

# UC DAVIS Economics NEWS

Fall 2010

Editor: A. Colin Cameron – Department of Economics

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The Department of Economics has seen quite a few changes over the past year.

**Ann Stevens** will be the new department chair, replacing **Greg Clark** who has served admirably as chair for the past three years. Ann had already scheduled sabbatical leave for this academic year, so **Rob Feenstra** has generously volunteered to be interim chair in Fall and Winter quarters, with Ann taking over full time in Spring 2011.

The department lost five faculty members last academic year. **Mitali Das** (econometrics) accepted a research position at the International Monetary Fund in Washington, DC. **Guido Kuersteiner** (econometrics) is now a Full Professor at Georgetown University. **Joonsuk Lee** (Industrial organization) is a Visiting Assistant Professor at University of Southern California. **Steve Sheffrin** left in Fall 2009 for Tulane University - a profile of Steve was given in the Fall 2009 Newsletter. And **Jay Helms** (public economics) has retired – a profile of Jay is given later in this newsletter. We have no new incoming faculty this year as we did not recruit last year. The recent losses will be partially alleviated by this coming year's recruitment to fill two faculty positions.

There has also been a major reorganization of our staff, away from solely supporting our department to being part of larger groupings within the Division of Social Sciences. These changes are detailed in the Staff News section of this newsletter.

Like many state universities, U.C.-Davis has been adjusting to a large reduction in direct financial support from the state government. Long-term responses are currently being developed for the U.C. system (see [ucfuture](#)) and for U.C.-Davis (see [ucdinitiatives](#)). Streamlining university administration at higher levels and bringing in additional resources to the university would be helpful. But to what extent will proposed changes trickle down to the department? For example, if we admit more students paying high out-of-state fees - will economics benefit directly? Currently 12% of economics majors, versus 4% campus-wide, are international students. This raises \$3 million annually in out-of-state fees to the UC system that does not appear to benefit the department. And there is concern that greater emphasis on more applied economics research to increase grant funding may be at the expense of

lowered national and international department rankings based on publications in the top journals.

We are currently facing diminished resources, with fewer faculty and more students. This problem is especially acute in social science departments that are already under-resourced given the many students they service. In particular, one-third of upper division undergraduate credit hours across the entire UCD campus are in classes taught in the Division of Social Sciences. Last year Economics alone graduated a record number of 480 majors, and a record 12,211 students took undergraduate classes in economics. On the research side there is concern about the downsizing of the Institute of Governmental Affairs, which organizes and co-sponsors many seminars and conferences and has provided staff support for research grants.

For academic year 2010-11 the department, with a few exceptions, is maintaining its full range of undergraduate and graduate classes, albeit with enlarged class sizes. In Fall 2010, thirteen of our upper division classes have ceilings of 150-200 students and ten have ceilings of 75 students. Adding in the four larger lower division classes, at most 20% of students in an economics undergraduate class will be in a class of 75 or fewer students. We are maintaining our many seminar series.

And we continue to receive outside competitive research grants to support some of our research. This supplements the 50% of our UCD appointments that



is for time devoted to research. And, on a lighter note, recently-planted roses (pictured) are thriving in the formerly bare large planter area outside the department entrance.

Donor support, such as that discussed on page three from the Levine Family Fund and from Steve and Anjali Sheffrin and for the various department awards, is especially welcome. We hope that the donor base may enlarge as more of the graduates in our program that began fifty years ago reach an age where giving becomes less challenging (see [gifts](#)).

## Jay Helms Retires

**Jay Helms** retired in June 2010 following a career at UCD that began in 1978 – he was our longest serving faculty member.

Jay's research spanned both microeconomic theory and empirical analysis.

His most-cited work, with 322 cites in Google Scholar, was a 1985 paper in *The Review of Economics and Statistics* on "The Effect of State and Local Taxes on Economic Growth: A Time Series-Cross Section Approach".



Some of his earliest

work was in health economics, and he returned to this area more recently with papers such as a 2008 paper in *Medical Care* on "Tamoxifen for Breast Cancer Risk Reduction: Impact of Alternative Approaches to Quality-of-Life Adjustment on Cost Effectiveness Analysis," joint work with faculty in the UCDMC Center for Healthcare Policy and Research.

Jay was an extraordinary teacher, teaching courses in undergraduate and graduate public finance, as well as the large capacity Principles of Microeconomics (Economics 1A). He won the Department of Economics Tom Mayer Distinguished Teaching Award twice, in 1996 and 2003, and is the only two-time winner of this award.

In retirement Jay, with wife Terry, will no doubt continue to go Ashland to attend plays at the Oregon Shakespeare Festival, and continue hiking in California and Europe.

## Ann Stevens is new department chair

**Ann Stevens** will be the new department chair, replacing **Greg Clark** who has served admirably as chair for the past three years. Ann takes over in Spring 2011, while **Rob Feenstra** serves as interim chair in Fall and Winter quarters when Ann is on sabbatical leave. Ann came to UCD from Yale University in 2003, and served as Graduate Program Chair from 2005 to 2009.

Ann's recent research includes a paper on "Short-run Effects of Parental Job Loss on Children's Academic Achievement," (with graduate student **Jessamyn Schaller**) that finds that parental job loss increases the probability of a child repeating a grade by 15 percent.

