016), 122-153. Professor Xu also published “Multivariate Trend Function Testing with Mixed Stationary and Integrated Disturbances” in the *Journal of Multivariate Analysis*, 147, (May 2016), 38-57.



Faculty { Remembrance }

Economist Charles L. Schultze Dies at 91

Charles L. Schultze was assistant director of the Bureau of the Budget under President John Kennedy, served President Lyndon Johnson as director of the Bureau of the Budget, and President Jimmy Carter as chair of the President's Council of Economic Advisors. He was a Senior Fellow at the Brookings Institution, president of the American Economic Association, as well as an author/co-author of numerous books and publications. Charles Schultze was an assistant professor of economics at Indiana University from 1957 to 1961. He died on September 27, 2016.

Passing of Roy Gardner



As many of our alumni and friends know, Professor Roy Gardner passed away unexpectedly in January 2011. His advising and teaching positively touched the lives of many of his students. Shane Sanders, an undergraduate alumnus, wrote to the department to thank the late Roy Gardner for his instrumental help and guidance during his studies and the early part of his career. Gerhard Glomm, Chair of the Department of Economics, asked Shane to write a recollection about Professor Gardner.

Dr. Roy Gardner: Generosity and Intellect

By Shane Sanders

Dr. Roy Gardner was the first professor that I met at IUB. As a faculty adviser to students in the IU Honors Division, Dr. Gardner helped me select my first set of university courses during the summer of 1998. A wide-ranging intellectual, Dr. Gardner utilized multiple paradigms to conduct deep and important economics research. Given this interdisciplinary bent, Dr. Gardner helped me find a challenging and fascinating set of first semester courses. I was lucky to encounter him at that time. Not yet 18 years old, I did not have a strong identity or sense of direction. However, I knew that I enjoyed learning and also that I enjoyed helping others. Through Dr. Gardner's example, I found that being a (dedicated) professor allows one tremendous opportunities for lifelong learning and personal growth. Moreover, Dr. Gardner's example demonstrated to me that a professor is in a unique position to guide individuals

(students) at a pivotal time in their lives.

In subsequent years, Dr. Gardner taught me the economics of European integration and, in so doing, introduced me to the powerful paradigm of political economy within which I still think and write. I learned game theory using Dr. Gardner's textbook, a unique work that provides the reader with a beautiful introduction to strategic analysis and its many thought-provoking applications. The textbook offers a portal through which to understand its author: a powerful scholar who understood concepts at a high level and used this understanding not to alienate but to guide students—gradually, skillfully—to higher levels of thinking. The text also discusses some of Dr. Gardner's important research on strategic aspects of common pool resources and the self-governance thereof. Dr. Gardner completed much of this

“Dr. Gardner spent much of his career helping those who were not in a position to reciprocate.”



Faculty { Remembrance }

important work in collaboration with James Walker and Elinor Ostrom.

In my own undergraduate teaching, I have used Dr. Gardner's game theory text as recently as the summer 2016 academic term. It is still very much a "live text" in that it demonstrates the many fascinating settings to which game theory applies. I recently attended a Society for American Baseball Research (SABR) Conference. While at the conference sessions, I listened to sport statisticians repeatedly discuss the harm of "tipping one's pitch" in baseball. A baseball pitcher tips his pitch by having different release points for each pitch such that the batter can accurately predict the pitch's path directly upon its release. Toward the end of the conference's first day, Hall of Fame pitcher Randy Johnson mentioned that a pitcher may have different release points for

different pitches, but that he may be able to bluff (e.g., by releasing Pitch Type A from Release Point B). Mr. Johnson's simple game-theoretic observation added a new layer of interest and complexity to an old problem. It also reminded me of Dr. Gardner's text, which is filled with straightforward but captivating examples designed to encourage strategic thinking.

My first experience in economics research was conducted under Dr. Gardner's direction. He advised my undergraduate honors thesis (on the equality of charter school accessibility in the state of Michigan) during the 2001-2002 academic year. Dr. Gardner subsequently wrote a strong letter of support for me as I applied to graduate schools and later when I entered the academic job market. Dr. Gardner spent much of his career helping those who were not in a position to reciprocate. Pure generosity is not something that is taught in graduate school,

nor is it rewarded in the pages of the *American Economic Review*. However, I believe that Dr. Gardner had a great sense of its value. Thank you, Dr. Gardner.



Shane Sanders
B.A. in Economics, 2002
Associate Professor of Sports
Economics & Analytics
Syracuse University



Undergraduate Student {News}

The Department of Economics is honored that one of our seniors is the recipient of the Stadelmann Scholarship. Emma Sperry graduated in May 2017 with majors in economics, mathematics, and sociology. She minored in Native American Indigenous Studies. She is the founding president of the new Indiana University Women in Economics (WiEcon) group. We asked Emma to reflect on winning the Stadelmann Scholarship and her plans after graduation.

