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Please stay in touch! We welcome news from our alumni.

THE EMORY ECONOMIST: KEEPING CONNECTED

Issue No. 6 - June 2012

SAVE THE DATE!

September 28-29, 2012

Dr. Clifford Smith
(’69C, economics, Ph.D. UNC), Louise and Henry Epstein Professor of Business Administration and Professor of Finance and Economics at the Simon Graduate School of Business at the University of Rochester will return to Atlanta this fall when he will be the speaker at our second annual Homecoming Open House and Lecture. This year that will take place on Saturday morning, September 29, 2012, from 10:00 a.m. to 12:00 noon in the Rich Building. He will speak on “My Top Ten Concerns for Next Year” starting at 11:00. We plan to offer an additional program featuring Dr. Smith on Friday, September 28, 2012. Please check our Web site for information on both of these programs.

October 10, 2012

Dr. John Lipsky will deliver a public lecture at Emory on Wednesday, October 10, 2012. Dr. Lipsky became a visiting scholar in the International Economics Program at the School for Advanced International Studies (SAIS) at Johns Hopkins University in January 2011. He served as the International Monetary Fund’s (IMF) first deputy managing director – the organization’s No. 2 leadership role – from September 2006 to August 2011. Most recently he served as a special adviser to IMF managing director Christine Lagarde, helping to direct the Fund’s preparations for last November’s G20 Leader’s Summit in Cannes. Dr. Lipsky earned his BA in economics at Wesleyan University and an M.A. and Ph.D. in economics from Stanford University.

WE NEED YOUR HELP!

Our Mission needs your help in the form of donations to one or both of the following:
Kafoglis Lectureship Fund
Research and Teaching Fund

All donations are tax deductible.

Matching Gift Program: If you work for a company that matches gifts to higher education, you can double or triple the value of your contribution by following your employer’s matching gift procedures. Many companies match the gifts of spouses, retirees, and surviving spouses or retirees in addition to gifts from current employees. Please contact your personnel or human resources office for eligibility information and to obtain a matching gift form.

Memorial Gifts: When friends and loved ones suggest gifts to your favorite charity in lieu of flowers, we hope that you’ll remember the Kafoglis Lectureship Fund and/or the Research and Teaching Fund.
THE KAFOGLIS FUND SPONSORS ITS FIRST LECTURE

While not fully funded yet, the Kafoglis Fund served as a co-sponsor, along with the Halle Institute for Global Learning and others, to bring the 2011 Nobel Prize winning economist Christopher Sims to campus. He addressed a large gathering of students, faculty, and members of the Emory and wider community on Tuesday, April 3, 2012. He discussed his award-winning work on “Statistical Modeling of Monetary Policy and Its Effects.” Noting that the U.S. experienced 10 recessions since 1950, he concluded that monetary policy explains 30% of business cycles. The rest could include things like technological changes, internet changes, etc. Business cycles, he said, do not rely solely on monetary and fiscal policy. Dr. Sims is the Harold H. Helm Professor of Economics and Banking at Princeton University. He is also President-elect of the American Economic Association, a member of the National Academy of Sciences, a Member of the American Academy of Arts and Sciences, and a fellow of the Econometric Society. He received his Ph.D. from Harvard and taught at Yale, the University of Minnesota and Harvard before moving to Princeton. Chair, Elena Pesavento, welcomed Dr. Sims and the audience. Dean Robin Forman gave a delightful introduction of the speaker.

Thanks to all of you who contribute to this fund. Please continue. The fund is still not at the level required to sustain it.

THE RESEARCH AND TEACHING ACCOUNT permitted us to send David Frisvold, Assistant Professor, to a conference of the American Society of Health Economics. It also sponsored last fall’s Homecoming Lecture and partially sponsored our faculty seminar series. Using these funds, next year we plan to start a program to encourage research by undergraduates. Thanks to all of you who contribute to this fund. I hope you will continue to support it.

You may make a donation:

By going to our web page at economics.emory.edu/giving for detailed instructions.