The paper "Retirement Wealth Across Cohorts: The Role of Earnings Inequality and Pension Changes" shows that the increased inequality in earnings of the past few decades is also being reflected in increased inequality of wealth (excluding Social Security) at the point of retirement. The paper "Why are Recessions Good for Your Health? Understanding Pro-cyclical Mortality" (with **Marianne Page**, **Doug Miller** and **Mateusz Filipki**) shows that the surprising result that mortality rates increase in good economic times is not due to changes in individuals' work status or in health behaviors, two commonly posited explanations for this puzzling result. Ann's research has been cited several times in the media in the past year, especially her work on the consequences of job loss (see [NY Times](#) and [NY Times](#) and [WallStreetJournal](#)).

## Joaquim Silvestre awarded the 2009 Narcís Monturiol Medal Scientific and Technological Medal by the Catalan Government

**Joaquim Silvestre** was awarded the Narcís Monturiol Medal ([see medal website](#)). This highly selective award for contributions to universities and research is granted



annually by the Ministry of Innovation, Universities and Enterprise of the government of Catalonia (population 7.5 million). Joaquim was one of thirteen recipients from all areas of science, mostly physical sciences. Joaquim has had a long affiliation with Catalonia, including employment at Universitat Autònoma de Barcelona

before coming to Davis, encouraging many Catalan students to do Ph.D.'s in economics at Davis, and authoring a microeconomics text in Catalan.

Joaquim is a Fellow of the Econometric Society, reflecting his research contributions in public economics and microeconomic theory. His most recent research (with John Roemer and Humberto Llavador) on "International justice when future worlds are uncertain" and "A Dynamic Analysis of Human Welfare in a Warming Planet" uses economic theory to provide guidance on issues such as how a planner maximizing social welfare under uncertainty should react to the

possible disappearance of the human species in the future due to global warming.

## New Steven M. Sheffrin Award for Contributions to Graduate Education

The department added a new teaching award in the past year, the Steven M. Sheffrin Award for Contributions to Graduate Education. This award was generously funded by **Steve Sheffrin**, a former long-time department member and leader and Dean of Social Sciences who recently left UCD for a position at Tulane University. The Tom Mayer Distinguished Teaching Award is typically awarded for contributions to undergraduate teaching. The new award complements this by focusing on graduate teaching.

**Joaquim Silvestre** is the inaugural winner of this award. For many years Joaquim has taught the key Ph.D. first-year first-quarter course in Microeconomic Theory (200A), and the immediately preceding Summer Mathematics Boot Camp course. The new award has given the department the opportunity to acknowledge his excellent graduate teaching.

## Levine Family Fund lecture series continues

The Levine Family Fund, created by the Jay (B.A. Economics '84) and Tammy Levine Family Foundation, has generously provided support that enables lecture series that promote debate and interest in Economic issues in the Davis community.

**Wing Woo** organized the following speakers in academic year 2009-10.

Phillip Swagel (U.S. Treasury) spoke on "The Financial Crisis: An Inside View".

Minxin Pei (Claremont McKenna University) and Wei Zhang (Cambridge University) spoke on "China's Return: The Changing Global Political and Economic Landscape".

Laurence Kotlikoff (Boston University) talked on "The Key to Preventing Banking Crises is Limited Purpose Banking".

Finally Jonathan Gruber (M.I.T.), a key architect of the 2006 Massachusetts health insurance reforms, gave the inaugural Sheffrin Lecture in Public Policy on

"Health Reform in the U.S.: How We Got Here and Where We Are Going". The Sheffrin lecture was made possible by a gift from Steven M. and Anjali Y. Sheffrin, in addition to receiving support from the Levine Family Fund and the Herbert A. Young Society.

**Chris Meissner** has taken over as chair of the committee this year and has already lined up an impressive list of speakers: Matthew Ridley (author of "The Rational Optimist"); Hal Varian (Chief economist of Google), Emmanuel Saez (Professor of Economics at UC Berkeley and winner of the prestigious John Bates Clark Medal in 2009 for the best U.S. economist under 40 years old), Peter Lindert (UCD Economics Professor emeritus); Claudia Goldin (Professor of Economics at Harvard).

Events in the Levine Family series will take place in the evenings throughout 2010-11 and we welcome the general public. Stay tuned for more information.

## Conferences and seminars

The department organized many conferences and seminars in the past year.

**Marianne Page**, director of the UCD Economic, Justice and Society Program (EJS), organized the annual two-day **EJS Spring conference** in May 2010, along with Kim Shauman and Greg Clark. This year's topic theme was "Economic and Social Mobility: Historical and Contemporary".

**Greg Clark**, director of the All-U.C. Group in Economic History co-organized several conferences throughout the year at other U.C. campuses, in addition to the EJS spring conference.

**Burkhard Schipper** organized a workshop on Neuroeconomics and Endocrinological Economics at UCD in November 2009, the world's first workshop in endocrinological economics that was supported by the Levine Family Fund.

**Alan Taylor**, director of the UCD Center for the Evolution of the Global Economy (CEGE), organized the fourth annual **CEGE conference**. This year's topic was "Financial Shocks and the Real Economy".

**Steve Sheffrin**, director of the UCD Center for State and Local Taxation and former UCD Economics Professor, organized the twentieth annual week-long **Summer Tax Institute**, held in June 2010.

Several faculty members have additionally organized international conferences in other parts of the world, most notably in Europe. Some of these are detailed in the individual faculty entries below.

This Fall the department will be organizing about thirty seminars in the Economic History, Economics Theory, Macroeconomics / International Economics, Public Finance / Labor Economics and Economy, Justice and

### China's Return: The Changing Global Political and Economic



**Minxin Pei**

Director of the Keck Center for International and Strategic Studies at Claremont McKenna College and Adjunct Senior Associate in the China Program at the Carnegie Endowment for International Peace.



**Wei Zhang**

Lecturer in Chinese Economy, Cambridge University. Wei Zhang was a member of the Chinese Government until he resigned upon the imposition of martial law in 1989.