Stadelmann Scholarship Reflections

By Emma Sperry

At the end of January 2017, I was honored to receive the Stadelmann Scholarship, which is awarded annually to one senior in either the Kelley School of Business or the Department of Economics. While writing the application essay on the ways in which studying economics has impacted my life, I was able to reflect on my classes in economics, the individuals that I have met in the economics department, and the ways in which I have applied the study of economics to my other interests. I feel so privileged to have been afforded the opportunity to grow personally and academically in this field of study.

Although I will not be pursuing a graduate degree in economics—I will obtain a J.D. and a Master in Public Policy from the University of Chicago—I know that economics will influence my future studies and career. The tools that I have gained in the study of economics, including predicting human decisions, assessing the effectiveness of policy programs, and understanding macroeconomic outcomes will be invaluable as I enter the world of law and public policy. I wish to thank professors James Walker and Gerhard Glomm for assisting me in applying for the Stadelmann Scholarship. I would also like to thank all of my professors, mentors, and fellow students in the Department of Economics for making my undergraduate study such a meaningful and important experience.



Emma Sperry, Stadelmann Scholarship winner

Fall Careers in Economics and Mathematics Field Trip to Cincinnati, September 22-24, 2016

A small group of economics and mathematics students led by Professors Gerhard Glomm (chair, Economics) and Professor Kevin Pilgrim (Mathematics) traveled to Cincinnati to network with IU alumni, visit companies, and enjoy spending time at two museums.



From left: Jordan Warner (Walter Center for Career Achievement), Eric Mehlig (Finance & Marketing), Chandler Inman (Economics), Luis Angel Campos (SPEA), Kevin Pilgrim (faculty, Mathematics), Andrew Maben (English & Mathematics), Ethan Hudson (Economics & Political Science), Susanna Miesel (Economics), Xi Qian (Mathematics), Simon Willard (Economics), Connor Bieda (Economics), Gerhard Glomm (faculty and chair, Economics).

Alumni reception at Jimmy G's

By Connor Bieda

Beginning our weekend at Jimmy G's in downtown Cincinnati, our group indulged in appetizers and conversation with IU alumni. From a strategy analyst at a particle separation plant to a lawyer to the owner of Jimmy G's, their backgrounds spanned many different industries. These alumni were able to take time out of their busy schedules to spend an evening with IU students hoping to establish relationships within the IU network. The alums had nothing but good things to say about Indiana and their experiences, which created both unique and nostalgic conversations, like the buzz of Little 500 race week or the occasional night in Wells Library spent cramming for an exam. From a student's perspective, I viewed this opportunity as a way to establish a relationship with individuals who are willing and able to help IU students create their own path to their fullest capability. At the end of the night, every student walked away with invaluable experience and a few business cards to bolster their network.

Procter & Gamble Panel

By Eric Mehlig

We left our riverside hotel in Covington, Kentucky, at 8 a.m. for Procter & Gamble in Cincinnati. A minute into our ride, Ethan spoke up stoically, asking us about a recent event in France. He talked with such sincerity that by the time he delivered the punch line of his pun, we all burst into unexpected laughter. We quickly got onto the bridge across the Ohio River, traffic heavy around us. It's a miracle there aren't more

rear-end collisions there. Within five minutes of leaving the hotel, we had crossed state lines and made it to downtown Cincinnati, where traffic was notably absent. We got the easiest parking I've ever seen in a metropolis, directly across the street from the Procter and Gamble headquarters; Cincinnati is a great city. Similarly great were the amazing and beautiful trees and lawn surrounding the P&G building.

As we approached the building, so did about 10 business professionals, emphasizing the importance Procter & Gamble has in the global marketplace. We entered the spacious and luxurious lobby, and I was taken aback. In front of us was a large marble fountain, beyond it a trophy case celebrating P&G's recent accomplishments, and to the left the reception desk. As we waited for our IU alumna and day's host Christina Lavash to fetch us, three women entered the building, one holding a trifold poster board. Even on a Friday morning before 9 a.m., Procter & Gamble is bustling with activity. There's a good reason it's a market leader. We got our personalized visitor badges from the reception desk, and shortly after Christina met with us. She led us past security and up a staircase to our first stop, a tour of P&G's Heritage and Archives Museum.

Our host for the museum tour was the very knowledgeable senior archivist Greg McCoy. He first led us through the history of the company, starting with its founders and its first few executives. We then talked about several products that have been key to P&G's success, from Ivory Soap (a marketing innovation) to Tide Detergent's long and troubled history (a chemical marvel). Greg was able to sufficiently answer all

of our questions, ranging from history to finance and market share. We spent about an hour and a half in what he called his longest tour ever, getting to know P&G as no company has ever explained to me before. Two exhibits that stood out to me the most: a life-size wax replica of football star and former Head and Shoulders spokesman Troy Polamalu, and a 1906 Springfield Rifle in excellent condition. Both looked out of place among the soaps and Pringles, but Greg was happy to explain their significance. Thank you for the tour, Greg. We enjoyed it.