By mailing your gift to:
Office of Gifts and Records
Emory University
1762 Clifton Road
Atlanta, GA 30322-1710

By calling 404-727-4494 between 8:00 a.m. and 5:00 p.m. to speak to an Emory Annual Fund representative.
Featured Faculty

Associate Professor, Maria Arbatskaya, does an outstanding job as Director of our growing graduate program. Serving as Director since 2006, she works with graduate students from their recruitment to graduation and placement. She supervises micro/macro/professionalization/pedagogy lunch meetings in which students develop as scholars and teachers. The graduate program is developing nicely. The placements are excellent and the number of applications to the Ph.D. program has increased this year to 183 (three-fold since the time she started as Director)! For additional information on current and future students, see the section on graduate students below.

Maria began her academic career in her native Russia where she earned a Diploma in Applied Mathematics from Moscow State University in 1993. She earned an M.A. in Economics in 1995 from the New Economic School in Moscow and a Ph.D. in Economics in 1999 from Indiana University in Bloomington, Indiana. Happily, she joined our faculty right after earning her Ph.D. She works in the fields of industrial organization and applied game theory, exploring such topics as low-price guarantees, consumer search, referrals, sticky prices, and contests. Maria published papers in the Rand Journal of Economics, Scandinavian Journal of Economics, Economic Theory, and Journal of Law and Economics. She also has four publications in the International Journal of Industrial Organization. Maria presents her work regularly at professional conferences, including the Southern Economic Association, the International Industrial Organization Conferences, Econometric Society’s meetings, and meetings and conferences held at various universities.

She teaches courses to undergraduates on Managerial Economics, Industrial Organization, Games and Economic Activity, Business and Government, and Intermediate Microeconomics. In the graduate program, she teaches an advanced course on Microeconomics and a course on Market Structure and Imperfect Competition. By invitation, she has taught various Microeconomic courses at several universities in Russia.

Since 2000, Maria has been managing the activities of the departmental soccer team, the “Optimizers.” The team practices on Saturdays at the Candler Field and welcomes all undergraduate and graduate students and faculty in the economics department to join them for friendly practices and games.

Maria’s husband, Kaushik Mukhopadhaya, teaches statistics in the economics department. In summer, they alternate traveling to Moscow (Maria’s home town) and Kolkata (Kaushik’s home town) with their two kids.

Our department and Emory consider themselves fortunate to have Maria on the faculty.

Chair’s Corner

Summer is here again and with it the end of another school year, my second year as Department Chair. This exciting year brought new and interesting events. Our successful November conference on macroeconomics preceded a talk in April by Dr. Christopher Sims who won the 2011 Nobel Prize in Economics for his work on ‘Statistical Modeling of Monetary Policy and Its Effects.’ For more on this talk, see below under Faculty News and Notes. This high profile event marks the beginning of a formal collaboration between the Federal Reserve Bank of Atlanta and the Economics Department that we hope will last for many years to come. We plan to co-host many other events. I’ll tell you about them in the December newsletter.

We hired a new member of the faculty, Junghoon Lee, from the University of Chicago. He will join our macro group starting this summer.

This spring I co-taught an exciting new course titled “India Today: Economics, Politics, Innovation and Sustainability.” I worked with Holly Semetko (Political Science) and Marion Creekmore (Office of International Affairs). We studied contemporary India from a variety of perspectives and invited several prominent guest speakers, including Jagdish Sheth (Kellstadt Professor of Marketing, Goizueta Business School) and Sir Salman Rushdie, University Distinguished Professor. We utilized books by Dr. Sheth and Sir Rushdie. We also drew on other literature as well as research in the social sciences. For an entire semester, we discussed with the students what we should expect from business and politics in India in the next decade, the history and current situation of US-Indian relations, issues relating to innovation and sustainability, and the Indian health care system. The format as a University wide course worked very well. We hope to offer the course again next year.

As I wrap up the past year, I am already thinking ahead to the next one. We will welcome Dr. Clifford Smith in September when he delivers a lecture during Homecoming Weekend. See information below under Active Alumni. Several other high profile speakers will also join us during the next academic year.

Our students continue to perform very well. This year’s Honors Class earned the highest average GPA of any such class. I and my colleagues congratulate the more than 250 majors and minors who graduated on May 14, 2012.