May 6, 2010

3:30—5:30 PM

Ballroom B

UCD Conference Center

Sponsored by:  
The Levine Family Fund  
The Herbert A. Young Society  
The Center for History, Society and Culture  
Department of Economics  
Institute of Governmental Affairs

Society seminar series. In Spring 2011 we will additionally have seminar series in Econometrics, Economic Theory and Industrial Organization (see [department seminars](#) and [EJS seminars](#)).

## Department Water Cooler lives another day



The department water cooler is no longer endangered. The water cooler provides water that is pleasanter in taste and texture than the hard university water, and provides hot water as well as cold water, a convenience especially to some tea drinkers. In these challenging times the associated expenditure

was viewed as frivolous, just like expenditure on office telephones.

But thanks to the financial contributions of many department faculty, staff and students the necessary funding has been obtained, at least for this year. The free rider problem is temporarily at bay, but we will consider giving naming rights to a generous donor.

### The Bottled Water is Sponsored by Members of our Department

Paul Bergin	Oscar Mendez
Tom Blake	Doug Miller
Giacomo Bonanno	Kathy Miller
Diane Braman	Bagher Modjtahedi
Collin Cameron	Jeremy Moulton
Chia Wen Chen	Marianne Page
Yoonie Chung	John Parman
Greg Clark	Ankoo Patel
Joseph Cummins	Martine Quinzi
Marilyn Dexter	Dave Rapson
Robert Feenstra	Rebecca Reed-Athurs
Ling Feng	Pontus Rendahl
Monica Fischer	Jed Richardson
Emanuel Frenkel	Danielle Sandler
Paul Gagel	Kevin Saylor
Athanasios Geromichalos	Burkhard C. Schipper
Rowena Gray	Lisa Schulkind
Mei Xin Guo	Luqiang Sheng
Rachel Hale	Joaquin Silvestre
Hilary Hoymes	Ina Simonovska
Weijian Hu	Audrey Saunders
Oscar Jorda	Ann Stevens
Kuk Mo Jung	Deborah Swenson
Chris Knittel	Tatsuma Wada
Elio Kuka	Leon Wiegge
Matthew Larsen	Ariel Weinberger
Ying Xue Li	Janine Wilson
Philip Luck	Hee Yeul Woo
Terry Maghajian	Shao Feng Xue
Chris Meissner	Tse Yue Yang

## Faculty and Graduate Student Research in the Media

A September 13 article in the **Los Angeles Times** on “The ‘contagion’ of social networks” cites research by **Scott Carrell** that examined the spread of fitness habits in students at the Air Force Academy and found that the probability of a student being classified “unfit” tripled once half the student’s social network fell out of shape. Carrell sees an opportunity in the results. “If you make that ‘unfit’ person more healthy,” he says, “that suggests you will also increase the fitness levels of everyone else in the group.” (see [LA Times](#)).

**Scott’s** research (with James West) on quality of teaching, published in the *Journal of Political Economy*, was cited in the September 14 **Chronicle of Higher Education** story on “Why Teaching is Not Priority No.1”. See [Chronicle story](#). The **New Republic** magazine [blog](#) by Zubin Jelveh (The Stash) cited as one of the Year’s Biggest Ideas in Economics a related paper (with **Marianne Page** and James West) that shows that a professor’s gender has a “powerful effect” on the achievement of women.

The **New York Times** Freakonomics blog featured a recent paper by **Scott Carrell** (joint with Mark Hoestra and James West), “Does Drinking Impair College Performance?” shows that for those of legal drinking age the consumption of alcohol leads to significant reductions in academic performance (roughly a 0.1 lower GPA) and that the effect is largest for the highest-performing student. The study exploits data from the Air Force Academy, where laws against under-age drinking are strictly enforced, permitting comparison of those either side of age 21 (see [NY Times](#)).

Research by **Christopher Knittel** that found that the recent federal “Cash for Clunkers” program reduces CO2 emissions by an expensive \$237-\$365 per ton was cited in the [Wall Street Journal](#) and the [New York Times](#). Research by **Chris Knittel** and Victor Stango (UCD GSM) showed that the Tiger Woods scandal had an appreciable negative effect on the stock market value of companies whose products he endorsed. This research received much media attention – TVEyes, a media tracking service, found 168 TV and radio broadcast reports of this study in the week following December 28 2009 with estimated total audience reach of 9.9 million viewers (see [article summary](#)).

**Chris Knittel** was also quoted in a **Wall Street Journal** [article](#) on the recommendation of the California Economic and Allocation Advisory Committee panel (of which Chris is a member) to return greenhouse-gas emissions to consumers via tax cuts or dividend checks. And on January 19 Chris’s voice could be heard on NPR’s [Morning Edition](#) explaining externalities: “If we worry about climate change, if we worry about even more local pollution such as smog, if we worry about the fact that our military is larger, the more oil we consume, all of those costs are not in that \$3 a gallon.

### Freakonomics

THE HIDDEN SIDE OF EVERYTHING



September 10, 2010, 2:00 PM

#### Does Drinking in College Affect Your Grades?

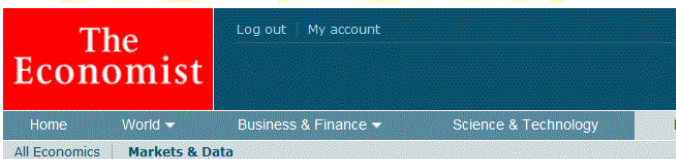
By STEPHEN J. DUBNER

To some people, the following conclusion should be filed under “Duh.” But even they might appreciate the empirical rigor undertaken by **Scott E. Carrell, Mark Hoekstra, and James E. West** in a new working paper

So, from that perspective, \$3 a gallon is actually a pretty good deal.”