After the tour, Christina returned for us and we moved on through a maze of halls and stairs to a conference room that seats 20. We sat down around large desks in chairs that, as one person exclaimed, "are so comfortable!" Shortly after we were seated, five other P&G employees joined Christina and we began our Q&A panel. We asked many questions, which they were happy and energetic to answer, from philosophy and career advice to company- and industry-specific questions. One piece of advice was on how to easily make the transition from college to a professional career: "Don't be your own worst critic. Things will be challenging, and you need to have a positive attitude in order to keep going." Similarly, it's up to each individual to balance his or her life. Work can be demanding, but it's important to find your own mix of professional work and personal life in order to be successful. The panel also discussed recruiting and early career advice. When you're looking for employment, it's critical to find a company with a culture that resonates with

(continued)

Undergraduate Student { News }

you. We learned about PIE. Your colleagues and recruiters look at your Performance (how well you do), your Image (how well you present yourself during Performance), and your Exposure (how you explain and market your Performance and Image). PIE is wonderful. Finally, among all the other advice, one last piece stuck out to me, as I had never heard of the concept before. “When you’re entering into your professional career, you need to find both a mentor and an anti-mentor. A mentor is someone who thinks like you and will help guide you, but it’s equally important to find an anti-mentor, someone whose thoughts and feelings differ from yours. You need contrasting views in order to be a success.” I’m not alone when I say I thoroughly enjoyed our morning at Procter & Gamble, both with the archives and the Q&A panel. I’d like to give special thanks to the P&G employees who made our day a success:

Christina Lavash, Global Digital Consumer & Market Knowledge

Greg McCoy, Senior Archivist

AJ Arand, Brand Manager, Global Digital Brand Manager

Patrick Schwing, Global Digital Associate Marketing Director

Katie Seelenbinder, eCommerce Sales

Alexandra Callahan, Global Business Services Finance

Camilo Otalora, Global eBusiness Data & Analytics

84.51

By Simon Willard

The first thing that struck me as we walked into the 84.51 offices was the space. The reception desk was on the ninth floor and you worked your way downstairs into the offices as opposed to the traditional bottom to top style office building.

The offices were wide open, with a variety of workstation spaces, ranging from sitting at a desk to riding a stationary bike to walking on a treadmill as an employee works. We were greeted by a panel of three professionals: Eric Nelson, a senior data analyst

with 84.51; Meagan Connley, a senior analyst with Kroger; and Emily Roberts of the Cincinnati Chamber of Commerce. Each explained their roles with their respective companies and what really drew them to, or at least kept them living in, Cincinnati. Emily explained the ways in which the Chamber of Commerce recruits young talent to the city for companies such as 84.51 and Kroger, and the efforts the Chamber takes to retain this talent. She highlighted a program called Hype Connect, which pulls professionals new to the city together to network and grow comfortable in their new home.

Eric and Meagan discussed the market research they perform on consumer behavior and how Kroger and 84.51 collaborate to provide the best experience for Kroger shoppers through the promotion and presentation of consumer brands. As Eric put it, 84.51 does not try to change the needs of the consumers, but rather to meet their existing needs. Talking with Eric, Meagan, and Emily and hearing the advice they had for us was a very valuable experience for the many of us looking into careers in research and data analytics and especially for those looking to stay in the Midwest.



Undergraduate Student { News }

Carew Tower

By Kevin Pilgrim

After a busy day, alumna Pam Matsko, Senior Accountant at Carew Realty, treated us to a trip to the observation deck of Carew Tower. At the center is the Roebling suspension bridge. Opened to traffic on January 1, 1867, its central span of 1,057 feet was the longest in the world at the time.