Have a restful and happy summer. Please stay in touch.

~Dr. Elena Pesavento, Associate Professor and Department Chair
Faculty News & Notes

Georgia Bio honored **President James Wagner** with its 2012 Industry Growth Award, the organization's highest annual honor. The award recognizes individuals in the public and private sectors who have made extraordinary contributions to the growth of Georgia's life sciences industry. President Wagner was honored "for his leadership in helping transform Emory University into one of the top life sciences research universities in the world, attracting and producing some of the world's finest health sciences leaders." Because several members of our faculty work in the area of health economics, our department contributes to Emory's success in this area.

Provost, Earl Lewis, announced that **Caroline Fohlin**, an economic historian, will join the faculty of the department of economics as a Distinguished Visiting Professor. Caroline has served as a research professor of economics at Johns Hopkins University since 2005. Her research focuses on how financial markets, institutions and systems have developed around the world over time, and how the organization of financial intermediaries influences their performance and potentially impinges on economic growth. We look forward to working with Caroline.

**Esfandiar (Essie) Maasoumi**, Professor Distinguished Professor of Economics, feels honored that Edward Elgar Publishing Ltd. plans to include his 1978 Econometrica paper in a new volume on 'The Economics of Income Inequality,' edited by Robert A. Becker, Professor of Economics at Indiana University, Bloomington, Indiana. Essie titled his paper, “The Measurement and Decomposition of Multidimensioned Inequality,” Econometrica, 54, 991-97. The publisher presently seeks formal permission to reprint Essie’s article and those of six others, including Joseph E. Stiglitz's 1969 article, "Distribution of the Income and Wealth Among Individuals", Econometrica, 37 (3), 382-97. Congratulations Essie! As an invited speaker, Essie attended a meeting of the Society for Dynamic Economics and Econometrics at Bilgi University, Istanbul, Turkey, April 5-6, 2012. Last October he gave a mini course on Program Evaluation and Treatment Effects at Monash University in Australia.

**On Hatred:** The Emory University Public Law Research Paper Series, Vol. 14, No. 1, 4/9/2012, published a paper by **Tilman Klumpp and Hugo Mialon** that investigates the effects of hatred in two-player games. They modeled hate as "reverse-altruism" or a preference for low opponent payoffs, and derived implications for behavior in conflicts where hate motivates the players. They used these results to illuminate several policy issues, both historical and contemporary: the strategy of non-violent resistance during the American civil rights era, shifts in U.S. national security strategy following 9/11/2011, and the justification for penalty enhancements for hate crimes.

**Sheila Tschinkel**, Visiting Professor, spoke to alumni groups in Atlanta, Philadelphia and Westchester County New York. She rotated off the Emory Board of Visitors and its Executive Committee. The Rollins School of Public Health recently named her to its Dean's Council. On February 19, 2012, the Atlanta Journal-Constitution reported that Sheila indicated that “the low savings rate in the early 2000s could be explained by the increase in home prices." Sheila and Assistant Professor, Tanya Molodtsova, plan to take students to tour the Federal Reserve Bank of Atlanta this fall.

**Dr. Tilman Klumpp** will leaves us to become an Associate Professor at the University of Alberta. His wife, Dr. Xuejuan Su (Su to us) will also leave us to join the faculty there as an Assistant Professor. Su teaches for us as a Visiting Assistant Professor. **Dr. Kaiji Chen** assumes the role of coordinator of seminars for the department. We're very sorry to lose Tilman and Su but this move represents a very good professional opportunity for them.

**David Jacho-Chavez**, Assistant Professor, gave a series of lectures at the Universidad San Francisco de Quito (Equador) titled “Nonparametric Methods for Distributional Analysis in Microeconometrics Using R,” in July 2011. He also presented his research At Georgia State University (October 1011), the University of Colorado in Boulder, Colorado (December 2011) and Ohio State University (May 2012).

**Professor Tao Zha** was appointed a Research Associate for the NBER's program on 'Economic Fluctuations and Growth.' This represents an addition to last year's appointment for the program on Monetary Economics. Tao also received a grant from the National Science Foundation.

