JHU Department of Economics Newsletter

General Department News

It was an exciting and productive year for the Department of Economics. We made some superb faculty appointments, the new Center for Financial Economics is on a terrific track, our graduate students are presenting their work throughout the world, our new PhDs continue to be placed in spite of the difficult job market, and the research environment is pulsing with activity.

The Department continues to grow as we added two exceptional assistant professors in applied microeconomics this past year. Elena Krasnokutskaya was previously on the faculty of the University of Pennsylvania where she made highly-cited and significant contributions to the empirical auction literature. Her research interests include industrial organization and other areas in applied microeconomics including investment behavior and regulation. Przemek Jeziorski is a most promising industrial organization empiricist who just received his PhD from the Stanford Graduate School of Business. Przemek's thesis is an innovative examination of the impact of mergers in the U.S. radio industry. With the arrival of Elena and Przemek, the Department has 18 regular faculty members, two highly engaged and productive research professors (Caroline Fohlin and Richard Spady), and an array of exciting joint

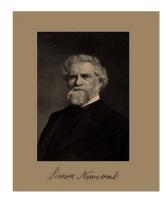
appointments including, most recently, Mitsu Nishida (Carey School of Business) and Josh Epstein (School of Medicine).



The Center for Financial Economics housed in the Department and started 2008 continues to gain students momentum. Twelve graduated with the Minor in Financial Economics in 2010, with one minor conferred in its first year. The CFE's initial 13 students gave the program strong reviews and they fared well in a tough finance job market. At the CFE's Spring event in New York, Steve Rattner was interviewed on stage by Hopkins alum and Wall Street Journal reporter Mike Spector. The CFE is sponsoring a new student organization: the Johns Hopkins Financial Analyst Club. The Club will host a speaker series and hold events around topics related to careers in finance. If you'd like to know more about what the CFE is doing, please visit the CFE website.

For those who remember the General Seminar – which met once a week and involved all faculty and students – the current array of seminars and guests who come through the Department would seem overwhelming. In addition

to three seminar series in Theory, Applied Microeconomics and Econometrics, and Macroeconomics, we have been regularly hosting two distinguished lecture series.



The Fourth Simon Newcomb Lecture was given by Steven Durlauf (Kenneth J. Arrow Professor of Economics University of Wisconsin), who delivered a splendid talk on "The Social Economy" which covered an amazing amount of ground from theory to empirics to policy. He also interwove his lecture with various entertaining anecdotes including that Simon Newcomb - who was a world-renown mathematician at Hopkins in the late 19th century and a strong proponent of the mathematical approach in economics - was a suspected model for Sherlock Holmes' arch-nemesis Professor Moriarty; and managed to encompass the research of former Hopkins Economics faculty members Peyton Young and Carl Christ.



Our annual Richard T. Ely Distinguished Lecture Series continues to attract some of the leading lights in the economics profession. This year's lectures were given by Matthew Jackson (William D. Eberle Professor of Economics Stanford University) on "Economic and Social Networks." Matt is arguably the world's expert on economic networks and while he is most well-known for his seminal theoretical contributions, he has recently brought this theory to bear to understanding favor exchange in rural India. His talk managed to convey complex theories at an intuitive level which could be understood by a general audience of social scientists. Interested readers can click this link to see his slides.

The previous Dean of the Krieger School of Arts & Sciences – Adam Falk – has moved on to the Presidency of Williams College, and, after a successful search led by Provost Lloyd Minor, Katherine Newman is the new James B. Knapp Dean of the School. Bursting with energy and ideas, Dean Newman has constructed an intensive and novel strategic planning process for the purpose of identifying growth areas. All departments are engaged in this process and it begins with a two-day Futures Seminars which will be an open discussion and debate as to where the discipline is going and what are emerging research lines. The Economics Futures Seminar will take place on April 21-22, 2011, and we have invited four distinguished economists to assist in the discussion: Markus Brunnermeier (Princeton), Glenn Ellison (MIT), Jonathan Levin (Stanford), and Ken Wolpin (Penn). The second step in the planning process is to write a White Paper based on the Futures Seminars

which will describe our proposed direction. The third and final step is the arrival of an External Review committee next September to make an assessment as to where the Department is and where it proposes to go. We will keep you informed as to what comes out of this process. Let me add that the Futures Seminars is open to the public, so you are welcome to attend if you are in the area. It ought to be a singularly stimulating conversation.

