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# ECONOMIC ENDEAVORS

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Volume 6, Issue 1

The Haverford College Economics Department Newsletter

May 2013

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Anne Preston~

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## Greetings from the Haverford Economics Department!

The Economics department continues to be a vibrant and happening place! While we sadly lost Paul Cichello (our data analysis guru) to Boston College, Dave Owens, our most popular teacher, returned after a year sabbatical; we remain a team of eight. With Linda Bell accepting the provost job at Barnard College, we searched for a new junior faculty member to replace her. Richard Ball and Dave Owens lead the quest, and we are excited to welcome Giri Parameswaran, a political economist from Princeton, to join the department. During his time as a graduate student, Giri stood out as a great teacher and versatile theorist, and he will contribute to our growing mathematical economics concentration.

Shannon Mudd continues to develop exciting and creative activities in the microfinance and impact investment initiative (MI3). He took 9 students to Bangladesh for 10 days to understand firsthand the challenges of microfinance in a developing country. Then he planned and implemented the first conference ever through Haverford Economics! The conference, U.S. Poverty, Microentrepreneurs and Microfinance: Needs, Responses and Prospects, attracted both local and national figures in the field, and it was an engine for new policy ideas. Co-curricular activities continued with Bish Banerjee taking his and Indradeep Ghosh's fall classes of students to the IMF for a day of policy discussion in the fall.

On Tuesday, October 2 we hosted our Annual Economics Alumni Forum, welcoming David Wessel '75 of The Wall Street Journal & Barry Zubrow '75 of JPMorgan Chase to speak on "The Day After the Election: The View from Washington & Wall Street." Ryan Fackler '11, Senior Research Assistant at the Board of Governors of the Federal Reserve was the moderator, and the event was standing room only! On April 16 Dr. Esther Duflo, a 2009 MacArthur Fellow and the winner of the 2010 John Bates Clark Medal awarded annually to that American economist under the age of forty who is judged to have made the most significant contribution to economic thought and knowledge, delivered the fourth annual William Comanor '59 lecture. In her public talk, "Hope as Capability", she spoke of hope as a vehicle to motivate personal striving and the absence of hope as a barrier to development. Earlier in the day she spoke to majors about the results of randomized trials research designed to measure the effects of microfinance institutions in developing countries. The video of the public lecture is on the college website.

**Next fall our Economics Alumni Forum will be on "Education and Social Mobility". Please get in touch if you have expertise in the area and would like to participate.** George Bulman, Haverford '03, Stanford PhD '13 and an expert in the economics of education, will be one of the presenters. Keep an eye out for more information on this exciting and timely event.

We are saying farewell to 32 incredibly talented senior economics majors. They have been a great class and their theses were superb. We hope the high quality of the theses is the result of our new curriculum, but, as economists, we know it just could be a great student effect. Please enjoy reading about their theses on pages 8-10. We will be proud to see each of them accept their diplomas on May 19 and will look forward to hearing about their (as well as all our alumni's) engagement with the world in future editions of *Economic Endeavors*.

Anne Preston, Professor and Chair  
Haverford Economics

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## Alumni News!

**William Comanor '59** I have recently had 2 papers published, although one is still forthcoming. Here are the references: "*Leegin* and its Progeny: Implications for Internet Commerce," *Antitrust Bulletin*, forthcoming. "Mergers and Innovation in the Pharmaceutical Industry," (with F.M. Scherer) *Journal of Health Economics*, Vol. 32, January 2013, pp. 106-113. And there are others in the works. Also, I spent the better part of April doing research at Tel Aviv University.

**George Parker '60** I continue to serve on several public boards (iShares Mutual Funds; Tejon Ranch Company; Threshold Pharmaceuticals; Colony Financial, First Republic Bank) and one private board (XOJet private aviation). Notwithstanding emeritus status, I am also continuing to teach Private Equity and Corporate Finance at the Stanford Business School. The years since the Class of 1960 at Haverford have gone quickly!

**C. Robert Kelly '61** Now in the retirement field, not retired - but running "several" 401(k) plans. The Clear Sailing Investment Group is comprised of 5 associates who design, advise and service 401(k) plans in seven states. Living in Barrington, RI with my first wife Lynn. Two of our three children reside in the state as well - one, her husband, and three children are only two miles away. Our son lives in Providence, and our third lives in Rowayton, CT with her husband and our other three grandchildren. All families are good. Lynn and I are off to Oxford in August where I will partake in a course on Stonehenge. I hope to make use of some of my post graduate folklore education during that week. We then travel to Devon to visit our AFS "daughter" before returning, via Highclere Castle, to London for several days of museums and one or two plays. My trusty roadbike and I are set to pedal about Rhode Island and bordering Mass. Running is now a bit much. Seven marathons and a repaired cartilage are a sufficient excuse. Tennis is also a thing of the past. I still try to keep all aspects of life very active.

**Richard Adelman '65** All of my "economics" these days is in the realm of applied finance: I manage my investment portfolio with a very diversified and disciplined "value" approach. I use the Value Line Investment Survey to identify under-valued stock. Most positions are initiated at one percent of the portfolio. I buy low. I set "buy" targets (30-day good until canceled) and wait. After I buy, I set "sell" targets and wait. It has worked very nicely.

**David Delthony '68** After graduating, I was in the Peace Corps in Turkey for two very interesting and rewarding years. Subsequently I moved to West Berlin, Germany where I received a degree in Interior Design at the Academy of Fine Arts and in 1979 my certification as a Master Craftsman in Woodworking. I established my own one man business as an artist/craftsman creating what I called "Sculptured Furniture", remaining in Berlin for about 25 years. In 1996, my wife Brigitte and I relocated to Escalante in the high desert canyon country of southern Utah where we both continue our artistic endeavors. Southern Utah is certainly some of the most remarkable country imaginable!

website: [www.SculpturedFurnitureArtandCeramics.com](http://www.SculpturedFurnitureArtandCeramics.com)

**Laird Simons '70** I am completing my 32<sup>nd</sup> year as a partner at Fenwick & West LLP, a 300-lawyer firm headquartered in the Silicon Valley that focuses on high technology companies. My specialty is taking companies public. I am also enjoying watching my high school daughter grow up and reading many of her textbooks and novels to keep current. I'm also having fun on the college trips though California and up and down the East Coast, including two visits to Haverford in the last nine months. In addition, I am serving on the board of an educational foundation devoting to equalizing the academic outcomes of schools in a nearby community with those in the wealthier communities around it. I am also serving as treasurer of the Parents' Association of my daughter's high school. When not working and travelling, I enjoy running, bicycling, hiking, reading and doing puzzles.