Greg Berns, Distinguished Professor of Neuroeconomics and Director of Emory’s Center for Neuropolicy, has been as busy as ever pursuing the following projects:

**Does Your Dog Really Love You?** Greg trained two dogs to enter an MRI machine and to stay still so as to permit a brain scan on an unrestrained and unmedicated dog. This is a first! Ultimately, the goal of the project is to understand the human/dog relationship from a human perspective. Greg told the LA Times that people like to believe their dog understands and loves them, and he and his colleagues on the project want to know what the dog is really thinking and processing. The simplest question that he expects to answer soon is whether it is all an act—whether the dog acts all cute and stuff to get food, or is there more than that. Reported in the LA Times and 49 other news sources.

**What Price for Your Soul?** On January 23, 2012, the Daily Mail, UK reported that “Some things ARE sacred. Scientists find beliefs that we won’t ‘sell out’ are kept in a different part of the brain. They used magnetic resonance imaging to monitor brain activity while they offered people money to turn against previous statements they had made about their beliefs.” Greg is the lead author of the study.

**Pondering the neuroscience of moral platitudes, free will, and sacred values.** “The Brain secretes thought as the liver secretes bile,” asserted 18th century physiologist Pierre Cabanis. During the week of March 12-17, the Potomac Institute for Policy Studies convened a conference of neuroscientists and philosophers to ponder how our brains secrete thoughts about ethics and morality. Greg presented his study, “The Price of Your Soul: Neural evidence for the non-utilitarian representation of sacred values.” The Philosophical Transactions of the Royal Society recently published the work.

**The Power of Introverts: A Manifesto For Quiet Brilliance:** On January 24, 2012, the Huffington Post reported that Emory University neuroscientist Greg found that people who dissent from group wisdom show heightened activation in the amygdala, a small organ in the brain associated with the sting of social rejection. Greg calls it the “pain of independence.”

**Buttoned Up:** Commit five acts of random kindness and you’ll feel better. Emory University neuroscientists James Rilling and Greg found that the act of helping another person triggers the same part of the brain as self-gratification. So when you help someone else, you get the same “reward,” neurologically speaking, as if you had done something to fulfill your own desires. For example, they suggest that you: (1) organize someone else’s closet, (2) baby-sit for a stressed parent, (3) detoxify a friend’s car, (4) run an errand for a harried friend, etc. Reported in The Republic, Columbus, Indiana, February 6, 2012.

**On January 1, 2012, Emory officially became a tobacco-free.** A new policy bans the use of tobacco products on all university and Emory Health care properties. Explaining the new policy, Emory spokeswoman, Erin Long, said, “The feeling that the use of tobacco is one of the leading preventable health risks worldwide, we felt that it was important to eliminate it campus-wide.” Long also said that the university will beef up its smoking cessation programs, which it will offer to students, faculty, staff and their spouses for free. Emory joins more than 580 colleges and 2800 hospitals in the U.S. which have similar policies.
Stimulating Students

The Department held its 19th ODE (Omicron Delta Epsilon, the economics honor society) awards dinner on Tuesday, April 3rd. The department recognized the upcoming retirement of John Ford, VP for Campus Life, and me, Beverly Schaffer. I will retire on December 31, 2012 after 47 years on the Emory faculty. My colleague, Len Carlson, recalled some of my professional activities over the years while William Shropshire recalled my very first years when he also served as a colleague. I received some very nice gifts and am very grateful for them and for the many years during which I enjoyed teaching at Emory.

One of my former students, Eric J. Tanenblatt, gave the address to the 85 honorees, as well as to the faculty and friends who attended. He focused on the excellent foundation that his education at Emory gave him. Then he reviewed the remarkable career he built on that foundation. Bit by the political bug during a summer internship in D.C. between his junior and senior years, he went to work on George Herbert Walker Bush’s presidential campaign. He worked for Health and Human Services and for the Peace Corps where he met his political mentor in Director Paul Coverdale. He worked for Coverdale when he entered the Senate from Georgia. He left Senator Coverdale in 1996 to work for Bob Dole’s campaign after which he worked in marketing for 4-4.5 years. He met George W. Bush in 1999 and subsequently worked on his campaign. In 2004, he helped Sonny Perdue win election as the Governor of Georgia. Now he is serving as an advisor to Mitt Romney in his bid for the Republican nomination. He also serves as Senior Managing Director in Atlanta for the law firm of McKenna, Long & Aldridge.

