
ECONOMIC ENDEAVORS

Volume 4, Issue 1

The Haverford College Economics Department Newsletter

May 2011

Greetings from the Haverford Economics Department!

This year, our department benefited from the services of two new visiting professors, Paul Cichello and Shannon Mudd, as professors Ghosh and Preston have been on leave. Paul is a specialist on labor outcomes in developing countries, with much research experience concerning African countries. At Haverford, he has taught advanced courses “Africa through an Economic Lens” and “Impact Evaluation in Developing Countries”, as well as a Junior Research Seminar on Labor in Developing Countries. Shannon filled our department’s always burning need for courses on finance, teaching Advanced Corporate Finance, International Finance, and a Junior Research Seminar in the same field. Both professors were extremely generous with their time and well received by the students. We are thrilled that they will be remaining on staff: Paul will be continuing in his current role and Shannon will be heading our new microfinance initiative.

On a very sad note, Professor Emeritus Vernon Dixon, who taught at the department from 1971 to 2006 and mentored a number of young faculty and students, passed away at the end of April. Provost Linda Bell gave a testimonial at his memorial service, remembering that he set a tone of warmth and collegiality that continues as his legacy in the department today.

Our recently introduced but already extremely popular alumni forum and Comanor Lecture Series attracted attendance from other departments as well as from the neighborhood. The third annual economics alumni forum on November 9, 2010, was devoted to the economics of climate change. The panelists were Daniel Price ’77, a senior partner at Sidley Austin LLP, and Marc Stuart, a carbon trading entrepreneur. Paul Minnice ’09 moderated the panel. On March 28, 2011 Nobel Prize winner, Paul Krugman, delivered the second William Comanor ’59 lecture to a standing room only crowd in Founders Great Hall. Speaking on “The Mess We Are In”, he addressed the causes and consequences of the financial crisis and the subsequent recession. The video of the lecture is on the college website: <http://news.haverford.edu/blogs/haverblog/2011/03/29/paul-krugman-on-%E2%80%9Cthe-mess-we%E2%80%99re-in%E2%80%9D/>

Next fall our economics alumni forum will be on “The Causes and Consequences of Rising Income Inequality.” We are looking for alumni who feel especially expert in this area to volunteer their services on the panel. Please email Anne Preston at apreston@haverford.edu if you are interested in contributing.

We are saying farewell to 33 incredibly talented senior economics majors. They have made our job especially rewarding over the past 2-3 years and we wish them all well. We are expecting to hear about their early career successes in the next few newsletters! Please enjoy reading about their senior theses on pages 7-9.

Economic Endeavors continues to be a great way to make connections throughout the Haverford economics community and we look forward to hearing from you or even welcoming you for a visit to the department. Also, you can read older newsletters archived here: <http://www.haverford.edu/economics/alumni/>

Vladimir Kontorovich, Professor and Chair
Haverford Economics

In this issue:

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Alumni News!

Bernard Hollander '37 retired in 2008 after 59 years as a lawyer in the Justice Department Antitrust Division. See a full write-up on page 5.

Bob Healey '50 just finished reading *The Big Short*, by Michael Lewis. Our financial system needs some new and enlightened engineering. Regards from South Florida.

Pierre Clavel '57 Professor Emeritus at Cornell University's Dept of City and Regional Planning. I retired last July, having finished a book called [Activists in City Hall: The Progressive Response to the Reagan Era in Boston and Chicago](#), which is about how mayors Ray Flynn and Harold Washington teamed up with neighborhood activists and, through the 1980s, put together redistributive policies in the face of local opposition and a national trend in the other direction. I've gone on the board of [Progressive Planning](#), the magazine published by Planners Network, writing articles; and have been working hard marketing the book, with a combination of lectures and a new website and blog at www.progressivecities.org. Alumni may be interested in my recently published book <http://www.aap.cornell.edu/crp/research/pcnp/index.cfm>

Perk Pedrick '58 I am looking forward to attending the May 15 exercises, as my granddaughter, Elizabeth Zoidis, will be a member of the graduating class, in economics, I am proud to say. The occasion will, however, be a bit different from mine. My class, 1958, had fewer than 100 graduating seniors and just three of us were econ majors. The depart has come a long way. Liz's father, Paul Zoidis, is also a Haverford grad, Class of '81, although not in economics. Liz's mother (my daughter) wanted to apply, but Haverford was still deferring its decision to go coed. She had to settle for spending her junior year at Haverford, on leave from Amherst. I am happier than ever to have been an economics major. The subject becomes more intriguing, the longer one studies it, and that study can go on forever. In retirement, I have more fun reading economics papers than I did when I was a student. The Pedricks and the Zoidises look forward to making Graduation Day a family affair. Three generations! More to follow?