**Emil Bonaduce '71** I merged the business that I founded 22 years ago, Vision Database Systems, with Cardsmith of Doylestown, PA. Together, our company provides "one card" ID card cashless payment systems for colleges, private schools and corporations. We are one of the only "cloud" based solutions and currently enjoy a very nice growth rate. We recently added Yale to our list of accounts, and who knows, maybe one day, Haverford and Bryn Mawr. My new function with Cardsmith is VP- Corporate Development, so I'm on the lookout for other companies who would complement us in the mobile payments markets. Your audience can read more by visiting [www.card-smith.com](http://www.card-smith.com)

**Mark Kleiman '72** With three colleagues, I wrote a book on *Marijuana Legalization*, published by Oxford University Press last year. I'm also the leader of the team chosen to advise Washington State on the implementation of a new law creating a legal cannabis market.

**Gary Becker '78** My wife and I are about to leave on a 12 day photo safari in Kenya, but on the career side, I have now been a Commercial Real Estate Broker for 10-years and, for 2012, I was awarded a Trailblazer Award by the Triangle Commercial Association of Realtors. We are located in the Raleigh-Triangle area of North Carolina.

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## Alumni News!

**David Sears '79** Although not working as an economist, as the Assistant Director of the Abdul Latif Jameel Poverty Action Lab at MIT (J-PAL – [www.povertyactionlab.org](http://www.povertyactionlab.org)), I certainly work with a lot of really good ones. I handle the lab's finances, but the research the faculty do on what works in economic and social development is really great and it's very rewarding to be involved, even if it's just to keep the brilliant people from spending more money than they have (not always an easy task). We recruit new RA's for both office and field positions in the December – January period for positions starting the following summer, so I hope Haverford econ students keep us in mind.

**Rob Kautz '80** My update is that last year, as EVP & CFO at 99c Only Stores, I worked with Lazard and Ares Management to take the company private and am now spending all my time working as a Principal in my investment company, HollowayKautz Investments LLC. Recently, I also joined the board of directors of the Palos Verdes Peninsula Land Conservancy.

**Eric Sedlak '80** See photo on page 5.

**John Waldhausen '80** I was elected to the Pediatric Surgery Board of the American Board of Surgery and president of the Association of Pediatric Surgery Training Program Directors. These organizations are responsible for the education and certification of pediatric surgeons in the United States and Canada. Not much to do with economics I'm afraid.

**Howard Bulos '82** I am happy to say that my son, Joshua Bulos 2016, will finish his first year at Haverford. The rest of the family is happy, healthy and a little poorer (financially) and richer (psyche).

**Nick Atkeson '84** I currently run an investment company in San Francisco called Delta Investment Management. [www.deltaim.com](http://www.deltaim.com). We are publishing an investment book through McGraw Hill called "Win By Not Losing." The book talks about tactical investment strategies and how to protect your wealth during major market downturns. The book is available on Amazon. [http://www.amazon.com/Win-Not-Losing-Disciplined-Protecting/dp/0071812903/ref=sr\\_1\\_sc\\_1?ie=UTF8&qid=1366732366&sr=8-1-spell&keywords=nick+akteson](http://www.amazon.com/Win-Not-Losing-Disciplined-Protecting/dp/0071812903/ref=sr_1_sc_1?ie=UTF8&qid=1366732366&sr=8-1-spell&keywords=nick+akteson)

**Larry Stein '85** This past October I joined my latest startup, Pertino. This is number five - but who is counting? We live in Cupertino California. Edye and I have three girls: 20, 18 and 16. Two are at Chapman University with the youngest in high school. I spend free time running, cycling and working on an inner city college access program.

**Al Churella '86** My "big news" is the publication of my second book, *The Pennsylvania Railroad, Volume 1 Building an Empire, 1846-1917* (Philadelphia: The University of Pennsylvania Press, 2013). This work, the first of two volumes, describes the history of the Pennsylvania Railroad, at one time the world's largest corporation -- and, incidentally, a railroad that served the Haverford station and, in later years, employed as its CFO Haverford alumnus David Bevin. For more information on the book, the link to Penn Press is here:

<http://www.upenn.edu/pennpress/book/15011.html>

**Rob Broadrup '92** I'll be presenting an oral presentation entitled, "Incorporating green chemistry, hands-on project based learning, and collaboration into an AP Chemistry curriculum in a diverse, grades 7-12 private, college preparatory environment" at the 17<sup>th</sup> Annual American Chemical Society's Green Chemistry & Engineering Conference in Bethesda, MD, in June 2013. I am currently the Science Department Head and Chemistry/AP Chemistry teacher at Church Farm School in Exton, PA.

**Brian Brown '97** I am currently working as treasurer for a mid-sized service company headquartered in Turbotville, PA. Prior to this, I was controller for a data center in Milton, PA. I live in Lewisburg, PA. Last summer, I became treasurer for the Pennsylvania Chapter of the Sierra Club. This volunteer role has been very fulfilling. It's nice to be affiliated with such an amazing organization that is working to protect the environment and promote health throughout the Commonwealth. I have been doing a lot of trail running over the past two and a half years. I did my first trail marathon last September at RB Winter State Park in Mifflinburg, PA. I did my second 50k a couple weeks ago at Hyner View in the Sproul State Forest. I hope that all is well at Haverford. I have three nieces and I am doing my best to make the case for Haverford College.

**Jon Hefler '98** Since my time at Haverford ('94-'98), I've gotten my MBA and helped start a small business with another Haverford alum -- all which eventually led me to my current role for the past few years as Division President for one of the largest Deposition Service companies in the world, U.S. Legal Support. I'm also married with two wonderful little boys, and live in NYC. Couldn't be happier.

**Ben Sprecher '99** The big news in my world is that the company I co-founded in 2007, Incentive Targeting ([www.incentivetargeting.com](http://www.incentivetargeting.com)), was acquired by Google (<http://techcrunch.com/2012/11/28/google-acquires-incentive-targeting-to-power-targeted-coupon-programs/>) in November of last year. I and most of our team have stayed on as Google employees.