A feature article on Immigration to America ([“A Ponzi scheme that works”](#)) in **The Economist** included the following quote regarding the positive effect of immigrants: “Gianmarco Ottaviano of the University of Bologna and **Giovanni Peri** of the University of California, Davis, find that nearly 90% of native-born American workers actually enjoy higher wages because of immigration.”

A Federal Reserve Bank of San Francisco Economic Letter by **Oscar Jorda**, joint work with graduate student **Travis Berge**, was widely cited in the media (Reuters, Bloomberg, Wall Street Journal, ...) following its release August 9. The research uses an improved forecasting method to forecast that in June 2010 the probability of another recession by June 2012 is between 0.2 and 0.5. See [paper](#). Related research by Oscar and Travis finds that the economic recovery in the U.S. began in July 2009, though the NBER business cycle dating committee



#### Economics focus

### Crash and carry

New research suggests a way to make steady profits from the carry trade  
Dec 10th 2009

is yet to make its determination.

Research by **Oscar Jorda** and **Alan Taylor** was the featured research in the **Economics Focus** section of the December 10 2010 issue of the **Economist Magazine**; see [Economist article](#). The original research paper on “The Carry Trade and Fundamentals: Nothing to Fear But FEER Itself” suggests a way to make a steady profit in the carry trade where investors borrow low-yielding currencies and lend (invest in) high-yielding currencies. This trade is big – around \$1 trillion was estimated to be in the yen carry trade in 2007.

**Ann Steven’s** research, discussed earlier and some coauthored with **Marianne Page** and **Jessamyn Schaller**, has been cited several times in the media in the past year, including the **New York Times** (see [NY Times](#) on effect of job loss and [NY Times](#)) and the **Wall Street Journal** (see [WSJ](#)).

**Deborah Swenson’s** NBER working paper on the effects of large retailer expansion on Chinese trade, joint with Keith Head and Ran Jing, was noted by the **Wall Street Journal** (see [WSJ](#)). The research (see [NBER paper](#)) finds that expansion of U.S. retailers such as Wal-Mart in China leads to increased exports by Chinese firms, though channels such as more stringent requirements

for suppliers to Wal-Mart increasing suppliers’ productivity. The Wall Street Journal blog notes that while this is good for China and for global economic output, an increase in consumption in China facilitated by entry of U.S. firms such as Wal-Mart may not lead to the desired reduction in the size of the large trade deficit that the U.S. has with China.

The PBS television show **Nightly Business Report** had an extensive interview on the economy of Russia with **Ivan Tchakarov**, who received his PhD from the department in 2003 and is now chief economist for Russia at BofA / Merrill Lynch. See [transcript and video](#).

## More Faculty News

The faculty news items are often on matters other than teaching and research papers produced. Faculty publications are listed under their individual entries at [http://www.econ.ucdavis.edu/people\\_faculty.cfm](http://www.econ.ucdavis.edu/people_faculty.cfm)

**Giacomo Bonanno** organized two conferences this year: the ninth *LOFT* conference, held in Toulouse (France), July 2010 ([LOFT2010](#)) and the three-day *Workshop on Information processing, rational beliefs and social interaction* held in Banff (Canada), August 2010 ([workshop](#)). Both events were interdisciplinary and brought together researchers from economics, game theory, philosophy, logic, computer science, artificial intelligence and linguistics.

Giacomo is now in his fifth year as Editor of *Economics and Philosophy* and is currently co-editing three special issues of journals (*Journal of Philosophical Logic*, *International Journal of Game Theory* and *Journal of Applied Non-Classical Logics*). He is also Associate Editor of three other journals (*Knowledge, Rationality and Action*, *Bulletin of Economic Research*, and *Journal of Logic and Computation*).

**Colin Cameron** was the instructor for the 7<sup>th</sup> Summer School, NIPE, Universidade do Minho, Braga, Portugal, and for the Summer School, Central Bank of Austria, Vienna, Austria. While in Europe he also presented seminar papers at Universidade do Minho and



University of Zurich. For part of Fall 2010 Colin will be on unpaid leave, on a mountain adventure in Nepal. The photo is of Colin on a popular training hike overlooking nearby Lake Berryessa.

Colin completed a Revised Edition of the book "Microeconometrics Using Stata" (with Pravin Trivedi). Colin will be an Associate editor for the new Journal of Econometric Methods, as will **Oscar Jorda**.

**Scott Carrell** was awarded an NSF Grant of \$250,951 for "Network Formation and Peer Effects at the USAFA" (with Nicholas Christakis, Guido Imbens, and James West). Scott passed his fitness test (push-ups, sit-ups, 1.5 mile run) for the Air Force Reserves; ran a half marathon

with **Dave Rapson** last Fall; and is now coaching two Little League baseball teams (coaches are not



evaluated using value-added methods).

**Greg Clark** has moved on from department chair to chair of the All-U.C. Group in Economic History. The group, based here at UCD at the Institute for Governmental Affairs, has five year funding of \$450,000 from the U.C. Office of the President to promote research in economic history across all 10 UC campuses. Greg was the keynote speaker for the Associação Portuguesa de História Económica e Social (APHES) at their annual conference in Porto in October, 2009. Translations of his [book](#), *A Farewell to Alms (2007)*, appeared in Chinese, Italian, Japanese, Korean, and Portuguese. He secured an NSF grant for \$130,000 for 2010-2012 for a study of social mobility over 800 years.

