

# ECONOMESE

Department of Economics  
in the College of Social and Behavioral Sciences at  
The Ohio State University

SPRING 2006

ISSUE 2

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*The group photo shows some of our alumni, faculty and students who attended our Department of Economics Alumni Reception at the January 2006 AEA Meeting in Boston. We hope to see many of you at next year's meeting in Chicago.*

## Message From the Chair

**D**ear Alumni and Friends of the Ohio State Economics program: I am pleased to send you the second issue of our newsletter, *Economese*. I am glad that so many of you attended our 2006 reception at this year's ASSA meetings in Boston. Some of you could not stay for the photo session, but I hope all of you will enjoy seeing the group photo from the event. Please consider this your standing invitation to the receptions and photo sessions at future meetings. We hope to see you in Chicago in 2007! The second edition of our newsletter has a lot of great information on our recent activities and

future expectations. Look inside to find out how the *Journal of Money, Credit and Banking* will be working with Blackwell Publishing to publish the journal starting early next year. You also can read about new courses that have been added to the undergraduate curriculum, as well as the new hires we are looking to make in the next year with the Targeted Investment in Excellence competition. Our department has hosted some special guests like Keith Monda, President and COO of Coach, Augie Cennamo, one of the nation's top financial advisors with Merrill Lynch,

*(Continued on page 2)*

“Our analysis suggests that our department is the most under-ranked department in the sample...”

(Continued from page 1)

and Nobel Prize winner George Akerlof.

Looking ahead, an external panel of distinguished economists will review our department this fall as part of a University-wide program. To prepare for this review, we recently completed a self study of the department that included an analysis of the *U.S. News and World Report* ranking using the data obtained from our survey of peer or aspirant departments. Our analysis suggests that our department is the most under-ranked department in the sample relative to what the ranking should be based on fundamentals such as faculty size, faculty distribution by rank and fields, recent publications in the four flagship journals, and external grants. This apparent undervaluation has to do with omitted variables, of course, and we think graduate student placement is one of these key variables. Please see page 6 for

an update on this year’s most recent placement outcomes.

Once again, I welcome hearing your recent news and accomplishments so that we can share some of your updates in our next newsletter. So please be sure to send your updated professional activities and current contact information to me at hashimoto.1@osu.edu with a copy to Ana Shook at shook.45@osu.edu. We are looking forward to another exciting year and sharing our news with you.

Thank you again, and I wish you all a very pleasant year.

Sincerely,

**Masanori Hashimoto**



## Keith Monda & Augie Cenname

Augie Cenname discussing with undergraduates his success and experience.



Last November, the Department of Economics hosted two distinguished alumni for a visit with faculty and students. Keith Monda (M.A., 1971), President and Chief Operating Officer of Coach, Inc., presented “Coach and the Global Economy” to an

audience of about 70 students and faculty from across campus. Mr. Monda answered questions about his role in implementing a global sourcing strategy at Coach that has enabled the company to profitably expand its product offering. Augie Cenname (B.A., 1965), Senior Vice President of Investments at Merrill Lynch and one of the nation’s top 100 financial advisors, joined Mr. Monda for an afternoon roundtable discussion about the

value of an economics degree in a business world. Both Mr. Cenname and Mr. Monda said that having a degree in economics has proved to be an invaluable tool throughout their careers. About 50 people, including undergraduate and graduate students, faculty and staff, listened as Mr. Monda and Mr. Cenname shared their work and life experiences, and discussed how economics helped shape their perspectives on the world.



Keith Monda answering a question from an economics student.

# Freakonomics

On November 14, 2005, OSU's First Year Experience Program hosted Steven D. Levitt, Professor of Economics at the University of Chicago, and Stephen J. Dubner, a free lance writer for the *New York Times* and the *New Yorker*. The two authors discussed their best-selling book, *Freakonomics*, in front of a capacity crowd of students and faculty in the Ohio Union Ballroom. Each year, the First Year Experience Program invites a speaker with national or international prominence to talk with the freshman class as part of the program's focus on giving first-year students the resources and support needed to successfully transition to college. The Department of Economics was excited to have Levitt and Dubner on campus to bring attention to the discipline of economics and to demonstrate to students that studying economics is far from dismal. The authors, who have made regular appearances on *Good Morning America*, discussed their unconventional way of viewing events and issues, such as "What Do Schoolteachers and Sumo Wrestlers Have in Common?"

and "Why Do Drug Dealers Still Live with Their Moms?" In *Freakonomics*, Levitt and Dubner use "the hidden side of.....everything" to answer questions by looking at numerous scenarios in a way that most of us normally would not. The Department of Economics also is developing a course that makes extensive use of the book as part of our effort to make economics courses widely accessible to students who may or may not major in economics. Many instructors for E200 also are incorporating materials from this book into their lectures.