**Rich Billings '00** I recently started as CFO of a Charter School Growth Fund, a venture philanthropy group in Denver.

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## Alumni News!

**Shane Danaher '03** I was published last November as a co-author of a book on Accountable Care Organizations [http://www.amazon.com/Accountable-Bridging-Information-Technology-Divide/dp/0983482470/ref=sr\\_1\\_1?ie=UTF8&qid=1366754972&sr=8-1&keywords=Accountable+care](http://www.amazon.com/Accountable-Bridging-Information-Technology-Divide/dp/0983482470/ref=sr_1_1?ie=UTF8&qid=1366754972&sr=8-1&keywords=Accountable+care)

**Erica Phillips '04** works for The Wall Street Journal covering general and breaking news in Southern California and Arizona. She is based in the Los Angeles bureau where there is never a dull moment! Erica earned a journalism masters from USC's Annenberg School for Communication & Journalism in 2010 and covered the entertainment business for The Daily Journal, a statewide legal industry newspaper, before joining the WSJ in May of 2011.

**Diana Tsao '04** left American Express after over eight years and launched Diana Tsao Events, a boutique full-service events company in New York City specializing in premium social and business experiences: [dianatsao.com](http://dianatsao.com)

**Ryan Frankel '06** It's amazing how high the bar is set given the amazing experiences of Haverford alumni. As for my own updates, on a personal level, I just got engaged! I proposed to Erika Lemay nearly four years to the day of our first date. Needless to say, I'm the happiest I've ever been. Professionally, the last twelve months have been a whirlwind of excitement. I graduated with an MBA from Wharton in May of 2012. Minutes after accepting my diploma from Wharton, I boarded a flight to Boulder, Colorado where I took part in the 13 week TechStars program, the world's number one business accelerator. I am now the CEO and Co-Founder of VerbalizeIt, the company that delivers instant access to a global community of human translators to make sure that nothing is ever lost in translation. VerbalizeIt encapsulates the travel, business and foreign language interests that I honed as an Economics and Spanish major at Haverford. We moved the business to New York City in August 2012, raised a seed round of financing of \$1.5 million and have since scaled our business and our team. On May 17th, 2013, VerbalizeIt will be featured on the season finale of the ABC Television series, Shark Tank!

**Jon Kelman '06** I am about to graduate from University of Michigan's Ross School of Business with my MBA, and plan to travel all summer in SE Asia and Europe before starting a job in August with Capgemini Consulting in Chicago.

**Clara Sheets '06** I graduated from Columbia Business School with an MBA last May. Since then I spent a month living in Tunisia working for a financial non-profit and then started working as a consultant with the Boston Consulting Group based in New York.

**Anirudh Suri, '06**, is now serving as India managing director for The India Internet Group, an early stage tech focused venture capital fund. He has also founded his own tech startup, Findable.in, which is a location based product search platform. He is now based in Mumbai and New Delhi.

**Jonathan Williams '06** I will be graduating from the University of Virginia's School of Law in May. I will be joining the Pacific Legal Foundation, a non-profit involved in property rights and environmental issues, in their Sacramento office. Prior to law school I graduated from officer candidate school and spent 4 years as a combat engineer officer for the Army. I'd be happy to speak with anyone considering these fields.

**Elmar Trust '07** After graduating business school from UNC Kenan-Flagler in 2012, I joined Delta Air Lines in Atlanta, working in domestic pricing strategy. In November 2012, I got engaged to April Padfield, who I met while at UNC, and we are getting married in late August in Charlotte.

**Thomas Kinrade '09** I am currently finishing my third year as a senior analyst at Ernst & Young, and I'm looking forward to starting my MA in international affairs at Johns Hopkins SAIS in Washington DC in the fall.

**Karan Shah '09** I will be moving to Boston in the fall to begin my MBA at Harvard Business School. I have been living in Mumbai, India for the last 3 and a half years, where I launched a web-based social enterprise, [www.grow-trees.com](http://www.grow-trees.com). This allows users to plant real trees across India with a few clicks and gift out tree-dedication certificates to celebrate special occasions. We have planted over 425,000 trees in forests, wildlife, holy environments and the common land of villages.

**Luke Van Meter '09** I am living in Philly, overseeing the partnership between The Franklin Institute (museum) and the public magnet high school it founded, Science Leadership Academy. While working, I have simultaneously earned a Master of Science in Industrial Design from Philadelphia University. I plan to merge design thinking with my background in education to create a new educational program for Philadelphia youth. I am about to start singing with a semi-pro a cappella group and look forward having just one full-time obligation.

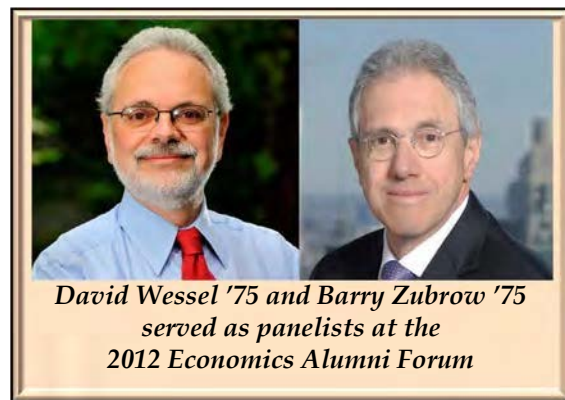
# Alumni News!

**Charles Carluccio '11** I am about to finish my second year at the University of Miami School of Law. This summer I will complete my second internship at the Mercer County Prosecutor's Office in Trenton, NJ. Next fall I will also be completing an externship at the Dade County Public Defender's Office in Miami, FL.

**Christine Yoo Sun Hwang '11** I joined The Estée Lauder Companies Inc. (<http://www.elcompanies.com/Pages/Homepage.aspx>) in September of 2011, and effective January 1st of this year, I have transitioned into a new role within the department. My title is Associate, Executive Management Initiatives, and I report directly to the Senior Vice President of our department, Global Management Strategies (GMS). GMS is a branch of Global Human Resources, and I am so thrilled to be in this new role. I was recently in Japan with the top 40 executives of the Company, and for someone who has been with the Company a little over a year now, that's HUGE! I also Co-Chair the internal Board for our partnership with The Young Women's Leadership School of East Harlem (TYWLS). The Company has a unique partnership with TYWLS as part of its Corporate Responsibility initiatives, and I am blessed to be a part of it. I am sure there will be more exciting news to come, but that's it for now.