Underground Railroad Museum & Freedom Center

By Andrew Maben

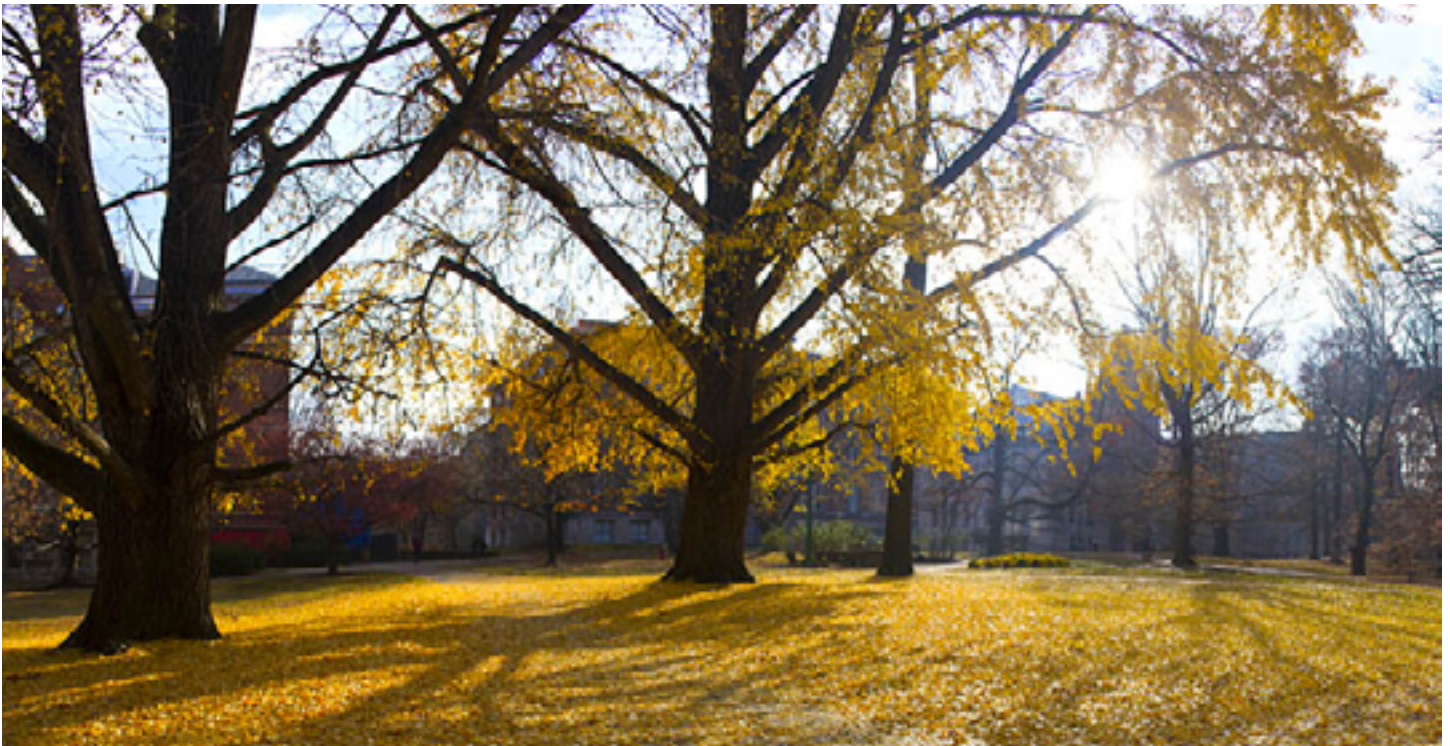
In addition to the career-related events that took place on the trip, the group visited the National Underground Railroad Freedom Center. The museum chronicles the history of the transatlantic slave trade, but also emphasizes self-reflection on the part of the viewers.

The Freedom Center has, among other things, a reconstructed log slave pen originally built in 1830; a virtual-reality interactive exhibit about Rosa Parks and her experience; a program for analyzing internal bias; and an exhibit on modern-day slavery. The museum is just one example of the rich cultural and socially conscious presence in Cincinnati. While the career discussions of Friday showed options for the students' possible future paths, the National Underground Railroad Freedom Center visit voiced an incentive to choose Cincinnati as a place to call home. A Vietnam War veteran and his wife, both of whom live in Chicago, went on the tour with the students.

Cincinnati Museum of Art

By Susanna Miesel and Xi Qian

Our last stop in Cincinnati before heading home to Bloomington was the Cincinnati Museum of Art. Pulling up to the museum parking, we were greeted by a large statue of Pinocchio, complete with hat and long nose, looking up and extending his arms to the sky. Once inside, we broke into two groups and were shown around the museum by two highly knowledgeable docents. Not only did we learn a lot about expressionist painting, but the tour connected to our previous experience at the Underground Railroad. We saw many paintings, such as Charles T. Webber's *The Underground Railroad* (1891) and Jean Léon Gérôme's *The Slave Market* (1871), which made us continue to reflect on slavery and how it affected the history and art of America. The museum is a must-see if you are ever in Cincinnati!



Undergraduate Student { News }

Honors and Awards 2016-17



Congratulations to our undergraduate award winners at the annual Department of Economics Awards Reception in April 2017.

Elected to Phi Beta Kappa in fall 2016

Yuwei Bai
Anne Broach
Andrew Hussung
Junghoon Lee
Christopher Meulbroek
Dhruti Patel
Stewart Rivers
Lucas Rowe
Simon Willard

Elected to Phi Beta Kappa in spring 2017

Derek Christopher
Michael Bolton
Dane Miles
Benjamin Richter
Derek Wenning
Jack Zhang

Carrington Scholarship

Karis Neufeld
Stephen Rangazas
Derek Wenning

Robert N. Johnson Economics Encouragement Scholarship

(inaugural award)
Stewart Rivers

Arlington W. Williams Scholarship

(inaugural award)
Adrian Wolanski

James E. Moffat Outstanding Senior Award

Emma Sperry

Carroll Christenson Award

Andrew Hussung

James E. Moffat Scholarship Recognition Award

Yuwei Bai
Joshua Baker
Michael Bolton
Ellen Brennan
Megan Burge
Yong Hoon Cho

Hongsu Diao
Robert Duffy
Shannon McPike
Nicholas Miller
Dhruti Patel
Casey Vaughan
Simon Willard
Patrick Wisdom
Jack Zhang