Steven D. Levitt and Stephen J. Dubner at the Distinguished Speaker Series

**JMCB** The Department of Economics is nearing the completion of an exciting development involving The Ohio State University and Blackwell Publishing. The department's *Journal of Money, Credit and Banking (JMCB)* will be published by Blackwell starting early 2007. The *JMCB* is one of the top four monetary economic



journals, and it includes a diverse population of referees from all over the world. The journal will remain property of the university, and the editorial office will continue to be located within the department. Blackwell will market the *JMCB*

worldwide, placing it in the ranks of several other high-profile journals published by Blackwell, including *Econometrica*, *International Economic Review*, *Review of Economic Studies*, *Economic Journal*, and *Journal of Finance*. We look forward to a productive relationship with Blackwell and increased recognition for the *JMCB* as a result.

# Undergraduate Internship Program

Internships have long been a way for students to gain experience outside of college and academics, but this year the Department of Economics has given more attention to internships by appointing Jill Bryant as its internship coordinator. In the past few quarters, she has placed numerous students in internships and has cultivated new internships for future placements. Students have completed internships with the City of Columbus Department of Development, Ohio Department of Taxation, and many other companies and government agencies. After completing their internships,

students are required to complete a final report about their tasks and experiences so that other students can learn about each internship. Richard Steckel, the department's Director of Undergraduate Studies, oversees the program and meets with students to listen to and advise on their experiences. In addition to her role as internship coordinator, Jill serves on the university's Internship Committee which is developing a common definition for internships that will be used in efforts to provide students and employers with resources to gain additional internships and interns. For more information on our program or to provide any information on available internships, please contact Jill Bryant at [jbryant@global.sbs.ohio-state.edu](mailto:jbryant@global.sbs.ohio-state.edu).



# Targeted Investment in Excellence

The Department of Economics is excited to be a major part



of the proposal by the College of Social and Behavioral Sciences (SBS) for the Provost's Targeted Investment in Excellence (TIE)

competition. The Department is a principal part of the two SBS

proposals, one a multidisciplinary initiative in behavioral decision making (BDM) and the other a multidisciplinary initiative in population/health (POPH). As part of its proposal submission, SBS has added new money to fund two assistant professor positions, and the Department has pledged two of its future faculty hires to the initiative areas. The Provost stipulated in the proposal competition that colleges and departments must proceed with the

implementation of their proposals even if they are not funded by the University. Both the department and college pledges are firm commitments independent of the Provost's decision. We expect that the Provost's office will announce the TIE competition winners in the near future. The department will combine its own resources with the new money from the college and the anticipated TIE award to make some exciting new hires this upcoming year.

## New Courses in Economics

This year the Department of Economics is offering undergraduates a new selection of courses. The curriculums of these courses offer a new and fresh perspective on the study of economics, and we hope to gain the interest of students who normally do not enroll in economics courses. Our new courses include:

**Econ 110.03, Economics of Internet and Media**, an introductory course which will provide students with a foundation in the essentials of economics using examples from the Internet and media.

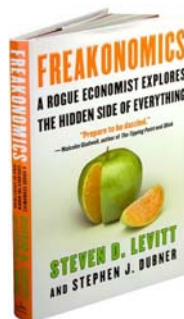
**Econ 505, Experimental Economics**, in which students will learn techniques and results of experiments in economics to help them better understand familiar economic principles.

**Econ 553, Population Economics**, which will introduce students to demography and help them

understand the economic consequences of demographic processes like fertility, mortality, marriage and divorce.

**Econ 592, Housing Economics**, which will use economic concepts to analyze housing markets, including supply and demand and other principles of microeconomics.

**Econ 615, Economic Transitions in the 20th Century**, will survey major themes in transitioning economies in the 20th century. The course will focus on planned and developing economies as they integrate into the world economy.