**Andrew Bostick '12** The majority of the news I have to report relates to professional developments. After graduation, I went to work for Aberdeen Asset Management in Philadelphia. The company is a pure play asset management with over \$300 billion in assets under management. For the first six months, I was a Graduate Business Analyst and completed rotations with the Business Development and North American Equities teams. In December, however, I was offered a full time position with the North American Fixed Income Team and took the job. My official title is Junior Credit Analyst, and I work with a talented group of investment analysts who identify mispriced bonds and compose a number of funds from those securities. In my spare time, I have also been studying for the Chartered Financial Analyst (CFA) exam. Having passed Level One (of three levels) in December, I am just a few weeks away from taking Level Two in June.

*Eric Sedlak '80, co-chairman of the Legal Services Committee at the American Chamber of Commerce in Japan and a partner in the Tokyo office of Jones Day - a Washington, D.C.-based law firm - warns that a class-action system could deter foreign investors.*



*David Wessel '75 and Barry Zubrow '75 served as panelists at the 2012 Economics Alumni Forum*

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## Alumni News!

### New Board Members: Kautz & Ailor



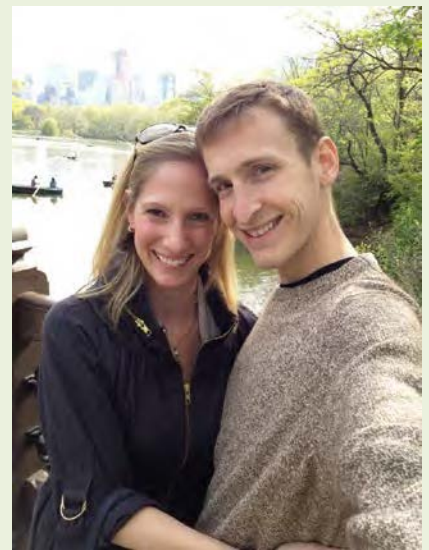
(L to R) Rob Kautz and Bill Ailor

The Palos Verdes Peninsula Land Conservancy is pleased to announce the election of two new members to the Board of Directors, Rob Kautz and Bill Ailor.

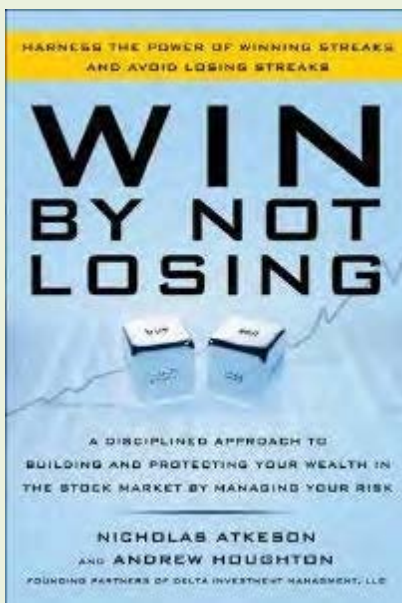
*Rob Kautz '80 (left)*



*Brian Brown '97 running a trail marathon.*



*Ryan Frankel '06 and his fiancée, Erika Lemay*



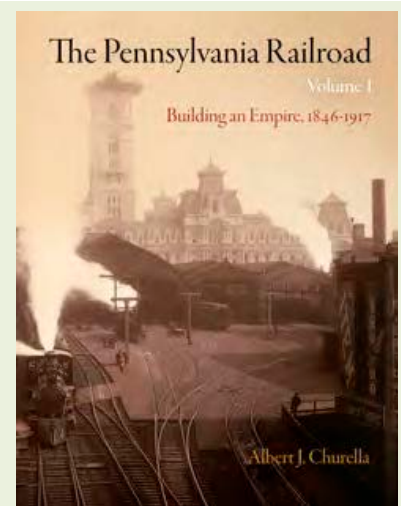
*Nick Atkeson's '84 newly published book.*



*George Parker '60*



*Albert Churella '86*



*Al Churella's '86 newly published book*

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## Alumni News!



*Karan Shah '09 holding  
a Mangrove Sapling*

Next fall our  
Economics Alumni  
Forum will be on  
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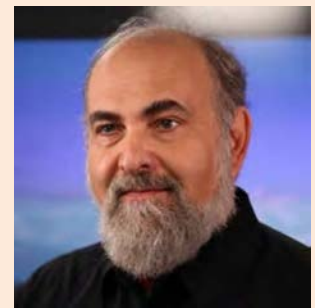
*Anirudh Suri, '06 at the AppFest '12  
Conference organised by the Internet  
and Mobile Association of India.*



*Larry Stein '85 and family*



*Emil Bonaduce '71 (right)  
with programmer Scott*



*Mark Kleiman '72*



*Emil Bonaduce '71 second from right  
with his company  
Vision Database Systems*



*Elmar Trust '07 and his fiancé April  
Padfield at UNC where they attended  
business school*



*Laird Simons '70*

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## Class of 2013 Thesis Topics

**Ezekiel Barnett** I studied the role of migration and remittances on farming households in rural China. In my thesis, I found that remitted income from rural to urban migrants both transforms expenditure patterns and reduces agricultural output.

**Henrik Born** In this paper, I derive a theoretical framework from existing literature that forms the basis for predicting how the allocation of trade credit and bank loans change in a recession. I conduct statistical analysis using World Bank Development Indicators and the Enterprise Survey, examining firm-level data on Eastern Europe and Central Asia. Ultimately, I find strong evidence that the relationship between economic growth and the use of trade credit is nonlinear. The results of the analysis also suggest that suppliers provide a more stable source of funding than financial intermediaries do.

**Papa Buckman** This paper attempts to estimate the causal effect that mobile penetration has had on economic growth in developing sub-Saharan Africa in the past decade. The results indicate that mobile phones have positively contributed to economic development. The findings also show that the effect of mobile phone penetration on economic growth was higher in countries where landline infrastructure was lacking.