George Parker '60 was named Non-executive Chairman of the Board of iShares which is the largest family of Exchange Traded Funds in the U.S. and the world with nearly \$400 billion under management. The funds are managed by Blackrock Global Investors in New York City. He also joined the board of Colony Financial, Inc., a NYSE listed Real Estate Investment Trust (REIT) which is managed by Colony Partners in Los Angeles. He continues on the boards of Netgear

G. Parker cont'd

(the consumer electronics company) in San Jose, California; Tejon Ranch; First Republic Bank (a NYSE traded bank) with offices in CA, NY, MA and OR; and Threshold Pharmaceuticals. He teaches MBA courses in Corporate Finance and Private Equity at Stanford University. While technically emeritus, he continues to teach on a year-to-year call back basis. "We need more Haverford graduates to apply to the Stanford Business School. I fear they have a tendency to "look east" rather than "look west" when it comes to business school. I think I was the first Haverford graduate (class of '60) to attend the Stanford Business School. Since then (50 years) we have had about a dozen – far too few."

Hugh Knox '62 will be attending the 50th Anniversary Meeting of the Southern Regional Science Association in New Orleans. "Prof. Krugman may recall my giving him the Association's Award for his distinguished work in regional economics/regional science at an earlier 1990's meeting in Puerto Rico when I was the President of the Association. I also recall that as a senior economics major at Haverford I had the pleasure of hosting three other Nobel winners in Economics as Philips visitors--Milton Friedman, Kenneth Arrow, and Paul Samuelson. Paul Krugman continues a great tradition" [*in response to Paul Krugman's visit to HC campus March 2011*].

Kurt Rogers '70 is currently a Financial Advisor with Raymond James & Associates in Orlando, Florida, having been in this field for 30+ years. He has two daughters and 2 grandchildren. After being a widower for 3 years, he recently became engaged. "My Haverford experience has always been an integral part of my life as it was not so much 'what' I learned while there, but the process of learning and reasoning itself."

David Fox '73 considers his time at Haverford College to have been one of the best times of his life. "The education was truly outstanding and the opportunity to be part of a community of so many bright students and professors had a great impact on my development. The principles, values and critical thinking skills that I took away from Haverford have aided my life journey". As President of Advocate Good Samaritan Hospital, he is proud to announce that the hospital has been honored with the 2010 Baldrige National Quality Award. He and his team will be presented with the award later this year by either President Obama or Vice President Biden. Details can be found here: http://www.nist.gov/baldrige/baldrige_recipients2010.cfm

Lorenzo Villalon '73 continues as the CFO of a private mining company in Chile, producing copper concentrate and copper sulphate. We are starting a new operation, precious metals, and we expect to begin production of silver and gold in the next few months to complement our copper business. Our kids are doing well: the oldest received an MBA from the University of Chicago and is now working at a hedge fund in Greenwich, CT. Number

L. Villalon cont'd

residency at UCSF, specializing in emergency medicine. And the youngest is in his 1st year of law school at University of Hawaii.

Randall K. Filer '74 continues as Professor of Economics at Hunter College and the CUNY Graduate Center. In addition, he is Chair of the International Faculty Committee of the International School of Economics at Tbilisi State University (ISET) an MA program serving the South Caucasus and a Visiting Professor and member of the Executive and Supervisory Committee of CERGE-EI in Prague. CERGE-EI is an MA and PhD program that serves the entire post-communist world and will celebrate its 20th Anniversary in the Fall of 2011. Randy is also President of the CERGE-EI Foundation, a U.S.-based nonprofit that supports not only CERGE-EI, but also economic education and research in Central Europe and Eastern in general. He is increasingly realizing just how much Haverford influenced his future career. He also invites all current Fords to consider CERGE-EI's junior year abroad program (<http://cerge-ei.cz/upces>).

David Spitulnik '76 has accepted a position as president of the Maine Companies effective January 10.

John Kaestle '77 I graduated in 1977 from Haverford with a degree in Economics. Following two years in consulting with Arthur Andersen and a graduate degree from Dartmouth, I went to work for Weyerhaeuser Corporation in Seattle. After 25 years in finance, operations, sales and marketing and executive roles, I took a job with a late stage start-up Company called HaloSource, <http://www.halosource.com/>. Today, HaloSource is a leading water technology company in affordable and effective drinking water for emerging market consumers, in green environmental water solutions, and recreational water products. Today, we have operations in India, China, the US and Pakistan, run by great employees from 12 different nationalities. The Company went public in London in October of 2010. I still stay in touch with many fellow graduates from '77 – **Kevin Kelly, Jon Orwitz, David Stubbs, Gary Dolny, Jon Darrow, Josh Mankiewicz** and we get together periodically to spend time together, tell stories and enjoy getting old(er).

Gary Becker '78 After getting my MBA at UVA, I enjoyed 20+ years in a classical corporate Brand Marketing career at such companies as Thermos, Corning Consumer Products and Texas Instruments. After tiring of the corporate lifestyle, I decided to make a career

G. Becker cont'd

change and have spent the last 9 years as a Commercial Real Estate Broker. I'm now practicing in the still economically strong Raleigh, North Carolina area.

Eric Sedlak '80 was elected to the Board of Governors of the American Chamber of Commerce in Japan. He has now been elected to the boards of American Chambers of commerce in three countries -- Vietnam, Singapore and Japan, and has chaired the Ho Chi Minh City chapter. Eric also co-wrote an updated Vietnam chapter in International Joint Ventures.