The Department is currently developing:

**Econ 110.02, Freakonomics**, which will

investigate the controversial findings of economist Steven Levitt and journalist Stephen Dubner in their bestseller, *Freakonomics*. Students will learn to apply economic reasoning to analyze contemporary social issues.

### Subhra Baran

**Saha** has received the Louise B.C. Vetter Graduate Student Scholarship award from Phi Kappa Phi.

Eighteen economics majors have been offered induction to the **Phi Beta Kappa Society**. These members include: **Ama Egyaba Baidu-Forson, D. Amy Mobley, Melanie Hope Bynum, Joshua Robert Cepluch, Charlene Rachel Chi, Barbara Justine Colberg, Jeffrey Ming Cui, Samantha Marie Cunningham, Roman Benjamin Elking, Marlies Christine Hilbrink, Matthew Perry Luby, Alexander Mark Medvedeff, Adam Thomas O'Brien, Remu Ogaki, Dhriti Harish Pandhi, Minnah Lee Seoh, Jessica Lynn Whisler, and Melissa Shing-Yee Wong.**

# Nobel Prize Winner George Akerlof

By Hajime Miyazaki

George A. Akerlof, Koshland Professor of Economics at the University of California at Berkeley, visited the Department as the 2006 Edwin L. Smart Lecturer on April 26. A 2001 Nobel Laureate in Economics, he is the current President of the American Economic Association. He lectured on "The Missing Motivation in Macroeconomics," which he will



*Professor Akerlof (right) and his favorite student, Hajime Miyazaki (left).*

(or norm) induced utility theory as the basis to revise major pillars of macroeconomic theory, such as the natural rate of unemployment and Ricardian equivalence. Professor Akerlof has been widely known for his innovations in micro theory such as the lemons market, rat race and other woeful tales. Yet all

deliver as his Presidential Address at the annual AEA Meetings in January 2007.

In the Smart lecture, Professor Akerlof challenged the five major neutrality results that reshaped modern macroeconomics in the last three decades. He proposed motivation

his works, both empirical and theoretical, have been motivated by his deep Keynesian concern with the critical aspects of a market economy, namely, unemployment, inflation and monetary policy. He also has been interested in approaches taken by psychologists, sociologists and anthropologists, as well as behavioral economists, as providing a micro foundation for macroeconomics. Professor Akerlof's models have been unorthodox, and many economists initially resisted his innovations. Nonetheless, within a decade or two, his models have inevitably become standard fare for both graduate and undergraduate economics texts. In the Smart Lecture, he once again proposed a controversial model, advocating a non-neoclassical approach to utility theory and decision making.

Our colleagues and students welcomed Professor Akerlof's provocative delivery, and thoroughly enjoyed discussions with him. Prior to the Smart lecture, some two dozen graduate and undergraduate students were treated to an informal Q&A session with him. Approximately 70 members of the OSU Economics Community including members from Finance and AED Economics attended the lecture.



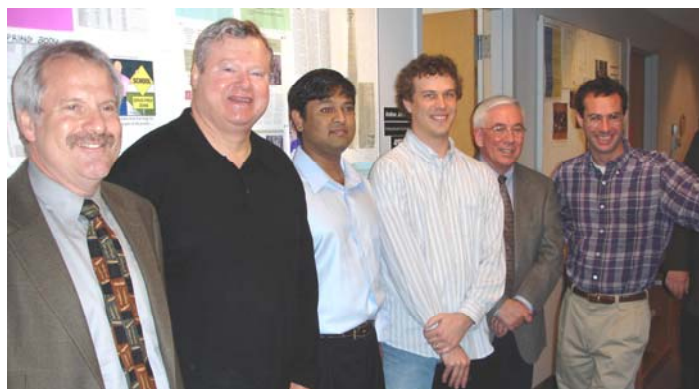
*George Akerlof at OSU, April 26, 2006*

## Placement 2006

This has been an exciting year for placement of our Ph.D. students. As a highlight, **Virgiliu Midrigan** has received offers from several high-profile institutions, including Harvard University, University of Chicago, New York University, University of Pennsylvania, Princeton University, and Stanford University. Virgiliu has accepted the offer from New York University and will be an assistant professor there

beginning this fall. Other placements include **Youngsoo Bae**, Lehigh University; **Johanna Goertz**, University of Guelph & CORE; **Hyeongwoo Kim**, Auburn University; **Xu Lin**, Tsinghua University; **Abdul Munasib**, Oklahoma State University; **Mark Owens**, Middle Tennessee State University; **Paul Rivera**, Wheaton College; **Qingyan Shang**, SUNY Buffalo; and **Hankyoung Sung**, Korea Institute for International Economic Policy.