Economics Distinguished Scholar Award

Anne Broach
Brian Reinbold
Zhiyang Zhu

Mr. & Mrs. Harold E. Strow Award

Christopher Meulbroek

Jordan River Conference Undergraduate Student Paper Award

Derek Wenning

Undergraduate Student { News }

Graduation Reception

Many parents, relatives, friends, faculty, and staff gathered on May 5 at our department's annual reception to honor our economics undergraduate and graduate student majors graduating in May or August 2017. Each graduate was recognized by Professor Gerhard Glomm, chair of the department, and congratulated by Professor James Walker, Director of Undergraduate Studies. Photographs of our smiling graduates with Professor Walker are posted on our department website.

[facebook.com/IUBDepartmentOfEconomics](https://www.facebook.com/IUBDepartmentOfEconomics)



Jimmy Walker, director of undergraduate studies, with a smiling new alumna.

Graduate Student { News }

Honors and Awards 2017

College of Arts and Sciences Dissertation Year Fellowship
Hewei Shen

Ostrom Workshop Graduate Fellowship
Julio Alberto Ramos Pastrana

Susan C. Thrasher Dissertation Year Fellowship
Jake Schild

Carrington Graduate Fellowship
Michael Klein

Henry M. Oliver Award for Excellence in Graduate Economic Theory
Jaeger Nelson

Taulman A. Miller Award for Best International Student in Economics
Kathrin Ellieroth

Daniel J. Duesterberg Award
Yongquan Cao

Frank T. Bachmura Award for Outstanding Graduate Student in Development Economics or Comparative Systems
Barik Bathaluddin

Fred and Judy Witney Scholarship Award for Excellence in Applied Microeconomics
Nikita Lopatin

W. Phillip Saunders Award for Outstanding Introductory Economics Associate Instructor
Kathrin Ellieroth

Alumni Associate Instructor Award for Excellence in Teaching
Kwangyong Park

Jordan River Conference Graduate Students Paper Award
Abigail Loxton
Xin Wei
Ruoyun Mao
Beverly Mendoza

Congratulations to all of our graduate student award winners!



Todd Walker, Director of Graduate Studies (far right) with our graduate student award winners at the annual department awards reception in April 2017.

Graduate Student {News }

Graduate Student Publications

Jaeger Nelson (co-authored with Amanda Michaud and David Wiczer) published a paper entitled “Vocational Considerations and Trends in Social Security Disability” in the *Journal of the Economics of Ageing* in December 2016.

Ivan Guillermo Lopez Cruz’s paper “Policing, Schooling and Human Capital Accumulation” will be published in the *Journal of Economic Behavior and Organization*’s special issue of “50 years of the Economics of Crime.”

Graduate Students Whose Papers Have Been Accepted at Conferences

Margaret Jacobson, Next Steps for the Fiscal Theory of the Price Level Conference at the University of Chicago; Trinity of Stability Poster Session at the Deutsche Bundesbank; the AEA Annual Meeting Poster Session; and the Missouri Valley Economic Association Conference.

ShinHyuck Kang, the 2017 Midwest Economics Association Annual Meeting in Cincinnati, OH.

Simon Liu and Hewei Shen, the Fall 2016 Midwest Macroeconomics Meeting at the Federal Reserve Bank of Kansas City; the 53rd Missouri Valley Economic Association Conference; and the 11th Washington University in St. Louis Graduate Student Conference.

Jaeger Nelson, University of Wisconsin-Whitewater’s Economics Department Seminar; Indiana University School of Public and Environmental Affairs Health Workshop; and the 2017 Midwest Economics Association Annual Meeting in Cincinnati, OH.

Julio Alberto Ramos Pastrana, the Western Economic Association International, 13th International Conference in Santiago, Chile; the Association of SPEA Ph.D. Students, ASPS 2017 Conference; the Midwest Political Science Association, 75th Annual Conference; the Public Management Research Conference, 2017; and the 2017 American Political Science Association Meeting in San Francisco.

Hewei Shen and Hao Jin, the Fall 2016 Midwest Macroeconomics Meeting at the Federal Reserve Bank of Kansas City.

Jordan River Conference

The 13th Annual Indiana University Department of Economics Jordan River Conference was held on April 28, 2017. Professor James Self organized the conference and Professor Todd Walker, director of graduate studies, arranged the paper presentation schedule. Cengage Learning, MacMillan Education, and Pearson Education sponsored the conference, book fair, and luncheon. Fourteen third-year graduate students presented the preliminary draft of their third-year paper research; four undergraduate students and an undergraduate alumnus presented their research papers.

David Laibson, the Robert I. Goldman Professor of Economics and Department Chair at Harvard University, delivered the keynote address, entitled “Self-control, Paternalism, and Freedom: A Case for Embedded Commitments.” Congratulations to the Jordan River Conference best paper award winners, who were announced at the reception. Abigail Loxton, Xin Wei, Ruoyun Mao, and Beverly Mendoza received the best graduate student paper awards.