Ben Lin '82 His daughter, Fiona Lin ('14) entered Haverford as a Freshman this academic year. She reports that she is having a great time and loves being at Haverford.

José Velasco '84 I created my own Family Office asset management company last year.

Lee Smith Gleiser '85 graduated from Haverford with a degree in Economics and a concentration in Latin American Development. I have spent most of my career working in professional baseball and hockey in the marketing and promotions field. I started working in sports at Veterans Stadium in event management while getting my law degree from Temple University. I practiced law a short while before joining the front office of the Miracle Baseball Team in Pompano Beach, Florida which later became the AA franchise for the Minnesota Twins. As Assistant General Manager of the team I helped run Spring Training for the Twins as well as the AA Franchise. From there I went to Tyler, Texas to become General Manager of the Tyler Wildcatters, a team in the Texas Louisiana League. In 1994 I relocated to Dallas to work for the National Hockey League Franchise the Dallas Stars. We won the Stanley Cup in 1999 and I ran the parade in the City of Dallas and the Pep Rally for 17,000 plus fans at Reunion Arena. In 2002 with the NHL lockout I left the team to focus on our family and had my own special event management business before going to work for the Meadows School of the Arts at SMU.

Ty Ahmad-Taylor '90 I am running my own sports startup, FanFeedr, which provides real-time updates about a fan's favorite teams or players. We have been around for two years, based in Dumbo, Brooklyn. **Mark Sanders '90** is running a Czech version of Groupon in Prague, and looks forward to telling Google "no," as well. He is married with two lovely children, Natalia and Oliver. **Ted Burnett '90** is steering mergers and acquisitions at a small telecom firm in Basking Ridge New Jersey, famous for

Looking back on my Haverford experience, I use many of the things I learned every day in building this [HaloSource] business. Haverford is a great school and a great place to start one's journey through life and employment.
~John Kaestle '77



Alumni News!

David Eaton '96 was recently promoted to Associate Vice President of Compensation and ESG Research at proxy advisory firm Glass, Lewis & Co. "I have been very busy the last few months, preparing for the 2011 proxy season and the Dodd-Frank Act-mandated 'say on pay' shareholder votes. Executive compensation is the biggest issue at annual meetings this year, so my time has been split between research and writing, meeting with clients, and speaking at various forums and conferences. Very busy, but very interesting work."

Michael Rixon '98 is CEO of TSG Reporting, www.tsgreporting.com.

Rich Billings '00 I recently got promoted to Chief Financial Officer of Rocketship Education, a national nonprofit elementary charter school network dedicated to eliminating the achievement gap. You can find more information about Rocketship at www.rsed.org.

Timothy M. Mulvaney '00 is married to Ashley Hedrick '02. They are expecting their first child in June. Timothy is an Associate Professor of Law at Texas Wesleyan University School of Law in Fort Worth, Texas (<http://www.law.txwes.edu/Faculty/FacultyProfiles/TimothyMMulvaney/tabid/1292/Default.aspx>). He teaches and writes in Property, Land Use, Natural Resources, and Environmental Law. His most recent article, "The New Judicial Takings Construct," is published in the Yale Law Journal Online and is accessible at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1734883.

Ben Leftwich '06 I recently began a new job at Anvil Media, Inc. (<http://www.anvilmediainc.com/>), an internet marketing company specializing in a broad array of search engine marketing services. We work with a variety of clients including PC World, Lucy activewear, and Oregon State University. I also recently got engaged to my longtime girlfriend, and fellow Haverford alum, **Lise Hurlstone '05**. We have plans for a wedding later this year (see photo on page 6).

Jon Kelman '06 I am still running 2 DC sports blogs, one I started with fellow alum Ben Reed ('06) called DC Landing Strip (www.dclandingstrip.com) that covers all DC sports and is linked by every major DC sports site, including [washingtonpost.com](http://www.washingtonpost.com). The second blog is the #1 Washington Wizards website, Bullets Forever (www.bulletsforever.com), where I have been an editor for almost a year.

Thomas Quinn '06 I am currently a second-year student at Stanford Law School. Between college and law school, I spent three years working on antitrust matters at NERA

T. Ahmad-Taylor cont'd

their "can you hear me now" commercials. He is married with four lovely children in New Jersey.

Jenn Houser '90 I'm a serial entrepreneur. I started my first business at H'Ford - The Haverford College Cafe. I've founded and sold 4 other businesses since then - the latest was Motionbox, a video sharing company that was acquired by HP Snapfish in 2010. Currently, I'm building UpStart Bootcamp, a business to help other founders start up smarter. We started by coaching founders, then published a book on business planning for startups ([Hit the Deck](#)), and just launched our first [online course](#) on the same subject. Here's my linked in info:

<http://www.linkedin.com/in/jmhouser>

And more info on UpStart:

<http://upstartbootcamp.com/about/company>

Robert Broadrup '92 I'm teaching Upper School Chemistry at The Tatnall School in Wilmington, DE. I earned my Ph.D. in Chemistry from Bryn Mawr College in 2005, and I live in Chester County, Pennsylvania.