The Department is not new to strategic planning as we initiated and engaged in our own process five years ago that ultimately led to Dean Falk accepting an expansion plan to grow the faculty from 15 to 20. We were 60% through that plan before the arrival of this schoolwide strategic planning process. While faculty hiring throughout the Krieger School is on hold until that process runs its course, we are hopeful that at its end will be an even more ambitious expansion plan for Economics. In fact, Dean Newman is strongly committed to advancing the Center for Financial Economics, and a new program involving Economics, Political Science, and Sociology is currently under discussion - more on that as it develops.

Thanks to the enthusiastic response to an email requesting updates from our alumni, this year's newsletter has more than five pages of alumni news, so be sure to give it a good read. I've put Alumni News last so that it doesn't swallow up the Faculty and Graduate Student news!

Faculty News

Lou Maccini was elected President of the International Society for Inventory Research; while Joe Harrington is Vice President and President-Elect of the Industrial Organization Society.



Robert Moffitt is completing his six-year term as editor at the *American Economic Review* at the end of this calendar year. The profession owes a great debt to Robert for his dedication and skill in performing this critically important job.

Edi Karni was the Weatherall Visiting Scholar at Queens University where he spoke on "Bayesian Decision Making Under Uncertainty."

Robert Moffitt was a <u>Distinguished</u> <u>Visitor</u> at the Institute for Advancement of Economics at Cornell (IAEC) where he spoke on "Using Economics to Understand Income Redistribution and Welfare."

Robert Moffitt gave a Keynote Lecture at the Society of Labor Economics conference at University College-London; while Ali Khan gave an invited talk on "Distributive Justice the Vernacular οf Mathematical Economics" at the Multi-Disciplinary Symposium Decision Sciences Nanyang Technological University.

Faculty traveled the globe to give short courses on their area of expertise. Joe Harrington gave a three-day course on "Cartels" at Universitat Justus-Leibig in Giessen, Germany; a week of lectures on "Recent Advancements in the Theory

of Collusion" at the Universidad de Carlos III in Madrid; and a two-day course on "Collusive Practices" at the European Summer School Competition & Regulation on the island of Crete. Ali Khan gave ten lectures on "General Equilibrium Theory at the Frontier" at the China Economics and Management Academy of the Central University of Finance and Economics. (Also giving short courses were Yuli Sannikov of Princeton and Ilya Segal of Stanford). Invited by Professor Naoyuki Yoshino (JHU PhD 1979), Professor Emeritus Bruce Hamilton gave a two lecture course at Keio University on "A New Method of Measuring Inflation."

Robert Moffitt benefited from President Obama's stimulus bill last year by receiving a one-year ARRA grant to study various economic issues in the low-income US population from the National Institutes of Health. This grant is one of the few NIH grants awarded to a member of the Krieger School of Arts & Sciences.

Several faculty members appeared in the media and the public arena. Olivier Jeanne was an expert at the G20 Workshop on Global Financial Safety Nets, and gave a presentation on "Dealing with Volatile Capital Flows" at the G-20 deputy-minister level meeting in Toronto. Olivier's research on booms and busts in asset prices and credit has been featured prominently in The Economist and the The Wall Street Journal. (He also gave seminars on his research regarding the global liquidity trap at various venues including Harvard and Columbia, and developed a new undergraduate class entitled "The Global Finance Crisis.") Joe Harrington assisted the U.S. General Accountability

Office in their investigation of the impact of the Antitrust Criminal Penalty Enhancement and Reform Act of 2004; and gave presentations before the competition authorities of Chile, the European Union, South Africa, and Spain. Jon Faust frequently appeared in The New York Times; he wrote a piece entitled "Caveat Emptor is Not a Business Plan" and was quoted in an article on "Obama's Plan for the Fed." Larry Ball testified before the House Committee on Financial Services and spoke on the Fed's interest rate target. Larry also had a spirited exchange with Congressman Ron Paul. Link to a video of his testimony.