Beverly Mendoza, a third-year Ph.D. student, receiving a Jordan River Conference best paper award from Professor David Laibson, the keynote speaker at the conference.

Graduate Student { News }



Margaret (Maggie) Jacobson interviewed at the AEA Poster Session

Maggie Jacobson, a third-year Ph.D. student, was interviewed about her paper “Recovery in 1933” at a poster session of the American Economic Association meetings in Chicago in January 2017. She discussed how abandoning the gold standard might have been key to the U.S. recovery from the Great Depression. In the interview, Maggie described this research and highlighted its key lessons for policymakers today. The paper was co-authored with Eric Leeper (IU economics faculty member) and Bruce Preston (University of Melbourne).

See presentation: <https://vimeo.com/200028233>

Commencement

Five of our Ph.D. students attended the graduate commencement ceremony held on May 5, 2017, in Simon Skjodt Assembly Hall. They were hooded by Professor Gerhard Glomm, chair of the Department of Economics.

Job Market Placement

College of William and Mary
Vassar College
School of Management and Economics, Chinese University of Hong Kong, Shenzhen
Peking University
Amherst College
Sabanci University
Renmin University
University of Sydney
Reserve Bank of New Zealand



Our soon-to-be hooded Ph.D. students who attended commencement. From left: Zhao Han; Kyongchae Jung; Jieshuang He; Professor Gerhard Glomm, chair; Bo Hu; and Dong Lu.

Alumni:

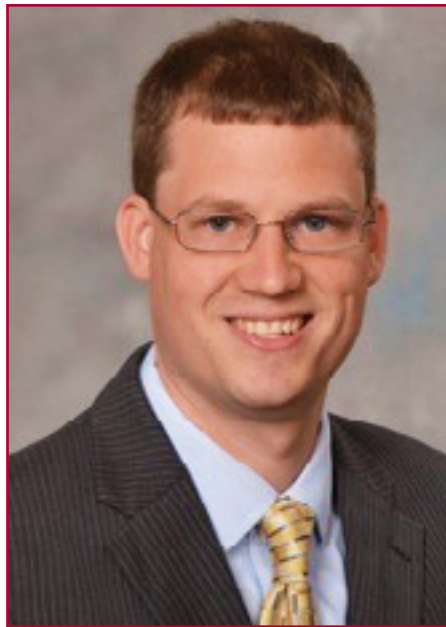
*We would like to hear from you! Tell us news of your career so we can include your updates in a future newsletter. Address your email to: **econalum@indiana.edu***

We asked Alexander Richter and Nathaniel Throckmorton to tell us what they are currently doing, reflect on our program, and talk about their research agenda.

Reflections from Two IU Economics Ph.D. Alumni

By Alexander Richter and Nathaniel Throckmorton

Alexander Richter (Alex) joined the Federal Reserve Bank of Dallas as a senior economist in May 2016. He received his Ph.D. from Indiana University in May 2012. Prior to joining the bank, Alex was an assistant professor of economics at Auburn University for four years. Alex credits his advisors, Eric Leeper and Todd Walker, for sparking his interest in macroeconomics and helping him become a better economist, communicator, and colleague. Nathaniel Throckmorton (Nate) earned his Ph.D. in economics from IU in January 2014. He was a visiting assistant professor at DePauw University before starting his current position in fall 2014 as an assistant professor of economics at the College of William and Mary. Eric Leeper, Todd Walker, Bulent Guler, and Grey Gordon all played important roles in preparing Nate to conduct research in macroeconomics by teaching him the necessary theory and computational skills. Both Alex and Nate are grateful for the support they received from the



Alexander Richter

department in graduate school.

Alex and Nate have worked together since graduate school on several peer-reviewed publications. Their research interests include monetary and fiscal policy, computational economics, and Bayesian econometrics. They have a series of papers on the Fed's zero interest rate policy, which include a comparison of different monetary policy rules in a low interest rate environment, showing how the frequency and duration of the Fed's zero interest rate policy affects inflation stability, analyzing the effects of the Fed's forward guidance (announcements of future policy rates) on real GDP



Nathaniel Throckmorton

and inflation, and studying the empirical implications of different treatments of the Fed's policy in a dynamic macro model. The other strand of their research focuses on the macroeconomic effects of uncertainty. A paper of theirs on fiscal policy uncertainty examines the consequences of an unknown long-run debt target in the U.S., which forces people to guess whether changes in income tax rates are permanent or temporary. Their most recent work examines how uncertainty about future consumption and inflation affects current consumption and how the Fed's zero interest rate policy changed that relationship.



Alumni { News }

Department faculty member Michael Kaganovich writes about the recognition IU economics undergraduate alumnus, Daniel Barron, received at a conference in Munich.