Leila Dalbokov '94 "A year after graduating from HC and working in the government sector I went back to studying and got my MBA from University of South Carolina. Upon returning to Europe I got a job with one of the leading banks of Austria, Erste Bank. There I worked a total of 11 years (5 in Vienna and 6 as an expat in Croatia) predominantly in the international finance sector. On the personal side, I met my husband at the MBA program. In 2008 we had our first son and just recently, end of 2010, we had our 2nd son. I am home for the next 2 years on maternity leave and we currently live in Austria."

Richard Myers '95, studied under Professors Bell, Dixon, and Ball, and works as a derivative trader on Wall Street.

T. Quinn cont'd

Economic Consulting. Although Palo Alto is a tough place to leave – even for a few months – I will be heading back east this summer to work for a firm in New York.”

Maxine Markfield '07 I got engaged in August, and I will be getting married in September 2011 to chemistry major **Nick Riccio '07**. Currently, I am in my second semester at Carnegie Mellon University for grad school. I am getting my master's in public policy and management.

Dan O'Toole '09 joined the research staff of NERA Economic Consulting in October 2010, working in the firm's Antitrust and Intellectual Property practice areas. NERA provides expert economic analysis and testimony for litigation. Dan works in their White Plains, NY headquarters and lives in Manhattan.

Luke Van Meter '09 Immediately following graduation, I was a summer research intern at Penn in the Foreign Policy Research Institute. Then, starting in the fall, I was a Philly Fellow at the American Red Cross in Philly. In this role, I raised funds for disaster relief in greater Philadelphia, as well as in Haiti and Chile following their respective earthquakes. This year, I am the Individualized Learning Coordinator at the Science Leadership Academy, a progressive public magnet high school in Center City. Here, I've been managing an unusual program that allows/requires all students to create their own projects, internships, and other experiences. The school is an "Apple Distinguished School" featured on the Apple

Website: www.apple.com/education/profiles/science-leadership-academy/ Outside of work, I have been singing in two choirs, taking sculpture classes, volunteering at organizations for which my friends work, and playing hand drums for a local acoustic rock band. In the next few years, I'm hoping to go to art school to get a graduate degree in Industrial Design.

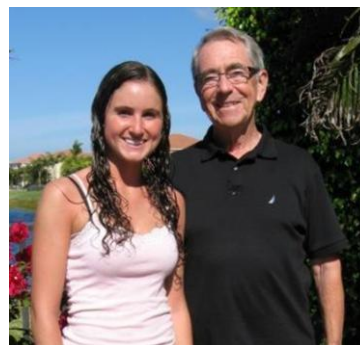


Bernard Hollander, class of 1937, was honored and celebrated by the Justice Department Antitrust Division in December 2010. Having spent 59 years as a government lawyer, he is the longest serving attorney in the division! During his career he received numerous awards, including the first Attorney General's Award for Lifetime or Career Achievement. See the full write-up here: <http://www.mainjustice.com/2010/12/16/doj-honors-antitrust-bulldog/>

Alumni News!



Ben Leftwich '06 and fiancé Lise Hurlstone '05



Elizabeth Zoidis '11 with her grandfather,
Perk Pedrick '58 (Mar 2011)



Lee Smith Gleiser '85, with her
husband Paul, and daughter Bethany



Ryan Frankel, Tom Quinn and Adam Shapiro, class of '06
Skiing in Park City, Utah in February 2011

Robert Bailey investigated the effects of specialized pitching roles and race on the formation of pitcher salaries in Major League Baseball. This study concludes that pitcher type and race influence how a pitcher is compensated for his performance and that pitcher type and race influence pitcher compensation independent of performance.

Alok Bhattacharya investigated the validity of ‘mental accounting’, specifically by determining whether individuals view an additional dollar in total household assets as a dollar less in total household debt. Furthermore, the analysis in the paper focused on how an individual’s perception of this assets-debt relationship affects their subjective well-being, i.e. their happiness.

Kathleen Bui explored whether self-employment is an outcome of weak opportunities in the waged sector or rather emerges from positive prospects on the demand side. She analyzed the factors that impact an individual’s decision to enter self-employment as well as the decision to remain self-employed. She found that individuals create their own jobs in responses to both weak labor markets and increased demand prospects.

James Burton spent a year exploring individual vs. joint lending methodologies across the global microfinance industry. I constructed panel data for two years using financial statements from 454 institutions across 60 countries in order to explore how organizational and environmental factors affect the supply of one lending methodology over the other. I found significant evidence that the industry is trending towards greater amounts of individual lending and that larger institutions are better equipped to handle this evolution.

Charles Carluccio examined how Major League Baseball (MLB) teams have been selecting players in their First-Year Player Draft. The study found that there is value in drafting college hitters within the first 50 picks more than any other player because they become the most successful players in the Major Leagues.

Stephen Chehi focused on quota transfers as a source of inefficiency by way of a dynamic rent dissipation mechanism. Extending work by Anderson et al. (2010), I argue that perpetual quota leasing by absentee owners or permanent sale transfers can be seen as a drain of rent from the active industry. These rent or wealth transfers in turn negatively affect the ability of active fishermen to innovate and generate dynamic rents when faced with liquidity constraints in impersonal capital markets.