**Max Cassidy** High seas fisheries have been at the forefront of the debate on how to best manage common-property resources over the past few decades as conservation concerns have grown. Studies show that the North Atlantic bluefin tuna stock has steadily declined since governments first began recording catch totals about fifty years ago, and in the late 1990s, scientists believed the North Atlantic swordfish fishery was near collapse. This paper first explains the economic theory of the tragedy of the commons, and discusses different common-property management systems, specifically focusing on adaptive governance. The adaptive governance framework is then used to analyze the cases of the North Atlantic bluefin tuna and the North Atlantic swordfish, attempting to determine how the swordfish stock has rebounded while the bluefin tuna continues to decline. The findings are that the swordfish fishermen were able to collaborate with management whereas that has not been true in the case of the bluefin tuna. High seas fishery management will continue to be debated until a management system is able to clearly define the boundaries of the common-property resource.

**Scott Chanelli** My thesis looks at the impact of microcredit on microenterprises in Hyderabad, Andhra Pradesh, India. It looks at how access to credit from MFIs and other formal financial institutions effects small business profits. It discusses whether or not small businesses in developing countries have the high rate of returns to capital necessary to support a sustainable Microfinance model.

**Melissa Forrow** My thesis examines the relationship between microfinance and marital violence in Bangladesh. I find that women who are members of microfinance organizations are more likely to have been physically abused than women who are not members. I also find that this positive relationship is driven only by less severe violence. I observe no relationship between microfinance participation and very severe violence.

**Jay Gorchow** examined the influence of professional sports over cable television in a period of decline. While subscriptions and ratings have fallen in large part due to the increasing presence of the internet and Digital Recording Devices, there lies this belief that sports, due to its popularity and need to be watched live, will keep subscription television relevant in the years to come. The paper tests the impact of professional sports on local television markets over time, finding empirical evidence that markets with professional sports subscribe with greater percentages than those without, and that the popularity of teams in a sports market has a direct positive correlation with subscriber behavior. The effect holds strongest over the years of 2010 to 2012, suggesting that professional sports will be ever more important to subscription television moving forward.

**Wilson Guaraca** investigated the impact of the 2007-2009 financial crisis on venture capital financing for firms in the Information Technology sector. More specifically, he examined the impact of the crisis on the different stages of venture capital: seed stage, early stage, expansion stage, and later stage. Wilson's hypothesis is that during the financial crisis seed and early stage investments experience no change relative to later stage investments. Using investment data from 2002-2012 he finds no evidence to support his hypothesis.

**Ethan Haswell** investigated the relationship between politics and fiscal outcomes in Spain's regional governments. Building on previous studies, he focused on such factors as the competitiveness of regional politics and the level of autonomy granted to regional governments. The paper adds to the literature by delving into the distinction between discretionary and non-discretionary parts of regional budgets, though the results suggest that this distinction may be more complicated than one may think.

**Alex Hudak** examined the effects leveraged ETFs have on the price volatilities of their underlying indexes. The study investigated one particular leveraged ETF and found that increases in its trading volume exacerbated the price volatility of its underlying index.

**Timothy Ibbotson-Sindelar** Successful fundraising is essential to the financial health of private colleges and universities in the United States. Using OLS, one year lagged, fixed effects regression analysis I examine institutions' presidents' impact on fundraising. Merging two well-known higher education data sets with a presidential dataset I created, I study 231 schools during 2001-2010. The results suggest that long term presidents are great fundraisers beginning the first day they step into office. Interim presidents, in contrast, inhibit donations. Strangely, I find that presidents do not improve at fundraising throughout their tenure.

**Abdullah Khan** The evolving demographics of the US have meant that the successful assimilation of second-generation immigrants is inextricably linked to the long-term prosperity of the US economy. My thesis examines the role of ethnic enclaves in the determination of the educational attainment of this group. By focusing on children's educational outcomes, this paper circumvents the empirical complications faced by previous studies and finds some evidence of residence within enclaves having a negative impact on educational attainment.



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## Class of 2013 Thesis Topics

**Alec Koffer** This paper investigates whether access to healthcare is a major factor affecting educational outcomes in Kenya. Using ordinary least squares and probit analysis, we estimate the impact of mosquito bed nets, health insurance, vaccinations, and distance to the nearest health facility (hospital, health centre and dispensary) on total years of schooling and school enrollment of children ages 6-18. The main conclusion of this paper is that building more lower level health facilities, specifically dispensaries, may be one of the most effective policies to improve educational outcomes in Kenya.

**Stephen Lazzaro** Many professional athletes have reported losing huge sums of money due to gambling problems. Previous research has shown that college athletes gamble at a higher rate than college non-athletes. However, studies have yet to compare the two groups' levels of risk-aversion and loss-aversion, which are two important components of gambling. This study compares athletes and non-athletes' levels of risk-aversion and loss-aversion by conducting an experiment with participants from Haverford. The results indicate that athletes are more risk-averse before incurring any gains or losses. The results also show that athletes are more loss-averse than non-athletes.

**Christopher Leung** My thesis project takes the form of a study on stock market participation determinants that looks broadly at the literature and then limits it to the elderly U.S. households with Internet access. In addition, it looks in depth and differentiates between reduced participation costs and the accessibility of those costs by examining the specific financial activities conducted on the Internet by households. From my analysis I am able to conclude that that finance-oriented Internet usage is seen to be important due to the widespread availability of the Internet, rendering regular Internet use less meaningful in the context of stock market participation.

**Linus Marco** My thesis examines the effect of access to microfinance on Malawian microenterprises' decision of whether to operate in the informal or formal sector of the country's economy. I develop theoretical model of a firm's formalization decision. Using two different econometric models, I confirm the main implications of the theoretical model and find that access to microfinance increases the incidence of informality among household enterprises in Malawi.

**Matthew Mazewski** My thesis develops a new variant on the Hotelling location game, a theoretical model that describes how firms decide where to locate when it is costly for consumers to travel to get to them. My contribution was to consider a normal distribution of consumer locations rather than the commonly studied uniform distribution, and to place a limit on how far consumers are willing to travel. I characterize the equilibria of the game when there are two firms and for certain special cases when there are three firms.

**Jack McNeilly** investigated differential labor market outcomes from a 2010 survey of Mexican household heads in order to determine the effects of an indigenous ethnic background on earnings. Decomposing differences in mean wages between indigenous and non-indigenous survey respondents found that there is a significant difference in average wages between these two groups, and that since a large portion of this variation is unexplained by differences in endowments, that indigenous Mexican household heads may encounter discriminatory labor market practices that penalize them relative to their non-indigenous peers.