The Tate Whitman Prize in Economics went to Mark Gifford.

- Mark majored in economics with a minor in religion.
- He co-chairs the Honor Council
- He will work for Deutsche Bank in Florida following graduation
- His honors thesis seeks to estimate the deterrent effect of imposing capital punishment on individuals for crimes committed at 16 or 17 years of age. His findings indicate no effect.

The award goes to the graduating senior who best illustrates Dr. Whitman’s characteristics: economic clarity, personal integrity, and leadership. Dr. Whitman served as the first Chair of the department of economics from 1968 to 1978.

The George Benston and Richard Muth Prize went to Katie Lee.

- Katie double majored in economics and math.
- Her honors thesis explores the impact of native American casinos on income differences between native Americans and Whites to understand the potential impact on income gaps of current legislation in Hawaii that would permit casinos on native lands and distribute the profits towards the native population. She developed this previously unexplored question and project on her own.

This award celebrates the spirits of both Professors Benston and Muth, whose strong commitment to research and reputation for excellence helped to facilitate Emory’s transition from a teaching to a world class research institution, as it is today. In their honor, this award goes to the student who best demonstrates exemplary intellectual curiosity, passion, and skill in economic analysis.

The Jack and Lewis Greenhut Prize went to Jessica Moore.

- Jessica double majored in economics and math.
- She plans to attend graduate school
- Her honors thesis aims to estimate the effects of the 2006 merger of the New York Stock Exchange and Euronext, which created the first transnational equities exchange. Using a dataset of about 3 million observations, she investigated the impact of the merger on liquidity and market competitiveness.

The Greenhut family established this prize in honor of their son, Lewis, while son Jack pursued his education at Emory. The family generously continues to offer the prize in honor of their two sons. The prize goes to a graduating senior who best demonstrates the highest degree of excellence in research and scholarly activities and who intends to pursue graduate studies.
At the ODE dinner on April 3, 2012, Professor Maria Arbatskaya announced the winners of the two $600 graduate awards, the Award for Excellence in Research and the Award for Excellence in Teaching. The Award for Excellence in Research went to Erik Nesson and Mzwandile (Muzi) Ginindza. Erik studies smoking behavior, the spread of flu and STDs, alcohol policies and violent crimes. He produced a large number of solo and co-authored papers. Associate Professor, Dr. Sara Markowitz, serves as his advisor.

Muzi works in the area of macroeconomics, studying the impact of technology shocks on hours worked. He participates in the conferences sponsored by the Federal Reserve Bank of Atlanta. Dr. Elena Pesavento, Chair and Associate Professor, serves as his advisor. He plans to join the job market next year.

The Graduate Student Award for Excellence in Teaching went to Erik Nesson and Handie Peng. Both excel at teaching and earn amazingly high student evaluations.

Bing Jiang will represent us at the meetings of the Southern Economic Association this year in New Orleans. She will receive a $100 cash award and a complimentary one-year membership in the SEA. In addition, the registration fee for the conference will be waived.

Great opportunities continue to present themselves to our graduate students. The following lists students and the positions they accepted:

- Erik Nesson, (Ph.D., Sp. 2012), Assistant Professor at Ball State University
- Josh Robinson, (Ph.D., Sp. 2012), Assistant Professor at the University of Alabama-Birmingham
- Stephen Kiebzak (Ph.D., sp. 2012), Associate at the Analysis Group, Inc.
- Lei Jiang (Ph.D., Sp. 2011), Assistant Professor in the School of Economics and Management at Tsinghua University, the best university in China and one of the top 50 in the world.
- Mary Schroeder (Ph.D., Summer 2011), Assistant Professor at the University of Iowa
- Griffin Edwards (Ph.D., summer 2011), Assistant Professor at Southern Utah University

HONORS STUDENTS:

Nine majors/joint majors graduated with honors this spring. They and their topics follow:

Shehzad Bharwani, Models of Social Entrepreneurship: Profit Maximization and Social Value Creation, **

Gregory Borys, Hate Crimes: An Empirical Analysis on the Impact of Legislation, ***

Diana Chen, The effect of Bribery and Corruption on Investment Decisions in Eastern European Countries, ***

Jonah Chilton, Happiness and Parks: An Empirical Approach, ***

Mark Gifford, The Impact of the Outcome of Ford v. Wainwright (1986) on Homicide Rates, ***

Kathryn Lee, Gambling with Hawaiian Home Land: The Potential Effects of a Casino in Hawaii on Income Differences between Native and Non-Native Populations, ***

Jessica Moore, A Study of the NYSE-Euronext Merger, ***

Tomoko Namura, Price Controls Under Third Degree Differential Pricing, ***

Canyun Lucy Zhang, Effects of Reference Prices on Evaluations of Discounts, ***

*** = High Honors; *** = Highest Honors

MAJORS GO FORTH TO GRADUATE AND PROFESSIONAL SCHOOLS:

The following list includes a few of our majors and the programs and schools they plan to attend following graduation:

Brenda Chew, received the Bobby Jones Scholarship, MS in Sustainable Development, St. Andrews, Scotland
May Kaw, MPP, June 2012, University of Chicago
Rezwana Sattar, MPH, Emory University
Jimin Ashley Seong, MD, Ewha Women’s University, Seoul, Korea
Howard Riady, PhD in Economics, University of Chicago
Liz Unterman, JD, Washington University in St. Louis

OTHER MAJORS/MINORS GO OFF TO WORK:

Matt Jackiewicz will join Boeing in Seattle following graduation. Jessica Moore will work for an economic consulting firm in DC following graduation.
The department received 183 applications to its Ph.D. program this year. We accepted the following seven:

<table>
<thead>
<tr>
<th>NAME</th>
<th>SCHOOL/DEGREE</th>
<th>HOME COUNTRY</th>
<th>FIELD OF INTEREST</th>
</tr>
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<tr>
<td>Alexander Alexeev</td>
<td>European University/MA</td>
<td>Russia</td>
<td>Experimental Economics</td>
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<tr>
<td>Xiangyu Gong</td>
<td>Duke University/MA</td>
<td>China</td>
<td>Macroeconomics</td>
</tr>
<tr>
<td>Karim Hasani</td>
<td>Institute for Management/MS</td>
<td>Iran</td>
<td>Econometrics</td>
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<tr>
<td>Alexander Lundberg</td>
<td>LSE/MS</td>
<td>United States</td>
<td>Experimental Economics/Econometrics</td>
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<tr>
<td>Yanbing Min</td>
<td>George Washington/MA</td>
<td>China</td>
<td>Microeconomics</td>
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<tr>
<td>Xin Yan</td>
<td>Boston University/MA</td>
<td>China</td>
<td>Microeconomics/Econometrics</td>
</tr>
<tr>
<td>Andrew Waugh</td>
<td>South Dakota State/MA</td>
<td>United States</td>
<td>Health Economics</td>
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Active Alumni

Gary Harlan Roseman wrote that he spent a month during the summer of 2011 in Kyrgyzstan writing a report on investment and trade potential in the textile and food processing sectors. The International Research and Exchange Board (IREX) sponsored the trip. Gary works in Washington, DC.

Matthew J. Higgins (Ph.D., 2004) writes that the National Bureau of Economic Research (NBER) invited him to join its productivity group as a Faculty Research Fellow, effective May 4, 2012. CONGRATULATIONS, Matt!!! He is the Imlay Assistant Professor of Strategic Management in the College of Management at Georgia Tech.

Please stay in touch! We welcome news from our alumni.

We want to continue this alumni news feature and hope that you will send us your news. We would love to include your photos as well, so please send them along with your news to bschaff@emory.edu or econdept@emory.edu. Address letters to Beverly Schaffer at: Department of Economics, Emory University, Atlanta, GA 30322-2240 The next newsletter will be sent in December 2012.