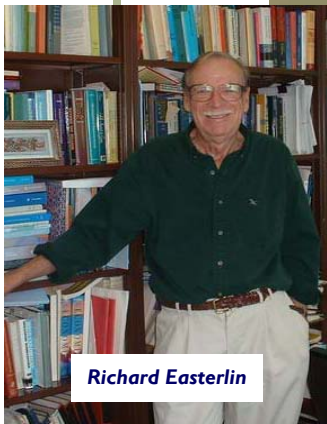
**Mark Owens and Subhra Baran Saha** won the OSU Graduate Associate Teaching Award for 2006. The Graduate School made the award to 10 students throughout the university this year. Congrats to both!!!



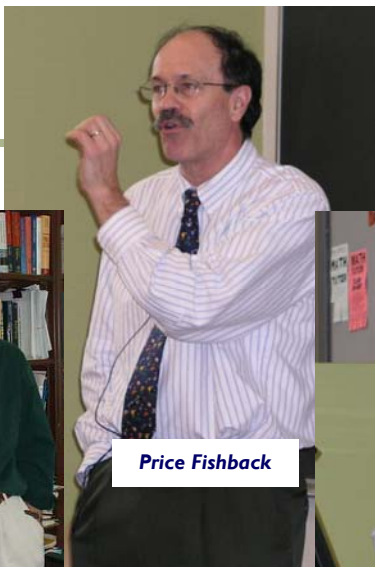
*From left to right: Elliot Slotnick (Associate Dean of the Graduate School), Richard Steckel, Subhra Saha, Mark Owens, Paul Beck (Dean of the College of Social and Behavioral Sciences), and Bruce Weinberg*

## All Ohio Seminar: Fall 2005 & Spring 2006

**O**n November 9, 2005, Richard Easterlin, Professor at the University of Southern California, presented “Life Cycle Happiness and Its Sources: Intersections of Demography, Economics and Psychology” at the All Ohio Seminar. A large interdisciplinary audience heard Professor Easterlin discuss the connection between traditional measures of the quality of life such as income, health and marital status, and survey results on happiness over the life cycle as expressed in the U.S. General Social Survey, 1973-1994. In opposition to the set-point theory, or “iron law of happiness” as he called it, Professor Easterlin’s results showed that domain satisfactions have a systematic effect on results from happiness surveys. Professor Easterlin was recently elected to the National Academy of Sciences.



Richard Easterlin



Price Fishback



Gary Libecap

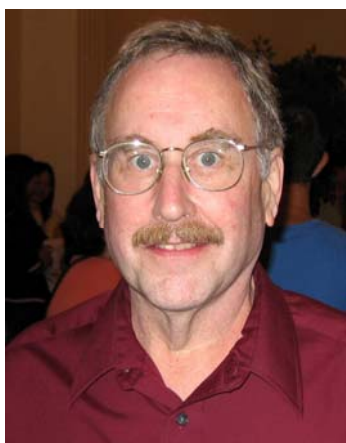
**I**n the second part of the Spring 2006 All Ohio Seminar, Professor Libecap presented work from a forthcoming book on institutional arrangements in California from the 1920s through the present for diverting water from the Owens Valley and

from Mono Lake to Los Angeles. Los Angeles purchased most of the land and water rights to Owens Valley in the 1920s, but by the 1970s various new laws and court rulings began to undermine or limit these rights. Professor Libecap’s story of conflict in

**I**n collaboration with the applied micro and theory seminars on April 21, 2006, All-Ohio Seminar participants heard from Gary Libecap and Price Fishback, both professors in the Economics Department at the University of Arizona. They presented on the general theme of institutions and economic performance. Professor Fishback introduced the afternoon with his paper on “Measuring the Impact of the New Deal on the American Economy,” which considered how New Deal grants affected retail sales, health, unemployment rates and farm failures at the county level. In his research, Professor Fishback found that spending of the grants reduced infant mortality rates at a cost that was below that of estimates of the value of a statistical life.

the courts and the legislature demonstrated a failure of bargaining units (land owners, Los Angeles and various environmental interests) to reach the social optimum, in that the value of water in Los Angeles was far greater than the recreational value of water in the mountains.