**Thanasis Geromichalois** has joined forces with his colleague Ina Simonovska writing a paper on Asset Home Bias. Thanasis and Ina have integrated techniques from their different fields (Macro and International Trade, respectively) to propose a novel explanation of one of the prominent paradoxes of International Macroeconomics. This work was presented in August at the Summer Workshop on Money, Banking, Payments and Finance organized by the Chicago FED. Thanasis has also completed a series of research papers focusing on the welfare properties of Search and Matching models of the labor market. This academic year Thanasis teaching will include graduate Monetary Theory (235B) and first-year graduate Macro (200E).

**Chris Knittel's** paper "Absence of Value: An Analysis of Investment Allocation Decisions by Institutional Plan Sponsors" (with Scott Stewart, John Neumann and Jeffrey Heisler) won the Graham and Dodd Scroll Award of Excellence for outstanding article published in the Financial Analyst Journal. Chris is a member of Governor Schwarzenegger's Economic and Allocation Advisory Committee to the California E.P.A. that gave recommendations on how to distribute or auction emissions allowances (worth \$12 billion annually) associated with California's greenhouse gas cap and trade program. Chris was awarded the Department of Economics Tom Mayer Distinguished Teaching Award.

**Chris Meissner**, with collaborators David Jacks (Davis PhD) and Dennis Novy, organized a conference in Venice, Italy, on international trade. Chris presented a



paper at Chatham House London on "Systemic Changes in the International Monetary System and the Need for Coordination, Cooperation and Enforcement", a book chapter reprinted in China's leading financial magazine *Caijing*. He also gave presentations in Houston, IMT Lucca Italy and the German Bundesbank. His research on historical aspects of the international economy was published in the *Journal of Economic History*, *Explorations in Economic History*, *Journal of Development Economics*, *Journal of International Money and Finance*, and *Vox Eu*. Chris will serve for one year as director of the UCD Center for the Evolution of the Global Economy (CEGE) while our colleague Professor Alan Taylor is on leave for the year, organizing the annual CECE conference in May of 2010.

**Doug Miller's** biggest news is the birth of son Cole, now approaching a year old.



**Marianne Page's** on "Sex and Science: How Professor Gender Perpetuates the Gender Gap", with **Scott Carrell**, was published in the Quarterly Journal of Economics. Marianne continued as director of the EJS program, organizing seminars and the Spring EJS 7Conference. And Marianne was awarded a \$143,000 research grant "The Effects of Alcohol Policies on Fetal Health and Children's Development."

**Martine Quinzii** visited the Centre D'Economie de la Sorbonne in Paris in June, and attended several conferences throughout the year. She will be sponsoring two visitors to the department in Spring 2011.

**Dave Rapson** continues research to explore ways in which economics can inform energy policy and climate change mitigation efforts. His several new projects include a novel and large (\$1 million) randomized field trial that will contrast the response to price and non-price interventions to encourage conservation. In the meantime, concern for being pigeonholed as the department intellectual has led him to undertake an array of testosterone-rich hobbies. He pumps iron with colleagues, Scott Carrell and Chris Knittel, feigns an interest in talking sports whenever possible, and has upgraded his newly-purchased bachelor pad on the edge of Aggie Village with dark wood, slate, and steel. Pictured on page six are Dave, Scott and Scott's wife Susie after completing a half-marathon.

**Pontus Rendahl** is on leave in Fall and Spring at University of Paris, spending winter quarter back in Davis.

**Kadee Russ** will be a visiting scholar at the Deutsche Bundesbank for parts of this year and the next to study lending and financial frictions in the global economy.

**Kevin Salyer** continued his theoretical analysis of the effects that time-varying risk has on lending and the housing market (with Gabriel Lee, University of Regensburg, and Victor Dorofeenko, Institute for Advanced Studies in Vienna), work funded in part by the Austrian Central Bank. He'll extend this research while on sabbatical for the 2010-11 academic year. Kevin also found time to complete his first Boston marathon in April and, in June, finished the inaugural Central Coast 1000km bicycle ride in 65 hours. The latter is a prelude for his second attempt at the famed 1200km Paris-Brest-Paris bike ride in 2011.

**Burkhard Schipper** presented his new work on imitation in games at the 2010 Econometric Society World Congress (held every five years) in Shanghai, the Midwest Economic Theory Conference in Evanston, and

at seminars at UC San Diego and the University of Oregon. He presented his work on unawareness at the conference on Logic and the Foundations of Game and Decision Theory in Toulouse and the Max Planck Institute for Mathematics in the Sciences, Leipzig. His new experimental results on "Sex Hormones and Competitive Bidding" were presented at the Workshop on Gender Differences in Competitiveness and Risk Taking in Barcelona. He served on the program committees of the conference on Logic and the Foundations of Game and Decision Theory in Toulouse and the workshop on Logic for Resource Bounded Agents in Lyon. Burkhard recently became a faculty member of the UC Davis Graduate Group in Applied Mathematics.

**Ina Simonovska** was appointed as a Faculty Research Fellow at the National Bureau of Economic Research.

**Ann Stevens**, new department chair beginning Spring 2011, has benefitted in this recession from renewed interest in her work on job loss and employment stability. This work has been featured several times in the New York Times and Wall Street Journal.

**Deborah Swenson** enjoyed meeting and teaching professionals from 16 countries who attended the U.C. Davis Law program on the Global Trading System. Her NBER working paper on the effects of large retailer expansion on Chinese trade, joint with Keith Head and Ran Jing, was noted by the Wall Street Journal (see [WSJ](#)).