Graduate Student News

The Department recently instituted a policy of providing travel grants for graduate students whose paper was presentation at accepted for conference. Reflecting the quality of their research and their personal initiative, students have been taking advantage of this program to appear at conferences throughout the world. This past year, students have presented at the World Congress of the Econometric Society (Shanghai), Society for Economic Dynamics Annual Meeting (Montreal), Risk, Utility and Decision Conference (Paris), MOOD Villa Mondragone Workshop (Rome), Society of Labor Economists Annual Meeting (London), QSPS Summer Workshop (Logan, Utah), Southern Economic Association Meetings (Atlanta), and the Eastern Economic Association Meetings (Philadelphia). They have also given seminars at the IMF Research Department, Tsinghua University, and the University of Toronto.

Here are a few of our newly minted PhDs fresh after their successful doctoral defense.



Marc Remer (PhD 2010) with Joe Harrington (left) and Mitsu Nishida (right)



Haomiao Yu (PhD 2010) with (left to right) Hulya Eraslan, Daniel Naiman, Ali Khan, Robert Dalrymple, and Yingyao Hu.



Abhishek Gupta (PhD 2010) with (left to right) Lou Maccini, Jon Faust, Mitsu Nishida, Jonathan Wright and William Agresti.

Thanks to generous benefactors, the Department has several funded awards to honor our most exceptional graduate students. The Eugenio and Patricia Castillo Award is given to the student who has displayed the best performance in their first two years in the graduate program. This year's recipient is Ruli Xiao. Her performance in course work was truly superb.

The Bruce Hamilton Research Seminar Award is given to the advanced student who graduate demonstrated the best performance in one of the department's research workshops. Again funded by Eugenio and Patricia Castillo, it is named in honor of Professor Emeritus Bruce Hamilton who is well-known for his insightful and clever comments at seminars. This year's recipient is James Lake whose engagement in the Macro Seminar and the Department more broadly sets a standard for all graduate students. (For example, he organized a tutoring service which both helps our undergraduates' academic skills and his fellow graduate students' monetary well-being!)

The Professor Joel Dean Undergraduate Teaching Award was established in 2009 to recognize graduate students who have exhibited extraordinary teaching performance in Hopkins' undergraduates. This award was creatively conceived by Joel and Monia Dean, whose son Charles recently graduated with a BA in Economics and Mathematics. This year's recipients are Matthew White and Maia Linask who have consistently excelled in the classroom. And, if you're looking for a truly exceptional instructor, Maia is on the job market this year.



Maia Linask accepting her Professor Joel Dean Teaching Award.



Matt White accepting his Professor Joel Dean Teaching Award.

<u>Link to a list of all past recipients of graduate student awards.</u>

Though the new PhD job market has been exceedingly tough in the two years since the financial crisis, we are pleased to report that we placed all 16 of our students on the market and some in quite attractive positions. Last year's class of five students ended up at Gettysburg College, Ryerson University, Fannie Mae, the Antitrust Division of the U.S. Department of Justice, and a two-year post-doc at the Yale School of Management. More than half of our students ended up in academic positions. Job placement is a critical area that we continue to give the highest priority.

Speaking of placement, if your institution is hiring, please consider our students on the market this year. We have some excellent economists who are ready to start their professional career.

Alumni News



This past autumn, an email was sent to alumni requesting material for the newsletter and the response was exuberant. Dozens of alumni replied with a fascinating collection of updates. I hope reading about some of your classmates from graduate school days will encourage you to make contact with them and to keep us informed as to what is going in your professional life. To do so, just drop an email to Department Chair Joe Harrington <ioe_harrington@jhu.edu>. You can also make contact through the Hopkins Economics PhD Facebook Group.

Of all of the messages passed along, most delightful was a spirited exchange among alumni from a half century ago: John Chipman (PhD 1951), Rashi Fein (PhD 1956), Michael Michaely (PhD 1955), Andrea Maneschi (PhD 1964), and Stuart Greenbaum (PhD 1965). So, let's begin with them and then move chronologically to more recent graduates.

Rashi Fein (PhD 1956) retired about a decade ago from the Harvard Medical School and Harvard Kennedy School of Government. As he said in his message, his time at Hopkins led him to intersect with some of the great economists in

Hopkins' past: Fritz Machlup, Evsey Domar, Simon Kuznets, Mark Perlman, Sidney Davidson, Carl Christ, Arnold Harberger, and Clarence Long. If those names weren't notable enough, Rashi also spent time on President Kennedy's Council of Economic Advisers which meant interacting with the likes of Robert Solow, James Tobin, Arthur Okun, Walter Heller, and Kenneth Arrow. Rashi said it best: "I look back on the Hopkins days as a marvelous experience. While the economist's tools have changed (the computer and sophisticated mathematics and statistics), the grounding in theory has served me well in developing patterns of thought and ways of looking at things."