I overlapped with Dan Barron in March at the 2017 CESifo Area Conference on Applied Microeconomics. CESifo is a renowned economics research institution in Munich, which runs a large international network of research fellows across the discipline and organizes annual conference series in selected areas of economics. Annually, such conferences feature invited lectures by promising

young scholars in the area of studies identified by CESifo committees. These scholars are then considered as candidates for the CESifo Distinguished Young Affiliate Prize. At the conference, Dan, who is currently assistant professor of economics at Northwestern University's Kellogg School of Management, delivered an invited lecture "The Allocation of Future Business: Dynamic Relational Contracts with Multiple Agents." Dan's paper lays out a framework of analysis of how a firm dynamically allocates its business among several suppliers to motivate them in a long-term contractual relationship. The paper represents Dan's broad



and ambitious research agenda in industrial organization.

We asked alumnus Daniel Barron to reflect on his undergraduate days in the Department of Economics.



(Note: Daniel received the 2007-2008 Stadelmann Scholarship which was featured in the summer 2008 department newsletter on pages 1 and 5. He also received additional awards which were listed on p. 6.)

*Trendline newsletter archive:
<https://economics.indiana.edu>*

Reflections from an IU Economics Undergraduate Alumnus

By Daniel Barron

B.A., Economics, IU, 2008

B.S., Mathematics, IU 2008

Ph.D., Economics, MIT, 2013

The Department of Economics at Indiana University played a formative role in my education. I owe a deep debt to the teachers and mentors in the department who helped me better understand the fascinating issues and thorny complications that make economics such an interesting field of study. Though I did not fully realize it at the time, my years at the department laid the foundations for both my professional and personal life.

First, a little bit about myself. I am an assistant professor in the Kellogg School of Management at Northwestern University. My research focuses on incentives: how can an organization—such as a firm, a charity, a community organization, or a government

agency—motivate its workers, suppliers, and partners to work hard and not cut corners? I use game theory to understand how organizations can make promises credible, particularly in settings where those promises cannot be easily enforced by a court. Along with several of my colleagues, I apply these tools in both a strategy class that is taken by our first-year M.B.A. students and a Ph.D. class.

Professionally, my undergraduate courses at IU exposed me to the tools and methodologies that make economics such a far-reaching and useful discipline. My professors did a wonderful job of bringing me up to speed on these techniques, which proved critical in graduate school and in my research. I don't think that I could have survived the first year of the Ph.D. program without their lessons! Even more importantly, conversations and classes helped instill a sense of why economics is such a fascinating topic; the

(continued)

“Professionally, my undergraduate courses at IU exposed me to the tools and methodologies that make economics such a far-reaching and useful discipline.”

ideas, frameworks, and lessons of economics and game theory can be a powerful force for good in the world.

So many of the professors at IU played important roles in my education that I hesitate to mention some, for fear of accidentally leaving others out. Professor Arlington Williams, who was my undergraduate mentor, played a particularly central role. His clarity and care while teaching heavily influenced my own teaching approach, and I continue to rely on his advice when I teach, talk with students, and grade exams. His guidance as I wrote my undergraduate thesis served as my first exposure to how economic ideas played out in practice research. And his humor, encouragement, and insight were essential as I went through the (frequently frustrating) application process for graduate school.

The IU Department of Economics influenced my life in many obvious and direct ways, not least by giving me the tools to start the Ph.D. program at MIT after graduating from IU. However, it also influenced me in subtle ways that I did not fully recognize until several years after I left. For instance, I read Elinor Ostrom’s book on community institutions and common-pool resources, *Governing the Commons: The Evolution of Institutions for Collective Action*, in my third year of graduate school. Her combination of careful case studies and theoretical frameworks showed me how conflict and incentives play out across every aspect of human activity, which cemented my

interest in organizations and incentives.

Ostrom documents how communities form self-sustaining institutions to protect common resources like grazing land, irrigation, or fish populations. In many cases, these communities lack access to a formal court system; even if a court exists, the community’s rules might be too idiosyncratic or complex to be easily encoded in a formal contract. How, then, can the community monitor and sanction members so that they do not over-use these common resources? Very similar questions arise in other kinds of organizations. How can a downstream firm credibly monitor and incentivize its suppliers to innovate and produce high-quality inputs? How can a manager credibly promise to reward subordinates for going “above and beyond” their formal duties? I use the theory of repeated games and dynamic contracts to think about how long-term relationships may help make promised rewards (or punishments) credible in these situations. Intuitively, an organization might follow through on a promise today if it would otherwise face sanctions from its partners in the future. I study the advantages and limitations of these kinds of repeated interactions, as well as how organizations might change their policies and practices to strengthen the resulting incentives.

A final note: it is no exaggeration to say that my personal life was also transformed by my time at IU. My wife, Emily, and I started dating during my third year in

graduate school after we ran into each other in Boston. But we would never have recognized each other had we not met years before in Professor Williams’s Intermediate Microeconomics class! So my time in the Indiana University Department of Economics immeasurably enriched both my personal and my professional life.