Eileen Chow My thesis constructs proxies for deepening political and economic ties and measures their impact on the growth rates of countries, with particular attention on Taiwan. The evidence suggests trade with China has a positive and significant impact on growth rates.

Margaret Cronin identified differences between the market characteristics, relative performance, characteristics of play, and substitutes for the NBA and WNBA and, specifically, how those differences impact attendance for these leagues and the teams within them.

Dana Eiselen’s paper provides a survey of the literature regarding the development of the bottled water market, current industry practices, and the industry-related actions and inaction of consumers and government agencies in the United States. Several recommendations are made regarding potential ways to restructure the market in order to slow or stop the continued costs of industry-related externalities.

Ryan Fackler While the desire for control is a common area of focus for many academic disciplines, Economics has largely ignored individuals’ desires for control. Because of the ubiquity of control as a factor in daily decisions, it is imperative that individuals demand for control be studied. My thesis argues that individuals have a substantial desire for control that generates a demonstrable impact on preferences.

Jory Fong This thesis seeks to compare the effects of natural and non-natural disasters as a source of contagion due to fundamentals vs. changes perceptions. Events are divided into two main categories: crises that are expected to remain isolated, and events that are expected to yield spillover effects. Results from an event study examining government bond spreads indicate that contrary to opinion, natural disasters yielded more instances of spillover effects for longer periods of time.

Jillian Forde’s thesis focused on Information Efficiency in Recruiting Top College Soccer Players.

Oleksa Gerlak investigated the impact of human capital on economic growth and if it varies depending on a country’s income status. Overall, human capital is found to have a marginally important impact on economic growth. The impact is difficult to distinguish between low-to-lower middle income and upper middle-to-high income countries.

Scott (Travis) Gregory This paper uses an econometric model to quantify the relationship between appearing on The Colbert Report and increases in political campaign donations. The findings of this study imply that these types of "comedy" programs should be taken seriously by political strategists as variables that have real influence over a candidate's level of campaign donations.

Patrice Harkins This paper investigates the existence of a sunk cost effect in the decision making processes of the Major League Baseball clubs' management. This study builds on previous research, which points to an influence of these prior investment costs on decisions in the National Basketball Association. Findings showed that a player's overall draft pick had a significant effect on games played and number of at bats.

Daniel Hochberg This study examines the effect of contract year performance on free agent salary among position players in Major League Baseball. Results show that productivity in period $(t - 3)$ is underweighted in free agent contracts and there is also evidence that contract year productivity receives excessive weight in contract decisions.

Suk Hong Using a panel dataset on baseball players during 1996-2010, this paper explores the existence of veteran spillover effect and whether veteran players can indirectly improve the performance of his fellow teammates. The average experience of teammates is found to have a positive effect on the hitter's weighted on-base average.

Madelyn Houser employed data from the Microfinance Information Exchange to calculate a Panzar-Rosse statistic measuring changes in revenue with respect to changes in input prices in order to investigate the level of competition in microfinance markets in six countries across the globe. Results indicate that the microfinance markets in these countries (with the exception of Bangladesh) are not characterized by monopoly; thus, regulators may be justified in their opposition of interest rate ceiling regulations.

Alec Hubel Using fixed effects econometric analysis, this paper has found a substantial link between an institution's rank and acceptance rate, yield rate, volume of applications received, and the standardized test scores of an incoming freshmen class. These results suggest that these more impressive rankings may be correlated with more favorable admissions statistics.

Yoo-Sun (Christine) Hwang thesis analyzed the impacts and the policy responses to the Asian financial crisis and the recent global financial crisis in Thailand and Korea. The two countries learned from these two crises, and the thesis focuses on investigating these lessons.

Ankita Kochhar This paper investigates the determinants of the incidence and magnitude of punitive damage awards in a nationally representative sample of US State Courts in 2005. Incidence is more predictable than magnitude, which is primarily because jurors can rank behavior based on 'how bad it is', but struggle to put a monetary value while awarding deterrence awards.

Jason Leeds This article uses two ordinary least squares regressions controlling for market characteristics, demographic characteristics, and health-consciousness in America's 100 most populated cities from 1997 and 2007 to determine the relative influence of the factors on the demand for limited-service and full-service restaurants.

Elizabeth Mayell's thesis aims to explore market inefficiency and determine if private, liberal arts colleges have actually succeeded in matriculating a more intelligent or diverse student body by increasing expenditures per student. Increasing expenditures has an essentially negligible effect on attracting a more intelligent or diverse student body at both private, liberal arts colleges ranked among the top twenty-five in the nation and institutions ranked twenty-six to one hundred and fifty.

Remy Olson Socially oriented businesses are on the rise in the United States yet their social goals cause them to have higher costs and be less competitive. This paper investigates the viability of such a business model within a competitive market by determining the price premiums that consumers are willing to pay for goods manufactured or sold by social businesses. I find evidence of both significant differences in preferences between genders and that a higher perceived ability to consume may decrease consumers' willingness to pay social premiums.