John Chipman (PhD 1951) responded to Rashi's email with: "Glad to know that you are a fellow survivor." John retired three years ago from his position of Professor of Economics at the University of Minnesota.

Michael Michaely (PhD 1955) returned to Jerusalem after receiving his PhD to be on the faculty of the Hebrew University. After taking early retirement, he spent most of a decade at the World Bank in DC. Returning to Jerusalem in 1994, his emeritus status enabled him to keep working at the Hebrew University, and his most recent book came out last year: Trade Liberalization and Trade Preferences: Revised Edition. Michael commented: "Myself octogenarian, in the company of fellowalumni John Chipman and Rashi Fein I may again be considered a youngster! ... We were a small group at Hopkins guided by big lights. What a life-long privilege!"

Andrea Maneschi (PhD 1964) has taught at Vanderbilt University since 1970. Having spent some time as Director of the M.A. Graduate Program in Economic Development, he now mainly explores international trade issues relating to the history of economic thought. Andrea relayed: "I fondly remember Ed Mills, Kelvin Richard Musgrave, Lancaster. Christ, Peter Newman, and several fellow students such as Takeshi Amemiya. John Chipman and I have met on several occasions, and I have profited from his useful advice on issues relating to the history of economic thought."

Stuart Greenbaum (PhD 1965) retired as Dean of the Olin School of Business at Washington University in St Louis in 2005 and from the faculty in 2007. He still teaches short courses at the Olin School, the Kellogg School at Northwestern University, and occasionally in Israel. Stuart remains busy serving on three boards and consulting Enterprise Risk Management and Corporate Governance.

John Hartwick (PhD 1969) is Professor of Economics at Queen's University in Kingston, Ontario which was his initial placement. His recent work includes "Encephalization and Division of Labor by Early Humans" (Journal of "The Bioeconomics) and Zero Discounting and Maximin Optimal Paths in a Simple Model of Global Warming" (Mathematical Social Sciences).

Bruce Jaffee (PhD 1971), who is a Professor of Business Economics and Public Policy at the Kelley School of Business at Indiana University, has been significantly engaged in the oversight of

intercollegiate athletics. He is currently serving as Indiana University's Faculty Athletic Representative and is the lone faculty member on the NCAA's Legislative Council.

Paul McNelis (PhD 1974), who was on the faculty of Georgetown University for 28 years, has moved to the Fordham Graduate School University Business. He recommends his recent MIT book - Computational Macrodynamics for the Open Economy - for those with insomnia, and admits that he roots for the Yankees though fondly recalls cheering on the Orioles during his days in Baltimore. Paul mentioned that he and Bob Driskill (PhD 1978), who is at Vanderbilt University, recently published a memorial for the late Jurg **Niehans** in the Journal of International Money and Finance. Jurg passed away in 2007 and is fondly remembered as an engaged colleague and teacher, and a distinguished economist. Originally visiting Hopkins in 1961-62 from the University of Zurich, Jurg was on the Hopkins faculty from 1966 to 1977, and became the Abram G. Hutzler Chair in 1973. The chair is now occupied by Ali Khan.



Reid Nagle (PhD 1978) has had an exciting and successful career which began by working for a large savings & loan company at which he eventually became Chief Financial Officer. Six years

later he left to join Wall Street financier Ivan Boesky as a merchant banker and subsequently CFO. When Boesky imploded amidst an insider trading scandal, Reid started his own financial information company, SNL Financial. Twenty-three years later, SNL Financial has 1500 employees and eleven offices in four countries. While remaining Chairman, Reid stepped down from dayto-day management six months ago and is now focusing his energies on training race horses outside Ocala, Florida. His horses make their debut this month at Tampa Bay Downs. Just see what you can do with a PhD in Economics!

Donald Koran (PhD 1981) is a senior foreign service officer currently serving as the Director of the Office of Africa Analysis in the State Department's Bureau of Intelligence and Research.