**Henry Millson** The paper examines the recent trend of commercialization in the Microfinance Industry in a cross-country analysis. More specifically, the paper seeks to analyze the effects of commercialization on the sustainability and outreach of individual Microfinance Institutions (MFIs). The author uses data on 854 MFIs in 102 developing countries from the Microfinance Information eXchange (MIX). The author employs fixed effects and OLS econometrics techniques, with the later accounting for endogeneity, to estimate the effects of commercialization. Ultimately, the paper finds that commercialization increases MFI sustainability and decreases outreach. The latter provides evidence of mission drift. Ultimately, if MFIs aim to alleviate poverty and provide financial services to the poorest, then commercialization may not be the solution.

**Phuong Nguyen** Internet access is an essential good that provides near perfect information for users to make better informed decisions. With this capability, users who are disadvantaged by their education or income have the opportunity to get better informed and make better decisions. This means that the internet should be the most beneficial for individuals with the least education and lowest income level. The findings of the study suggest the opposite. The highest income earners and the most educated gain more life satisfaction from having internet access than their counterparts. This might arise because low income earners are unable to afford a computer or internet subscription fees while the less educated have little exposure to using the internet.

**James Nieuwland** explored the role of population gender balances as a determinant of cross-country saving behavior. He found that personal saving rates were higher in countries with more men, on average, and noted that the sex ratios of the older cohorts of the population were the most predictive of this effect. He pointed out the limitations of current theory for explaining this phenomenon and suggested new avenues of research for better understanding its origin.

**Suzanna Preston** My thesis seeks to quantify the returns to advertising in the United States' clothing retail industry. Using panel data for the years 2007-2011, an econometric model is employed to estimate the effect of a one dollar increase in advertising expenditure on the profits of a clothing firm. The main finding of this paper is that a one dollar increase in a firm's advertising expenditure corresponds to a .84 dollar increase in profits.

**Jari Rizvi** Lots of research and debate has focused on the value of governmental subsidies to research and development (R&D) in the renewable energy sector, but very little research has actually focused on establishing a causal link. Using econometric techniques usually reserved for macroeconomic analysis, I found that for the concentrating solar power industry, a small but growing form of renewable energy, R&D subsidies did not significantly cause increases in patent growth, but increases in GDP growth did.

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## Class of 2013 Thesis Topics

**John Schipper** Using Bankscope data, this thesis seeks to analyze the determinants of commercial bank profitability in Poland and Slovakia during 1999-2011 and shed light on whether profitability was impacted differently during the financial crisis period (2008-2011). This study will utilize both OLS and a Fixed Effects estimation technique. The goal of this paper is to expand on the analysis of Ommeren (2011), Dietrich and Wanzenried (2011) and other literature to more accurately draw some conclusions about the commercial banking sector as a whole. The explanatory variables include the traditional variables used in other studies to represent bank-specific and industry-specific factors and external macroeconomic factors.

**Eli Schwarz** I investigate the relationship between motivation/improvement in athletics and both academic achievement and labor market outcomes, using a data set from a small NCAA Division III Strength and Conditioning Program that details improvement in various measures of athletic ability and strength across two graduating classes, complemented by a personally designed and implemented survey of the same pool of athletes post-graduation. Previous research on this subject typically looks at differences between athletes and non-athletes. My approach is novel in that it looks at differences among a sample of athletes as opposed to between athletes and non-athletes. I find that there may be differences in the way athletic motivation impacts men and women's labor market outcomes, but I find no relationship between athletic motivation and academic outcomes.

**Matthew Seskin** This paper analyzes the impact of a Major League Baseball player's extended hitting streak on his team's home attendance. Adding to the previous literature, which predominantly looks at the effects team performance, timing, and economic circumstances have on attendance, this study looks at how individual player effort can draw crowds to the games.

**Anuj Shah** My thesis aims to empirically explore the determinants of Indian export behavior over the past thirty years. I built an imperfect-substitutes demand-supply simultaneous equation model of export determination. Over the past couple of years, India's trade deficit has widened significantly. I use the findings from my thesis to suggest measures that will help bridge India's widening trade deficit.

**Yue Shao** The banking sector in the developed world is of particular interest to us in light of the recent financial reform legislation debates following the 2008 financial crisis. There is heated discussion about whether there is more room for consolidation in the banking sector in developed countries, especially the United States. Proponents of a more concentrated financial industry argue that the existence of many small banks leads to inefficiency and may reduce access to finance. This paper aims to shed light on the role of bank market structure in affecting access to credit for a range of firms. The results obtained will be useful in formulating guidelines for policy makers in reforming and regulating the financial industry.

**Jixi Teng** This paper explores the relationship between video game sales and same week crimes in the United States. This study further focuses on violent video game sales and violent crime with additional investigation into various subsets of the criminal population according to age, gender, and race. Using an Ordinary Least Squares (OLS) model, the years from 2005-2010 were analyzed using the top 30 video games sold and the National Incident-Based Reporting System. The study finds that while there is a positive relationship between violent video games and crime, as well as a negative relationship between non-violent video games and crime, the effects are small and generally economically inconsequential.

**Justin Wei** My thesis seeks to determine whether or not increased airline fuel efficiency translates to improved airline financial performance, while also examining the efficacies of various efficiency-improvement strategies. This study uses airline-level panel data compiled from the Bureau of Transportation Statistics and Ascend Worldwide to examine eight major US airlines across 22 years from 1990-2011. Ordinary least squares and fixed effects regression analyses reveal evidence that rising fuel efficiency led to higher operating costs and greater operating revenue, while no significant relationship could be determined between fuel economy and operating profits. Increasing the number of seats per plane, flying longer routes, and raising the proportion of flights that are domestic, proved to be the most effective means of raising fuel efficiency.

**Zachary Werrell** looked into how county level economic changes affect how that county votes for Presidents. Motivated by Obama's reelection in the face of such high unemployment, he found that it is *changes* in the unemployment nationwide and at the county level that matter, and thus the dip in unemployment before November 2012 allowed for, or assisted in Obama's reelection.

**Shuning Yan** examined the rationality of stock market participants in the case of seasonal companies. She analyzed the correlation between revenue index, income and the stock price index for strong, weak and non-seasonal companies in the S&P 500 using fixed effect method. The results strongly support that market participants are rational.