## In Memory of Byron Chapman, 1949 to 2006



**I**n early January of this year, our undergraduate advisor, Byron Chapman, passed away after more than a year-long bout with cancer. Many of you had known Byron as a fellow student, as he received his Ph.D. from the department in 1999. He returned to the department in summer 2003 as a senior lecturer and undergraduate advisor. Byron’s passion for teaching economics and interest in helping students made him a valuable asset to the department. During his service as undergraduate

advisor, the number of economics majors increased by 16%, a tangible result of Byron’s ability to show students the relevance and importance of economics.

A memorial service for Byron was held at the OSU Faculty Club on January 23. Many friends and colleagues attended the service to share their stories and memories of Byron as a person who gave generously to the community and held a wide-range of interests. Byron is survived by his mother and will be sadly missed.



## Faculty Notes

**Trevon Logan**, Assistant Professor, and **Bruce Weinberg**, Associate

Professor, were each appointed as Faculty Research Fellow of the National Bureau of Economic Research this year.

**Audrey Light** was promoted to Professor this year.

**Gene Mumy**, Associate Professor, has taken the position of Associate Dean in the College of Social and Behavioral Sciences.

**John Edward Ray**, Professor Emeritus, now President of Oregon State University, has won this year's Distinguished Service Award from Ohio State University. Established in 1952, this award recognizes extraordinary service distinguished by its

lasting impact on the University. The award will be presented formally at the December 10th, 2006 commencement ceremony. **PAGE 7**

**Donald R. Haurin**, Professor, has won the annual Huber Faculty Fellow award along with Kathleen McGraw of Political Science and Paul W. Sciulli of Anthropology. The Huber Fellow honors full professors for their research and teaching every year, and no more than three are awarded annually. Professor Haurin's research focuses mainly on commercial and residential real estate.

**Randy Olsen**, Professor, was named Director of the Initiative in Population Research in the College of Social and Behavioral Sciences.

## Staff Notes

Economics staff have been keeping busy this year with new developments in the department as well as the university.

**Susie Bruner**, JMCB Editorial Assistant, received an Arts and Sciences staff award this past fall. She is planning to use her award to take the Certified Professional Secretary exam this spring and the Certified Administrative Professional exam in the fall.

**Andrea Johnson** has joined the department as our new undergraduate coordinator. She received a Bachelor of Specialized Studies degree in Advertising/Marketing & Human Resource Management/

Management in November 2005 from Ohio University. Her studies and work will contribute to the continuing expansion of our undergraduate program.

**Ana Shook**, Graduate Program Coordinator, has been a co-chair for the Colleges of the Arts and Sciences Staff Advisory Committee from March 2004 to April 2006. As part of the Assessment Project subcommittee, she helped survey approximately 240 staff members regarding their views of the university. Results will be posted soon on the Arts and Sciences website.

**Michelle Chapman**, HR/Fiscal Officer, will be serving two years on the Arts and

Sciences Staff Advisory Committee beginning April 2006.

**John David Slaughter**, former undergraduate coordinator, has taken the position as systems specialist for the department working with our senior systems manager, in assisting technical support and needs.

Our staff meets on a monthly basis to discuss events and projects that may be going on with themselves at work. They also like to read and discuss books together and plan on using *Freakonomics* as their next choice.

## Graduate Notes

This year our graduates have been keeping busy with presenting at conferences throughout the county. They include:

**Youngsoo Bae** (6th year)- Midwest Econometrics Group, Oct. 14-15, 2005 in Carbondale, IL

**Deepankar Basu** (4th year)- Midwest Econometrics Group, Oct. 14-15, 2005 in Carbondale, IL

**Tufan Ekici** (6th year)- Midwest Economics Association Conference, Mar. 24-26, 2006 in Chicago, IL

**Ji Li** (5th year)- Midwest Econometrics Group, Oct. 14-15, 2005 in Carbondale, IL

**Xu Lin** (6th year)- Midwest Econometrics Group, Oct. 14-15,

2005, in Carbondale, IL

**Xiaodong Liu** (5th year)- Midwest Econometrics Group, Oct. 14-15, 2005 in Carbondale, IL

**Susan Rose** (5th year)- 75th Annual Meeting of the Southern Economics Association, Nov 18-20, 2005 in Washington, D.C.