**Alan Taylor** spent the summer of 2010 on the Houlblon-Norman/George Fellowship at the Bank of England.

The department informal lunch gatherings continued through summer. Here Dave Rapson, Deborah Swenson, Marianne Page, Paul Bergin Greg Clark, Ann Stevens and Chris Knittel suggest solutions to some of the world's problems.



## Emeriti News

**Alan Olmstead** and Paul Rhode (B.A. graduate from UCD now at University of Michigan) were awarded the Alice Hanson Jones Prize for their book, *Creating Abundance: Biological Innovation and American Agricultural Development*, published by Cambridge University Press in 2008. The prize, awarded by the Economic History Association, recognizes the best book published in the past two years on North American economic history. Alan has been elected to a five year term to the NBER Board of Directors.

## In Memoriam

Former department member **William Moss** passed away in September 2009. He was at UCD for half a dozen years in the 1970's, teaching Urban Economics, Industrial Organization, Statistics and Survey Sampling. He was a member of 8 Ph.D. committees and chaired two. Subsequently he continued to pursue his research interests in restructuring of energy and water markets as a consultant, most recently as a principal investigator for the Brattle group who named their mentoring awards after him. The American Statistical Association named him a member of their Committee on Energy Statistics for the period 2000-2002.

Former Ph.D. graduate **William Rosen**, passed away in May 2008 at the age of 57. His PhD on "Short-run Residential Electricity Demand: A Policy Oriented Look" as chaired by William Moss. He became a teacher of economics and statistics in the College of Human Ecology's Department of Policy Analysis and Management at Cornell University. Bill Rosen served as director of the Capitol Semester in Albany program and was a recipient of such prestigious awards as the New York State Chancellor's Award for Excellence in Teaching (2006), Merrill Presidential Scholar Outstanding Educator (2004, 2005) and HEAA/KON Honorary Society Award for Advising and Service (2001).

## New Graduate Students

At the Fall Graduate Student reception held at Putah Creek Lodge the department welcomed twenty incoming Ph.D. students.

**Massimo Anelli** from Bocconi University, Italy.

**Gregory Barr** from University of Notre Dame

**Yi Chen** from Peking University, PRC, and University of Hong Kong.

**Andrew Foote** from Lewis and Clark College.

**Qi Han** from Peking University, PRC.

**Jae Wook Jung** from Yonsei University, South Korea.

**Yo Han Jung** from Seoul National University, South Korea.

**Chi-Hung (Charles) Liao** from National Taiwan University, South Korea, University of North Carolina, and Yale University.

**Jake Losh** from University of California – Davis.

**John Luidens** from Calvin College.

**Mitsuhiro Osada** from University of Tokyo, Japan.

**Shinhyung Park** from Ewha Woman's University, South Korea.

**Angsoka (Oka) Paundralingga** from Duke University (originally from Indonesia).

**Kevin Shih** from Claremont McKenna College.

**Hyungsik (Chris) Shin** from Pennsylvania State University – College Park and Boston University (originally from South Korea).

**Chi-Yuan Tsai** from National Taiwan University, Taiwan.

**Qiao (Doris) Wang** from University of California - San Diego (originally from PRC).

**Kevin Williams** from Claremont McKenna College.

**Zhe Yang** from Peking University, PRC.

**Lijuan Yin** from Peking University, PRC, and University of Hong Kong.

## Graduate Students on the Job Market

At this early stage of the job seeking process, sixteen Ph.D. students intend to go on the job market.

**Will Ambrosini**, "Task knowledge, task premia, and wage inequality," Advisor: Giovanni Peri.

**Travis Berge**, "New empirical methods for classifying and forecasting cyclical phenomena," Advisors: Alan Taylor and Oscar Jorda.

**Ronald Carpio**, "Maturity transformation and fractional-reserve banking," Advisor: Martine Quinzii.

**Chia-wen Chen**, "Estimating the foreclosure effects of exclusive dealing from an entry game," Advisor: Chris Knittel.

**Yi Chen**, "Long-run news and international macroeconomic puzzles," Advisor: Paul Bergin.

**Changho Choi**, "The effect of news shocks in the presence of informational heterogeneity and credit constraints," Advisor: Oscar Jorda.

**Rowena Gray**, "U.S. labor markets in historical perspective," Advisor: Alan Taylor.

**Marco Hernandez**, "Nontraded goods and the real exchange rate: The case of Mexico and U.S.," Advisor: Paul Bergin.

**Amanda Kimball**, "Green companies: The impact of women, education and network status," Advisors: Burkhard Schipper and Martine Quinzii.

**Jason Lee**, "Essays on the good roads market," Advisor: Alan Olmstead.

**Jeremy Moulton**, "Chiseling a notch out of the next generation's assets: The effect of the social security

amendments of 1972 and 1977 on intergenerational transfer behavior," Advisor: Ann Stevens.

**Jed Richardson**, "Accountability incentives and academic achievement: The benefit of setting standards low," Advisors: Scott Carrell and Marianne Page.

**Charles Stoecker**, "Long run effects of in-utero temperature exposure", Advisor: Hilary Hoynes.

**Anson Soderbery**, "Essays Exploring the Effects of Firm Behavior on International Outcomes," Advisor: Rob Feenstra.

**Abhijit Talathi**, "Assessing the impact of the interstate system on employment density in the U.S.," Advisor: Giovanni Peri

**Greg Wright**, "Revisiting the employment impact of off shoring," Advisor: Giovanni Peri.

## Recent Placements

Despite the tight economy last year, the eight Ph.D. students on the job market were all successful, including five placements as tenure-track Assistant Professors.