Samuel Permutt In the National Basketball Association, many timeouts are called by coaches with the goal of stopping the opposing team's positive momentum. This paper explores the claim that timeouts enhance short-term performance following a series of negative events. Implications on the effectiveness of timeouts, existence of momentum, and decision-making strategies of coaches are discussed.

William Reilly This paper investigates the existence of insider trading leading up to, during, and following the 2008 financial crisis. Employing methods used by Acharya and Johnson (2007), we find evidence of insider trading in the nine months immediately following the start of the financial crisis for firms that have experienced credit deterioration or are expected to experience credit deterioration. However, we fail to find evidence of insider trading leading up to the financial crisis or once the fear and panic had subsided after the middle of 2009.

Nicholas Reynolds When perfect information is present in a model, the initial distribution of wealth will have no effect on whether or not equilibrium is Pareto efficient. The distribution of wealth not only can affect whether or not the equilibrium allocation is first-best efficient but further whether it is even constrained efficient.

Paul Shifflet The Republic of Slovakia experienced strong economic growth during the first decade in the 21st century. Nevertheless, this growth was unable to substantially decrease persistent unemployment in certain regions. The model indicates that much of the variation in changes in unemployment arise from characteristics unique to each respective region, indicating that the solution to persistent unemployment lies at the regional, not the national, level.

Christopher Southwick This study examines the question of how a municipality's relative location to its nearest interstate highway affects its population growth. It also looks at how a municipality's dependence on coal, which was an indicator of economic decline, and level of urbanity affects this effect. It found the closer a municipality was to its nearest interstate the faster it grew. It also found that a municipality's level of urbanity did affect how it responded to the interstate highway effect.

Thao Linh Lam Viet The government should regulate and monitor businesses, however, there are two contending theories about the impact of having government regulations: Public Interest theory and Public Choice theory. It is commonly believed that regulation is costly to firms and procedures are time-consuming, this created a general negative attitude towards regulation. However, the main finding is that certification and inspection have positive effects on log of revenue and general productivity of a firm.

Daniel Weaver This paper presents evidence on the relationship between employment opportunities and crime using state unemployment rates and individual weeks of unemployment per year as explanatory variables. The relationship depends on whether employment and crime are substitutes or complements, or the interaction between propensity and opportunity to commit crime. Results indicate that the relationship between employment opportunities and crime is substantially different during different time periods and that it has become more negative over time.

Ruilin Xu My thesis on Mergers & Acquisitions (M&A) in China examines if the acquirer firms are creating significant values for their acquired firms. It further investigates the differences in the values created for the acquired firms between strategic investors and financial investors, as well as the factors that may affect these differences.

Elizabeth Zoidis This study investigates the impact of policies and institutions promoting worker protection on labor productivity growth in an attempt to explain the recent divergence in labor productivity growth between the United States and the European Union. . The average direct effects of wage coordination, union coverage, and employment protection legislation (EPL) on labor productivity growth are found to be negative and significant, which suggests that higher levels of worker protection are detrimental to labor productivity growth.

Student theses are electronically archived in Haverford College's online library. The following link, http://www.haverford.edu/library/thesis_archive/index.php, will direct you.

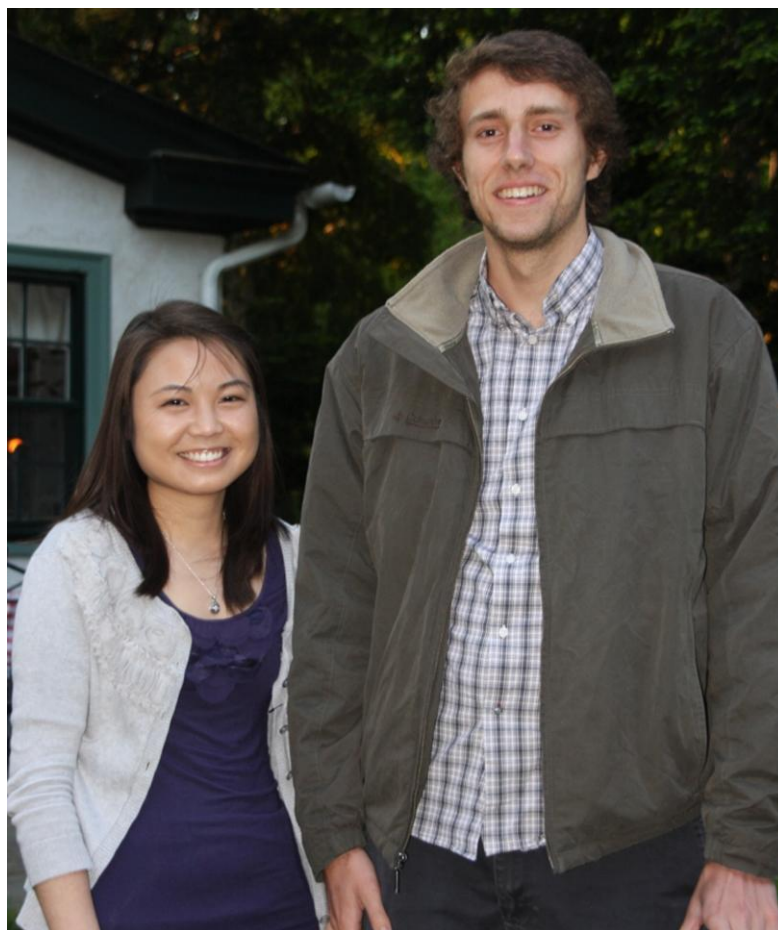
Featured Events

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‘The Economic Causes and Consequences of Rising Income Inequality’