Robert Rossana (PhD 1980) is Professor of Economics at Wayne State University and his textbook *Macroeconomics* (Routledge) will come out in February 2011.

Pronab Sen (PhD 1982) has been having distinguished career with government of India. Starting in 1990 as Economic Adviser in the Department of Information Technology, he was the author of the Software Policy statement that has been credited as a catalyst for the software boom in India. In 1994 he joined the Planning Commission, and was the principal author of the Ninth and Tenth Five Year Plans. In 2007, Pronab then went on to become the first Chief Statistician of India, and has returned to the Planning Commission to work on the Twelfth Five Year Plan.

Molly Macauley (PhD 1983) was promoted to Research Director at Resources for the Future.

Frank Gunter (PhD 1985), who is on the faculty of Lehigh University, spent two tours in Iraq and published an op-ed piece on the future of Iraq's economy in *The New York Times* on November 16, 2009. Link to op-ed piece.

Ira Kalish (PhD 1986) is currently Director of Global Economics at Deloitte Research, which is the research arm of Deloitte & Touche, and lives in Santa Monica, CA. He spends quite a bit of time traveling around the world to give briefings on the global economy to senior executives.

Lisa Skumatz (PhD 1987) worked for the Department of Energy's Pacific Northwest Labs, PG&E, the City of Seattle, and the international consulting firm Synergic Resources Corporation before starting a boutique consulting firm, SERA, Inc. Her time has been divided between research and consulting activity dealing with energy conservation and recycling. Lisa has been honored with lifetime achievement awards from both the Recycling Coalition National International Solid Waste Association of North America, and her work has been used by the Obama transition team.

Jonathan Neuberger (PhD 1988) is a principal in Economists Incorporated in San Francisco (and is delighted with the Giants having won the World Series). He performs applied micro analyses in commercial litigation involving issues of finance, risk management, economic modeling, and damages. Of particular note is that Jonathan has worked

extensively with the U.S. Department of Justice in cases involving Yucca Mountain, which is the (now defunded) national repository for spent nuclear fuel.

Jan Keppler (PhD 1991) is Professor of Economics at Dauphine University in Paris which is, according to Jan, "fast morphing into a business school." He himself has morphed into an expert on energy and carbon markets and is the primary economist to the OECD Nuclear Energy Agency where his work focuses on the competitiveness of different forms of energy under alternative carbon pricing regimes. At the same time, he retains an intellectual presence in the History of Economic Thought (for which Peter Newman would be proud) and earlier this year published Adam Smith and the Economy of the Passions (Routledge).

Francesco Mongelli (PhD 1992) recently became Honorary Professor at the JW Goethe University in Frankfurt. His main position is Senior Adviser in the Monetary Policy Directorate of the European Central Bank. Francesco remains in touch with his secondary thesis adviser Max Corden, who was formerly on the faculty of JHU SAIS with a joint appointment in the Department of Economics. Max has retired to Australia but is still active in writing policy papers.

Brock Blomberg (PhD 1994) recently was appointed Dean of the Robert Day School at Claremont McKenna College.

Ugo Panizza (PhD 1994) is Chief of the Debt and Finance Analysis Unit of UNCTAD in Geneva and is Visiting Professor at the Graduate Institute in

Geneva. One of his papers received significant visibility as it appeared in <u>The Economist's Economic Focus</u> and was picked up by the BBC.

Min Zhu (PhD 1996) assumed the position of Special Advisor to the Managing Director of the IMF in DC. Prior to that appointment, he was Deputy Governor of the People's Bank of China.

Mary Burke (PhD 1998) is currently a Senior Economist in the Research Department of the Boston Fed, where her colleagues include fellow Hopkins alumni Scott Schuh (PhD 1992), Michelle (Barnes) Greenspun (PhD 1998), and Burcu Duygan-Bump (PhD 2004). Mary has been studying the relationship between social norms and obesity, and the role of peer effects on various outcomes including academic achievement and medical technology choice. She also has a chapter on "Social Norms" in the forthcoming Handbook of Social Economics which is co-authored with her thesis adviser Peyton Young (who has moved on to Oxford but retains a position as Research Professor at Hopkins).

Sarah Stafford (PhD 1998) was promoted to Professor at the College of William & Mary and received a joint appointment at the law school.