**Shih-Wei Chao**, Assistant Professor, National Chengchi University, Taiwan.

**Yanping Chong**, Assistant Professor, Winona State University, Minnesota.

**Ling Feng**, Assistant Professor, Shanghai University of Finance and Economics, PRC.

**Jeff Graham**, Economics Consultant, OnPoint Analytics Inc., Emeryville, California. His job market paper on strategic real options is forthcoming in the Journal of Economic Dynamics and Control.

**Meixin Guo**, Assistant Professor, Tsinghua University, PRC.

**Weijun Hu**, Economist, China International Capital Corporation, Hong Kong.

**Zhiyuan Li**, Assistant Professor, Shanghai University of Finance and Economics, PRC.

**Nick Sanders**, Postdoctoral Scholar, Stanford Institute for Economic Policy Research (SIEPR), Stanford University, California.

## Graduate Student News

The **Department of Economics 2009 Raymond J.**

**Beaumont Memorial Award** was awarded to **Rowena Grey**. This prize is awarded annually to an outstanding student in the Ph.D. program who both succeeds academically and helps make the department a better place.

The **Department of Economics 2009 Distinguished Teaching Assistant Award** was awarded to **Shaofeng Xu**.

**Tom Blake** was awarded a UCD Institute of Transportation Studies student travel award and presented "Air Freight Demand and Passenger Prices in the Face of Weight Capacity Constraints" paper on the economics of air cargo at the U. C. Transportation Center's annual conference at U.C. Irvine.

**Doug Campbell** presented a paper at the Eastern Economic Association Conference in Philadelphia and at the Analyst Institute. He held a research Fellowship at the Democratic National Committee and is currently working as a Modeling Analyst at the DNC, on loan from the President's Council of Economic Advisers (CEA) for the November 2010 midterm elections.

**Gabriel Mathy** presented the paper "International Business Cycle Transmission in the Interwar Period" (with **Chris Meissner**) at the All-University of California Economic History Conference in March 2010.

**Seema Santiga** presented papers at the annual Pacific Conference for Development at University of Southern California and the 85<sup>th</sup> annual conference of the Western Economic Association International in Portland, Oregon.

**Jessamyn Schaller** received a UCD and Humanities Graduate Research Award.

**Liugang Sheng** received a 2010-11 George and Dorothy Zolk Fellowship, and a 2010-11UCD and Humanities Graduate Research Award. He presented the paper "Did China diversify its reserves?" in the annual joint BIS/ECB/World Bank Public Investors Conference at the World Bank in Washington DC. This summer he was a visiting scholar at Chinese University of Hong Kong.

**Anson Soderbery** presented the paper "The Competitive Effects of Heterogeneous Firms Facing Capacity Constraints Under International Trade" at the Midwest International Economics Group conference at Northwestern University and will also present it at the Empirical Investigations of International Trade conference at University of Chicago. He was awarded a research grant from the UCD Office of Graduate Studies at UCD.

**Charles Stoecker** presented "Drawn into Violence: Evidence on What Makes a Criminal from the Vietnam Draft Lotteries" (with former UCD student Jason Lindo, now at University of Oregon) at the San Francisco Federal Reserve Bank Summer Applied Micro Conference. He received a UCD and Humanities Graduate Research Award.

## Record number of undergraduate majors in economics

A record 480 degrees of B.A. with major in economics were awarded by U.C. Davis last year. There are now 1,137 undergraduate economics majors currently enrolled. And a record 12,211 students took undergraduate classes in economics in 2009-10. The biggest increase has been in upper division course enrollment. Over the past fourteen years this has increased at a compound rate of eight percent per year, from 2,664 in 1995-96 to 8,526 students in 2009-10.

These great increases mainly reflect a switch to economics, and other social sciences, rather than the growth in overall student numbers over the past fifteen years.

The budget challenges compound existing challenges for social science departments that are already under-resourced given the many students they service. In particular, one-third of upper division undergraduate credit hours across the entire UCD campus are in classes taught in the Division of Social Sciences. Last year Economics alone graduated a record number of 480 majors, and additionally we teach many students in the International Relations major which has no home department. On the research side there is concern about the downsizing of the Institute of Governmental Affairs, which organizes and co-sponsors many seminars and conferences and provides staff support for research grants. The biggest increase has been in upper division course enrollment which was as low as 2,664 in 1995-96 and has since more than tripled to 8,526 students in 2009-10, a compounded rate of increase of eight percent each year.

## News from our Undergraduates

**Hoa Gabriele Tran** received the **Distinguished Undergraduate Student Award**. This award is presented by the Faculty to a student who has been cited for outstanding achievement in Economics.

**Katlyn Ann Calia**, **Mark Y. Colas**, **Christopher R. Johnson**, **Kirill A. Levashov**, **Jean-Laurent Pelissier** graduated in 2010 (through end Spring quarter) with **Highest Honors**, and **Wing Sum Wong** graduated with **High Honors**. These awards are granted for the best performance by Economics majors who have completed the Economics Honors Program.

**Nicholas J. Gentry**, **Melissa Anne Paloma Go**, **Patrick R. Godwin-Painter**, **Robert Steven Lange**, **Kirill A. Levashov**, **Philip M. Litchenstein**, **Philip S. Liu**, **Yuki Nakagawa**, **Jean-Laurent Pelissier**, **Steven M. Pitchford**, **Gregory K. Reimer**, **Hoa Gabriele Tran**, **Thao Stephanie**

**Tran**, and **Erika W. Zucca** received **Department Citation Awards** in recognition of outstanding Economic Undergraduate Accomplishment.