Is this topic your expertise? In the fall (usually October) we hold the *Annual Economics Alumni Forum* where two or three economics alumni serve as panelists, and a recent graduate acts as the moderator. If anyone feels they have special expertise in this area and would like to participate, please get in touch with Anne Preston apreston@haverford.edu or Kim Minor kminor@haverford.edu.

2011 Thesis Prize in Economics



*The 2011 Economic Thesis Prizes were awarded to
Kathleen Bui and Nicholas Reynolds.*

In 2010-11, **Richard Ball** taught both versions of the economics department's introductory statistics course (Econ 203 and 204). As always, the group research projects that students do in the lab section of the course were varied and interesting. Professor Ball learns a ton from every project (and he hopes the students learn something, too). In the fall he also taught a 200-level game theory course, and in the spring he advised five really terrific senior theses. He continues work on two empirical projects using data from the British Household Panel Survey, as well as a game-theoretic analysis of campaign spending by political candidates competing in an election.

Linda Bell, as Provost, continues to work with the faculty on implementing the Blueprint for Haverford's Future in both moving toward the ambitious new curricular goals of the blueprint and the hiring of new faculty. Working with the Educational Policy Committee, Linda and EPC led the faculty in approving a substantive revision to the Freshman Writing Program, and working with the Associate Provost, chaired the successful Middle States Reaccreditation Process. Additionally, Linda continues to do research on women executives in her role as research associate at the Danish National Council and as research fellow at the IZA, in Bonn, Germany. In her role as Board Member for the Council for the Status of Women in the Economics Profession (CSWEP), Linda also organized two sessions for the 2010 American Economics Association conference, and two sessions for the Eastern Economics Assoc.

Biswajit Banerjee taught courses in Introduction to Economics, Empirical Macroeconomics, Economics of Transition and Euro Adoption, and Intermediate Macroeconomics and advised several senior theses during 2010-2011. The two elective courses will be offered again in the 2011-12 academic year. In addition, Professor Banerjee will teach courses in Intermediate Macroeconomics and a Junior Research Seminar on Exchange Rate Economics. In Fall 2010, he also taught the core macroeconomics course to MBA students at the Wharton School of the University of Pennsylvania. Professor Banerjee presented papers in two conferences in Europe in Fall 2010: one paper compared the road to euro adoption of Slovenia and Slovakia, and the second paper examined the cost and profit efficiency in the banking sector in Eastern Europe. He visited the Research Department of the Bank of Slovenia during the summer, and initiated work on performance of Slovene enterprises during the global financial crisis. He is currently collaborating on two research projects with other Economics Department faculty at Haverford: a project on the effectiveness of foreign exchange market intervention in Slovakia (with Professor Ghosh), and another on ethnic discrimination in Macedonia (with Professor Preston).

Faculty Updates

Paul Cichello joined the Department this year in a two year Visiting Position. In addition to teaching Econometrics, Paul was able to bring his development economics experience into the classroom, offering three courses at the 300 level: Africa Through an Economic Lens, Labor in Developing Countries, and Impact Evaluation in Developing Countries. Having spent the previous year teaching full time at Johns Hopkins School for Advanced International Studies (SAIS) Masters program, Paul was able to offer classes that challenged the students and came away extremely impressed with the Tri-co students. Paul also teamed up with Dr. Mudd to arrange a visit to his previous employer, The World Bank, in Washington DC. There, they met with experts on micro-finance, the informal economy, and labor demand issues in developing countries. The students also met with researchers with experience running impact evaluation studies. In his own research, Paul is engaged in an earnings mobility study analyzing changes in Egypt over the 2008-2009 period. Currently, his primary areas of interest outside of economic mobility analysis, are understanding the role that family and small businesses (microfirms) play in improving livelihoods in developing countries, as well as understanding the constraints these firms face.

Indradeep Ghosh's research interests lie primarily in macroeconomics, international economics, and new paradigmatic approaches to economics. In his published research, Deep has studied the relationship between trade and FDI in developing countries, and current account dynamics in the presence of imperfect substitutability between financial assets. In his current work, Deep and his colleague Bish Banerjee, are investigating an extensive dataset from Slovakia to understand whether central bank intervention in foreign exchange markets has any recognizable impact on the domestic currency of a country. Bish and Deep are also beginning to look into a unique survey dataset of Macedonian households, in an attempt to understand the kinds of developmental problems faced by households in transition countries. Deep is also very interested in exploring new approaches to economic thinking, especially the transdisciplinary possibilities across Economics and Sociology. With Haverford colleague, Mark Gould, Professor of Sociology, Deep has just embarked on an ambitious research project that aims to adapt a sociological model of deviant behavior to two economic applications: the presence of rogue trading in

Indradeep Ghosh cont'd

financial markets, and the phenomenon of illicit drug use on college campuses.