Class { Notes }

{ 1960s }

Taft Stettinius & Hollister attorney **James A. Strain**, B.A., ’66, J.D., ’69, was named a 2016 Indiana Super Lawyer in the area of business/corporate law. A partner in Taft’s business and finance practice group, Strain focuses his practice in the areas of corporate governance, mergers and acquisitions, and securities law. He lives and works in Indianapolis

{ 1970s }

“I retired as associate general counsel at Anthem Inc. after 26 years with the company,” writes **Ted R. Brown**, B.A., ’78, J.D., ’81, adding, “I reside in Indianapolis with my wife, Donna.”

“I have been a nonprofit chief financial officer for the past eight years, and I recently accepted the position of CFO of the Jewish Federation of San Antonio,” writes **Jane Briggs Gamez**, B.A., ’78. She adds, “Founded in 1922, the organization is dedicated to building a strong Jewish community in San Antonio and worldwide through its annual campaign and by providing quality opportunities for Jewish individuals and families. The

Jewish community here is 9,000 strong and it is a very vibrant community. I have been a resident of San Antonio since 1982.”

In June, the IU Alumni Association presented **Brian P. Williams**, B.A., '78, J.D., '81, with its President's Award for his service to the organization. Co-managing partner for the Kahn Dees Donovan & Kahn law firm in Evansville, IN, Williams is a former president and board member of the Evansville Bar Association. He was one of 15 attorneys in the state named a distinguished barrister by *Indiana Lawyer*. A longtime volunteer leader for the IU community, he was a member of the Maurer School of Law alumni board from 2003 to 2011, including a term as president. He has also served on the IU Alumni Association's Board of Managers. In his local community, Williams has served as president of the Boy Scouts of America Central Region, president and regional vice president for the Boy Scouts Buffalo Trace Council, secretary and legal counsel for the Evansville Industrial Foundation, and president of the Legal Aid Society.

{ 1980s }

Geoffrey G. Slaughter, B.A., '85, J.D./M.B.A., '89, a partner in the Indianapolis law firm Taft Stettinius & Hollister, was sworn in as Indiana Supreme Court Justice in June 2016. He succeeded Justice Brent E. Dickson, J.D., '68, who retired after 30 years on the bench. Chief Justice Loretta Rush, J.D., '83, administered the oath of office during a private ceremony. Slaughter, of Indianapolis, has spent 30 years in the law profession. He served as president

of the Indiana Bar Foundation, the charitable arm of the Indiana State Bar Association. In addition, Slaughter was president of the alumni board for the Indiana University Maurer School of Law from 2005–06 and has been a member of its board of visitors since 2007. Slaughter was named a 2016 Indiana Super Lawyer and one of 2016's Top 50 Indiana Super Lawyers.

Tracy A. Marshall, B.A., '87, who is of counsel in the Orlando office of the Florida law firm Gray Robinson, was named to the 2016 *Best Lawyers in America* list in the eminent domain and condemnation law practice area. She is a board certified civil trial lawyer in Florida, who practices in the areas of eminent domain, land use litigation, and commercial litigation. Her eminent domain practice includes representation of both property owners and taking authorities. Her general commercial litigation practice also includes state and federal court litigation regarding franchises, trademarks, trade secrets, employment discrimination suits, landlord-tenant disputes, foreclosures, title insurance claims, and fraudulent transfer claims.

{ 1990s }

In the 2017 *Indianapolis Business Journal* Forty Under 40 list, 24 of the honorees—60 percent of the entire group—received an IU degree. More than 300 nominations were submitted to the *IBJ*, the most in the 25-year history of the list. Among the IU alums named as top young Indianapolis professionals was **Ryan D. Nagy**, B.A., '99, M.D., '07, M.B.A., '15, of Indianapolis, who is assistant

professor of clinical anesthesia at the IU School of Medicine, and interim president and chief medical officer of the Academic Health Center at IU Health in Indianapolis.

{ 2000s }

B. Evan Burns, B.A., '10, was named to LinkedIn's 2016 Next Wave list of top professionals under 35 who are changing their industries. Burns founded Odyssey, a social content platform for millennials, as an undergraduate at IU. Odyssey distributes more than 50,000 pieces of content to a monthly audience of 30 million users. Burns's company scored a \$25 million investment in 2016 and started drawing comparisons to BuzzFeed. Despite his success, LinkedIn notes that he still lives as though he's in college: Burns has six roommates between his Indiana house and New York City apartment.

Thomas P. Pearson, B.A./B.S., '13, is working toward a Ph.D. in economics at Boston University. After graduating from IU, he spent two years as a small business development volunteer for the Peace Corps in Nicaragua. He co-taught an entrepreneurship program with teachers in three high schools in the municipality of El Tuma-La Dalia in the department of Matagalpa. During his time in the Peace Corps, he maintained a blog to keep his friends, family, and colleagues up to date with his experiences in Nicaragua.



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