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

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## Faculty Updates

**Richard Ball** continues collaborating with Norm Medeiros of the HC library on their project to promote responsible documentation of empirical research. In the coming year, this work will be supported by a grant Richard and Norm have received from the Sloan Foundation and ICPSR. The grant will support a series of workshops for faculty drawn from colleges and universities around the country, at which Richard and Norm will demonstrate the methods they have developed for teaching undergraduates to produce comprehensive and transparent documentation of the statistical work they do for research papers and their senior theses. For details about the project, go to [http://www.haverford.edu/economics/faculty/rball/soup\\_to\\_nuts/](http://www.haverford.edu/economics/faculty/rball/soup_to_nuts/).

**Biswajit Banerjee** taught courses in Economics of Transition and Euro Adoption, Intermediate Empirical Macroeconomics, Intermediate Macroeconomic Analysis, and a Junior Research Seminar on Exchange Rate Economics and advised several senior theses during 2011-2012. A highlight of the Economics of Transition and Euro Adoption course was a field study trip to the International Monetary Fund, Washington DC in November 2012. During the last academic year, Professor Banerjee published a research paper that surveys cross-country evidence on banking sector efficiency in new European Union member states. Two other research papers are in "revise and resubmit" status for journal publication: one paper examines regional income convergence in Slovenia, and the second paper looks into occupational segregation and gender differentials in earnings in Macedonia and Slovenia. Two additional papers of Professor Banerjee are currently under review in journals: one paper analyzes wage flexibility in Slovenia, and a second paper investigates the dynamics of firm-level job flows in Slovenia. Professor Banerjee visited the Research Department of the Bank of Slovenia during the summer. He also provided advice on macroeconomic and budgetary policy formulation and implementation to the Deputy Prime Minister and Finance Minister of the Slovak Republic, represented the Slovak authorities at the IMF-World Bank Annual Meetings and Spring Meetings, and participated in a Road Show on the issuance of yen-denominated Slovak government bonds. Professor Banerjee is collaborating on three research projects with other Economics Department faculty at Haverford: a project on happiness and ethnicity in Macedonia (with Professor Ball), a project on gender and ethnic discrimination in Macedonia (with Professor Preston), and a project on regional diversities in Europe (with Professor Jilani).

**Indradeep Ghosh** At Haverford since 2006, Deep teaches courses in macroeconomics, money and banking, and financial crises, and also advises senior thesis students. For the first 4 years of his time at Haverford, Deep's scholarly interests were focused on "mainstream" or "orthodox" economic theory (also called "neoclassical economic theory"). Since the Financial Crisis of 2008, such theory has come under a lot of criticism from both members within and outside of the economics profession, and in 2010-2011, while he was on sabbatical leave from Haverford, Deep found himself increasingly interested in "heterodox" economic theories which are interdisciplinary in nature, treading common ground between economics and sociology, economics and political science, and economics and philosophy. By its very nature, "heterodox" economics seeks to fill the gaps that "orthodox" economics suffers from, and therefore must be accounted for if one is to come to an integral understanding of crises phenomena. As Deep's interest grew in this new area, he discovered a rich and large body of scholarly work that orthodox economists either have never read or ignore, and so he began to venture out of the Economics Department and seek out Professor Mark Gould of Haverford's Sociology Department and Visiting Professor Joshua Ramey of Haverford's Philosophy Department for dialogue, and began to develop an active scholarly interest in interdisciplinary economics research. During the year 2012, Deep completed a paper called "The Form of Time, the Logic of Affect, and a Frame of Subjectivity," his first interdisciplinary piece of scholarly work.

**Saleha Jilani** 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. This year, one of her thesis advisees shared the Economics Dept. Thesis Prize. Saleha 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. Another research project is related to a former student's thesis (Liz Zoidis '11) examining the effect of various forms of employment protection legislation in the Eurozone on labor productivity differentials. Saleha's research interests include international trade, economic growth and development, and factor movements. 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.

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## Faculty Updates

**Vladimir Kontorovich** teaches Law and Economics; The Soviet System and Its Demise; Introduction to Economics; and Intermediate Microeconomic Analysis. Last year, he gave a talk on "The Preobrazhensky Myth and the Soviet Industrialization" at the University of Amsterdam.

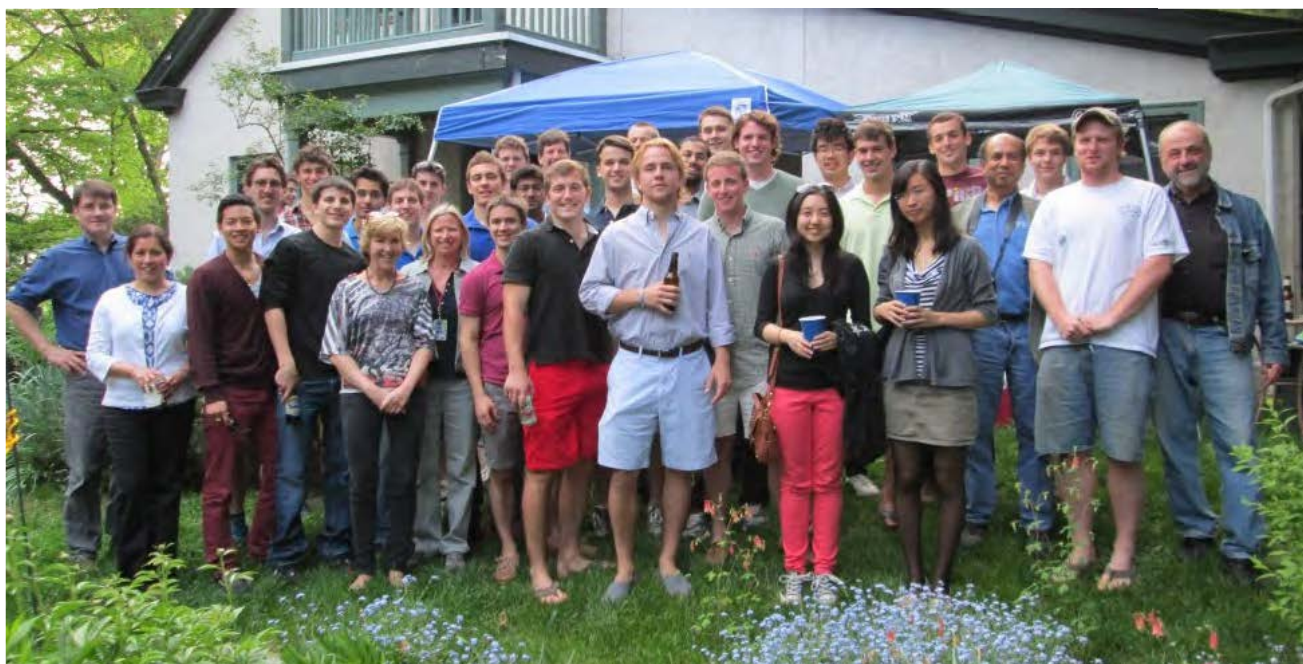
Professor **Shannon Mudd** continued as coordinator of Haverford Mi3, the Haverford Microfinance and Impact Investing Initiative. Mi3 sponsored two big events this year: a January study tour of the microfinance industry in Bangladesh with 9 students (joint with Haverford's Center for Peace and Global Citizenship and Bryn Mawr College) and a March conference on U.S. Poverty, Microentrepreneurs and Microfinance attended by local practitioners, students and faculty from area universities as well as our own Tri-Co students (a list of the conference speakers can be seen at the Mi3 website [www.haverford.edu/mi3](http://www.haverford.edu/mi3)). With the conference and a Microfinance Consulting Club initiative to explore the potential for conducting microfinance operations from campus, much attention was focused on the US microfinance sector and local conditions. Guest speaker Ira Goldstein of Philadelphia based The Reinvestment Fund helped give some perspective on the issues inner cities face with poverty and finance. Mi3 also strengthened Haverford ties with some of the major research organizations in the field bringing in Tim Ogden of the Financial Access Initiative and Dean Karlan of Yale and Innovations for Poverty Action. Students continued projects mapping MFI's in Uganda and Ghana (see blog at ACCION's CFI) and working with Agora Partnerships to devise social impact measurements for their latest cohort of Central American social entrepreneurs. Professor Mudd continues to teach an introductory course on Microfinance available to the general campus and an upper level economics course on Access to Finance. This year he supervised 4 senior theses, all of which focused on microfinance and access to finance issues.