Ananda Chanda (PhD 2001) is working for Citigroup, Citi Capital Advisors in London but also finds himself in New York from time to time.

Steve Holden (PhD 2001) was promoted to Vice President - Loss Mitigation Decision Models at Fannie Mae. He has been working on the Department of

Treasury's Home Affordable Modification Program (HAMP). Steve's team designed and implemented the Net Present Value Model that determines whether borrowers qualify for a loan modification and which has been a cornerstone of the Administration's efforts to solve the housing crisis. His productivity hasn't stopped there as Steve and *Julie Hudson* (PhD 2000) had their second son, Cameron, in March 2010.

María Eugenia Bonilla Chacín (PhD 2002) is working at the World Bank and recently returned to DC after a two year post in Panama. She is a Senior Economist for the Latin American and the Caribbean Region in the Human Development Department.

Daniel Hinze (PhD 2002) recently became the Head of the Environmental Analysis Unit which provides economic, statistical and social research advice to Scottish Ministers. It seems there is a lot of work being done on climate change policy in Scotland for the Scottish Climate Change Act calls for an ambitious 42% emissions reductions target by 2020 and 80% by 2050 (relative to 1990). Prior to this position, Daniel was working in the Office of the Chief Economic Adviser.

Julie Smith (PhD 2002), who a few years ago moved from Trinity University to Lafayette College, was a faculty adviser to the Lafayette team that last year won the national title in the College Fed Challenge, and they did so by defeating Harvard, Northwestern, and Rutgers. Lafayette's team came in second place this year. The College Fed Challenge is sponsored by Moody's Foundation and the Federal Reserve System.

Jacques Miniane (PhD 2004) is working at the IMF with a focus on stabilizing Lithuania, which suffered the second largest output collapse in the world as a result of the financial crisis. Jacques and his wife recently welcomed their second child, Lucas.

Daniel Leigh (PhD 2004) is an economist at the IMF, and recently wrote an article on fiscal policy that received significant attention with a writeup in <u>The Economist's Economic Focus</u> and an interview on Fox Business.

Marc Hofstetter (PhD 2005) is currently Associate Professor at Universidad de los Andes in Bogota, Colombia.

Alena Bicakova (PhD 2006) recently became an Assistant Professor at CERGE-EI which is a U.S. accredited PhD Economics Program in Prague. She had previously been at the European University Institute.

Nicholas Hill (PhD 2006) served as an expert on a Tunney act proceeding. A reference to his testimony appeared in the Federal Register as part of the judge's opinion.

Witold Czubala (PhD 2008) moved this past year to Moody's Investor Services in New York after working for three years at Bank of America.

Anubha Dhasmana (PhD 2008) is an Assistant Professor in the Economics and Social Sciences Area of the Indian Institute of Management in Bangalore.

Ricardo Llaudes (PhD 2008) recently moved from the European Central Bank to the IMF, where he is working in the Strategy, Policy, and Review Department. Ricardo recently completed a <u>study of the impact of the</u> financial crisis on emerging markets.

Emmanuel (Manu) De Veirman (PhD 2008) is in the research section of the Reserve Bank of New Zealand. He published a paper last year in the Journal of Money, Credit and Banking on the topical issue of testing competing explanations for why deflation was moderate in Japan in spite of an extended economic downturn in the 1990s and early 2000s.

See you in Denver?

The Department has made great strides in recent years and we have a vibrant faculty and student body to show for it, and clearly an engaged and impressive collection of alumni! But there is still much to be done and we could use your help in continuing our momentum. Please consider contributing to the **Graduate Economics Program Fund** to provide fellowship support for our doctoral students. You can do so quite easily by going to JHU Giving and designating that your gift go to the Department of Economics of the Krieger School of Arts & Sciences. If you choose to contribute online, please put "KSAS -Dept of Economics" in the Other field in the online form.

Please share your news with us so that it can be included in next year's newsletter. We hope to see you in Denver for the AEA Meetings where we will be hosting an *Alumni Reception* in Governor's Square 10 in the Sheraton Denver Downtown from 6:00 to 8:00 pm on Friday, January 7th. And, should your travels bring you to Baltimore, please stop by the Department. We are

all part of the extended Johns Hopkins community and we would be delighted to welcome you back to campus.