**Ching-jen Sun** (4th year)- International Industrial Organization Conference, April 7-9, 2006 in Boston, MA

**Hankyoung Sung** (6th year)- Midwest Economic Theory Meeting, Oct. 14-16, 2005 in Lawrence, KS

**Min Qinag Zhao** (2nd year)- AERE/Allied Social Science Association, Jan. 5-8, 2006 in Boston, MA



Department of Economics  
410 Arps Hall  
1945 North High Street  
Columbus, Ohio 43210  
Phone: 614-292-6701  
Fax: 614-292-3906

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## Announcing...

### The SBS Alumni Society

Graduates and friends of the College of Social and Behavioral Sciences are invited to join the Society.

**There are no membership dues!**

We encourage you to become a member of the new Society if you haven't done so yet.

Interested in joining or have questions? Please contact Kim Beem, Membership Committee Chair, at [KBeem@insight.rr.com](mailto:KBeem@insight.rr.com) or 614-855-7321.

Find info at <http://www.sbs.ohio-state.edu/alumni.html>

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**Publisher:**

*Masanori Hashimoto*

**Editor:** *Michelle Chapman*

**Managing Editor & Designer:**

*Jill Bryant*

**Alumni Coordinator:**

*Ana Shook*



# Opportunities to Help the Department

*There are several opportunities for you to support the Department. Keep in mind that all donations to the University of \$2,500 or more ensure an invitation to the President's Club. Please see below for a list of funds. Your gifts are much appreciated.*

The **Professor Paul G. Craig Graduate Student Fellowship Fund** is our newest fund that will support fellowships to graduate students who have a demonstrated commitment to the areas of Professor Craig's interests, i.e., money and banking and other public policy relevant areas. **Fund # 410333**

The **G.S. Maddala Memorial Fund** is a newly endowed fund to honor and remember our esteemed colleague who passed away in 1999. The fund supports the biannual G.S. Maddala Memorial Lecture and provides awards to outstanding graduate students. **Fund # 644415**

The **Edward J. Ray Commemorative Research Fund** honors Professor Ray, who served as chairperson of the department for 16 years and is currently the President of Oregon State University. The primary purpose of this fund is to support our graduate students in their scholarly activities that are not otherwise funded, e.g., travel to professional meetings, purchase of data sets and other research material for thesis work, and participation in activities with visiting scholars. The fund ensures the availability of resources that place top priority on the needs of graduate students. Your contributions will benefit students directly. **Fund # 605978**

The **Alma Herbst Memorial Lecture Fund** was established to honor the life and career of Professor Alma Herbst, who taught at Ohio State from 1930 to 1970. The fund was created by a generous gift from Dr. Virgil Crisafulli in memory of his wife, Martha Bair Crisafulli, and is used to sponsor lectures by outstanding scholars in labor economics. Contributions to this fund, especially by those who benefited from Professor Herbst's distinguished service at Ohio State, will be gratefully received. **Fund # 603157**

The **Faculty Memorial Fund** helps foster an environment to attract extraordinary students and faculty and is used to support the teaching and research activities throughout the department. **Fund # 301944**

The **Undergraduate Economics Society's Excellence for Teaching Fund** recognizes four different areas of teaching: first teaching experience as a recitation TA; a TA responsible for teaching a principles course; a TA responsible for teaching an intermediate course; and instruction by a faculty member. The awards consist of a cash prize and a plaque. **Fund # 309382**

The **L. Edwin Smart Fund for Teaching Excellence** was established by L. Edwin Smart, Jr., as a memorial to his father, L. Edwin Smart, Sr., who was a Professor of Economics at Ohio State from 1921 to 1962. This fund recognizes the work of outstanding TAs as well as promising undergraduates in economics. **Fund # 606677**

The **L. Edwin Smart Lecture Fund** was established by L. Edwin Smart, Jr. in memory of his father, L. Edwin Smart, Sr., to help the Department provide lectures by internationally known scholars in economics and related fields. **Fund # 606676**

*To make your contribution to one or more of these funds, please complete the enclosed contribution card and return it to my attention. A receipt will be mailed to you at the address you provide. Your contributions are tax-deductible as allowed by law.*

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 Department of Economics  
 The Ohio State University  
 410 Arps Hall  
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