At Haverford, Deep teaches courses in Money and Financial Markets, Open Economy Macro, and Introductory Macro. In Fall 2011, Deep will teach a new course on "Crises" which will introduce students to a rigorous treatment of the 2008 Financial Crisis, through a variety of different perspectives, ranging from modern macroeconomic theory, to economic history, to political economy.

Saleha Jilani is currently working on a project that examines the impact of incoming foreign direct investment (FDI), disaggregated by industry (sector), on economic growth. A related project examines the substitutability versus complementarity between trade flows and FDI. Her research interests include international trade, economic growth and development, and factor movements. At Haverford, Saleha teaches introductory economics, upper level courses on economic development and trade theory, (entitled *Economic Development and Transformation: China vs. India*, and *International Trade: Theory and Policy*, respectively), a junior research seminar on international trade, and advises seniors in the thesis-writing Senior Research Seminar. Saleha serves as faculty advisor to our newly formed, but rapidly growing, Microfinance Club at Haverford, and is the Faculty Director for the Mellon Mays Undergraduate Fellowship Program at Haverford College.

Vladimir Kontorovich gave a talk at a conference in Stockholm in July, 2010 on "Soviet Growth Record in the Final Decades". Prof. Kontorovich teaches Law and Economics; The Soviet System and Its Demise; Introduction to Economics; and Intermediate Microeconomic Analysis.

Shannon Mudd taught courses in Advanced Corporate Finance, Advanced International Finance and a Junior Research seminar on Banking and Access to Finance. As a first-year visitor at Haverford, I enjoyed bringing in guest speakers to provide context to our discussions. Books included *13 Bankers*, *The Big Short*, *Fixing Global Finance & Fault Lines*. Guest speakers included Michael DiLeo, CFO of Dupont-Taijin Film, NYU Professor Jonathan Morduch, author of *The Economics of Microfinance and Portfolios of the Poor* and alumna Debbie Gruenstein

S. Mudd cont'd.

Bocian of the Center for Responsible Lending. In addition, with Prof. Cichello, we organized a trip to the World Bank/IFC to discuss issues of microfinance, informal markets and governance. With co-author Neven Valev and Konstantin Pashev, in the fall we published an article on the influence of experiences in previous banking crises on expectations of future crises. I continue to work in the area of access to finance examining issues of banking structure on lending to small firms.

David Owens joined the Haverford's Economics Department in July of 2008, shortly after receiving his doctorate from the University of California at Berkeley. David teaches principles of economics, behavioral economics and a junior research seminar titled "Psychological Biases and Economic Decisions". He conducts his research in the fields of microeconomic theory and behavioral economics, and much of his study takes place in experimental economics laboratories. David's work is currently under review at *Experimental Economics* and *The American Economic Review*. Over the summer, David will present a third project, co-authored with recent Haverford graduate Ryan Fackler, at the annual international meetings of the *Economic Science Association* in Chicago. A native of Delaware, David is happy to be back in the area, as much of his family lives in and around Philadelphia.

Anne Preston has been on leave for the 2010-11 academic year. She has been working on a number of old and new projects. Returning to her study of scientific careers, she has developed two new working papers on skill depreciation and the trade-off between family and work. She is extending her experimental work with Linda Kamas on gender differences in preferences to connect it to a labor market study on the causes of gender differences in labor market outcomes. Working with Casey Ichniowski, Anne is extending Chaz Thomas's (2009) thesis on the effect of performance in the NCAA tournament on draft status in the NBA while also looking at whether any changes in draft status can be justified with subsequent NBA performance. They are also extending Jordana Brownstone's (2010) thesis on the effect of the reduction of barriers to hiring foreign players in the Western European Premier Soccer Leagues on the performance of Non-Western European national teams, with special attention to the mechanisms through which human capital is transferred.

Congratulations class of 2011!



From left

~back row Ryan Fackler, Remy Olson, Paul Shifflet, Oleksa Gerlak, Jory Fong, Alec Hubel, Steve Chehi, Sam Permutt, Dan Hochberg, Robert Bailey, Prof. Shannon Mudd, Alok Bhattacharya, Will Reilly, Liz Mayell, Prof. Dave Owens, Dan Weaver, Nick Reynolds, Chris Southwick, Jason Leeds, Travis Gregory, Prof. Bish Banerjee.

~front row James Burton, Maggie Cronin, Patrice Harkins, Maddie Houser, Ruilin Xu, Liz Zoidis, Dana Eiselen, Kathleen Bui, Jillian Forde, Ankita Kochhar, Prof. Anne Preston, Prof. Saleha Jilani, Provost Linda Bell, Christine Hwang, Kim Minor.

~front row kneeling Prof. and Chair Vlad Kontorovich, Prof. Paul Cichello.

~Missing from the photograph include ~ Charlie Carluccio, Eileen Chow, Suk Hong and Thao Linh Lam Viet.