**David Owens** returned to teaching during the 2012-2013 academic year, following a year of post-reappointment sabbatical. David teaches Principles of Economics, Behavioral Economics and a junior research seminar titled "Psychological Biases and Economic Decisions". David helped to coordinate the re-construction of a new computer laboratory in the basement of Stokes Hall, which is now functional as an experimental economics laboratory. In the laboratory, David studies preferences and decision-making under uncertainty, with applications to learning, belief formation and social preferences. His article, *An Unlucky Feeling, Overconfidence and Noisy Feedback*, was published in November, 2012, in *The Journal of Economic Behavior and Organization*. His joint work with Ryan Fackler (HC '11), *The Control Premium: a Preference for Payoff Autonomy* is currently under review at *The American Economic Journal: Microeconomics*.

**Giri Parameswaran** will begin as an Assistant Professor in Economics at Haverford in the Fall of 2013. He recently completed his Ph.D in political economy at Princeton University. Giri's research investigates the incentive and efficiency effects of institutional rules in a variety of political settings. These include (i) the effect of different procedures and conventions on decision making by common law courts, (ii) the effect of constitutional design of legislatures on the allocation of pork across heterogeneous districts, and (iii) the interaction of voting rules and behavioral preferences on fiscal policy choices. Giri is really excited his new appointment and looks forward to being an active member of the Haverford community.

**Anne Preston** had a full year of teaching and committee work on campus. As a result some of her research stalled. This summer she has great plans! First—finish the paper with Casey Ichniowski on the effects 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. (You have heard about that one before!). Second-- make the finishing touches on and submit her paper on "Measuring Employment Discrimination against Gays, Lesbians and Bisexuals." Finally Anne and her co-author Linda Kamas got a grant from the Russell Sage Foundation to conduct a long term study examining the effect of willingness to compete, confidence, and risk aversion on success in the labor market and the persistent male female differential in labor market outcomes. They have finished the experimental section of the study and have another 5 years of data collection on labor market performance but are hoping to present preliminary results in the fall. She is really hoping that next year at this time she can report progress on these projects!

## **Congratulations class of 2013!**



### **From left**

*~ front row ~ Richard Ball, Saleha Jilani, Chris Leung, Steve Lazzaro, Anne Preston, Kim Minor, Linus Marco, Scott Chanelli, Henry Millson, Max Cassidy, Shunning Yan. Yolanda Shao, Bish Banerjee, Zach Werrell, Vlad Kontorovich.*

*~back row ~ Zeek Barnett, Tim Ibbotson-Sindelar, Anuj Shah, Jay Gorchow, Jack McNeilly, Eli Schwarz, Matt Mazewski, Abdullah Khan, Shannon Mudd, James Nieuwland, Dave Owens, Jari Rizvi, Henrik Born, Matt Seskin, Jixi Teng, John Schipper, Alec Koffer, Ethan Haswell*

*~ missing from photo ~ Indradeep Ghosh, Papa Buckman, Melissa Forrow, Wilson Guaraca, Alex Hudak, Phuong Nguyen, Suzanna Preston, Justin Wei*

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## **2013 Holland Hunter '43 Thesis Prize Winners**



*Matt Mazewski '13, Anne Preston (Chair), Yolanda Yue Shao '13*

2013 Senior Picnic at Richard Ball's campus home



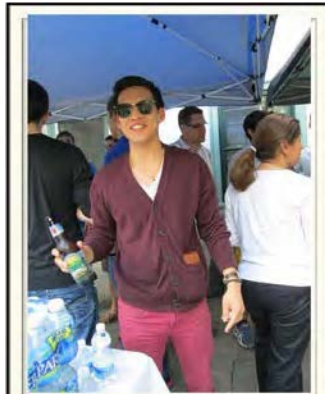
*Spades tournament with Shannon Mudd, Jay Gorchow '13, Dave Owens and Steve Lazzaro '13 (clockwise from bottom left)*



*Scott Chanelli '13, Max Cassidy '13, Henry Millson '13, Matt Seskin '13, Zeek Barnett '13*



*Vlad Kontorovich and Richard Ball*



*Chris Leung '13*



*Tim Ibbotson-Sindelar '13 and Bish Banerjee*



*Shunning Yan '13 and Suzanna Preston '13*



*John Schipper '13 and Dave Owens shake hands sealing an important deal.*