The **Michael Alan Anthony Fund**, a monetary award provided in memory of Michael Alan Anthony who received his Bachelor of Arts in Economics in 1989, is given to a deserving undergraduate student. It alternates between majors in the Department of Economics and History and was given to a History student in 2010.

**Cameron Brown** and **Jason Ronzani** received **Sweetland scholarships**, awarded through the Undergraduate Scholarship application. The scholarship is funded by Tim Sweetland (Economics '82) who values his educational experiences and would like to support students majoring in his home department. Mr. Sweetland believes the future of California's economy is dependent on the success of our students.

**Derek Ryan-Costa DeGroot**, **Early S. Elias**, **David W. Green**, **Hingzhi Gu**, **Lindsey M. Hack**, **Justin Huang**, **Brent J. Jensen**, **Robert S. Lange, Jr.**, **George Li**, **Yuki Nakagawa**, **Arata Oto**, **Victoria E. Phillips**, **Steven M. Pitchford**, **Daniel A. Stevens**, **David C. Stowitts**, **Y-Vu Van**, **Phon Vo**, and **Wing Sum Wong** were elected to membership in **Phi Beta Kappa**, the oldest and most prestigious national academic honor society. Kappa Chapter recognizes by election as Members in Course juniors and seniors who have compiled outstanding academic records in a curriculum including the humanities, natural sciences, and social sciences. Election and initiation take place annually in Spring.

## Lecturers

**Emmanuel Frankel's** book, "Serenity Economics" has been published. Aside from being a book on economic growth and achievement, "Serenity Economics" teaches an appreciation for micro and macro by introducing the notion that each individual is an economy that interacts with other economies (other people and the community) constrained by economic "laws" that do not discriminate.

In addition to Emmanuel, our lecturers this academic year will include **Bagher Modjtahedi** (continuing lecturer), **John Parman**, **Janine Wilson**, **Kristen Van Gaasbeck**, **Mark Siegler**, **David Lang** and **Farshid Mojaver**.

Graduate students **Changho Choi**, **Jeremy Moulton**, **Anson Soderbery**, **Paul Gaggl**, **T.J. McCarthy**, **Will Ambrosini** and **Jessamyn Schaller** will be Associate Instructors, each teaching one course this year and gaining valuable teaching experience.

## Visitors

Academic visitors to the department this year include the following.

**John Ries** from the Sauder School of Business at University of British Columbia will spend his sabbatical leave year visiting the department, sponsored by Rob Feenstra. His research is in international trade.

**Filipe Martins da Rocha** from the Graduate School of Economics and Getulio Vargas Foundation in Rio de Janeiro will visit in Spring quarter 2011, sponsored by Martine Quinzii. His research is in general equilibrium theory, and he will also teach a graduate course while visiting.

**Yiannis Vailakis** from the School of Business and Economics, University of Exeter, will visit in Spring quarter 2011, sponsored by Martine Quinzii. His research is in microeconomic theory, including general equilibrium theory.

**Portia Yin** a Ph.D. student at the School of Finance, Central University of Finance and Economics, Beijing, will visit in Fall and Winter quarters, sponsored by Wing Woo.

## Staff News

**Kristine Augustin** left in January 2010, after working here for seven years, to commence studies in the Nursing program at Napa Valley College.

We welcome **Jessica Lewis**, who previously worked in the Department of History. She received her B.A. in Economics and Sociology here at UC Davis and most recently received her M.B.A. in finance from California State University - Sacramento.

Many other staff members have seen substantial changes in their duties and responsibilities, due to a major restructuring of all staff in the Division of Social Sciences that has taken place over the last few months. Many staff members are now part of a larger group, the Blue Cluster, which provides service to the Departments of Economics, History and Military Science. And our computing support staff is now based in the Division of Social Sciences IT Service Center.

The department faculty appreciate the changed and increased workloads of our staff, and are trying to aid the challenging transition. We also hope that administrative changes at higher levels of campus lead to a more streamlined system that reduces the workload of our staff.

Pictured are Kathy Miner, Monica Fischer, Jessica Lewis, and Rachel Hale releasing some of the tension at a much-needed staff retreat.



**Diane Branam** has been promoted to supervisor of not only the economics undergraduate and graduate program, but the history department undergraduate and graduate programs as well.

**Janine Carlson** is now a Senior Support Analyst, Service Desk Team, DSS IT Service Center.

**Marilyn Dexter** remains as the Economics Graduate Program coordinator.

**Monica Fischer** has been promoted to the Business Officer for both Economics and History departments and will provide backup assistance to Military Science as well.

**Rachelle Hale** remains the Undergraduate Advisor in Economics.

**Jessica Lewis** has been promoted to Academic Personnel Coordinator for the Economics faculty.

**Joe Lee** remains in the Department of Economics Undergraduate Office.

**Kathy Miner** is now the Chief Administrative Officer for the DSS Blue cluster.

**Scott Dyer** is now Lead Application Developer for the Development Team, DSS IT Service Center.

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[www.econ.ucdavis.edu/NewsLetters/newsletter\\_f10.pdf](http://www.econ.ucdavis.edu/NewsLetters/newsletter_f10.pdf)

News updates are at [www.econ.ucdavis.edu/](http://www.econ.ucdavis.edu/)

We thank all contributors to this newsletter, especially Burkhard Schipper for very timely copyediting.

For any comments on the current issue of **UCDavis Economics NEWS** or news items for the next issue or our web page, contact Colin Cameron, [accameron@ucdavis.edu](mailto:accameron@ucdavis.edu), or University of California, Davis, Department of Economics, One Shields Avenue, Davis, CA 95616, USA.

We especially welcome news from our alumni.

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