COLOMBIAN PRESIDENT SANTOS WINS CLAS ALUMNI DISTINGUISHED ACHIEVEMENT AWARD

Yet another KU Economics Department alum, Colombian President Juan Manuel Santos, has been named as a recipient of the highest honor bestowed by the College of Liberal Arts and Sciences. President Santos will formally receive the CLAS Distinguished Achievement Alumni Award at an upcoming return visit to campus which is still being scheduled.

He was elected in 2010 to a four-year term after having served for the three previous years as defense minister; and prior to that as foreign trade minister and treasury minister. During his tenure as defense minister, he helped oversee a dramatic 2008 rescue mission that freed a former Colombian presidential candidate who had been held hostage by a Marxist rebel group. Santos is following in the footsteps of his great uncle, who also served as president from 1938 to 1942. The Santos family also founded El Tiempo, Colombia’s most influential newspaper, where Juan Manuel worked as an editor prior to entering the public sector. He received his undergraduate degrees from KU in economics and business in 1973.

Santos joins four other prominent Economics Department alumni as a recipient of the award, which is presented annually by the Dean’s CLAS Advisory Board. Nobel Laureate Vernon L. Smith and renowned film-maker Mark Amin were recipients of the honor in 2011; well-known author and baseball guru Bill James received the award in 2010; and departmental benefactor and former National Computer Systems Chair and CEO Charles Oswald was a 2006 recipient. The department’s undergraduate program has been designated as the Charles W. Oswald Program in Economics in acknowledgment of his many years of support and generosity.

The CLAS Alumni Distinguished Achievement Awards recognize the contributions of outstanding graduates to KU, their professions, and their communities. Dozens of nominations for the awards are submitted to the advisory board each year from alumni and faculty.

KU Chancellor Bernadette Gray-Little in 2011 traveled to Colombia and paid an official visit to President Santos. At that time, she said she was interested in expanding the university’s relationship with Colombia, noting that KU would benefit from hearing about his vision for Colombia.

“Colombia is a vibrant country that has emerged from challenging times to become a growing, democratic nation,” she said.
Recent Grad Sharpens Analytical Skills at Altria

One of KU’s most recent economics graduates, Lena Tsiovkh, has launched a successful career as a territory sales manager for Altria Group Distribution Company. That entity is a subsidiary of the Altria parent company and is specifically charged with providing sales, distribution and consumer engagement services to Altria’s tobacco companies (which include Philip Morris USA). Lena, who is based in Lincoln, Nebraska, noted that much of her job as territory sales manager involves working with retailers in assuring the successful implementation of marketing; and in evaluating business growth strategies and opportunities. She said that doing her current job would have been next to impossible without the analytical skills she learned and developed at KU in financial economics and microeconomics courses under Joe Sicilian and Ronald Caldwell, respectively.

Lena received her undergraduate degree in 2011 before taking the job with Altria. As a former president of the KU Economics Club, she was an integral part in that group’s renaissance as a key extra-curricular resource available to students and others with an interest in economics. She also was recipient of a Charles W. Oswald Scholarship for the 2010-11 school year; and a recipient of the prestigious John Ise Award, the Economics Department’s award that recognizes the most outstanding achievement, upon graduation.

Message from the Chair

We originally launched the KU Economist several years ago to improve and expand our alumni outreach efforts and have subsequently been delighted by the response we have received from all around the globe. I am continually amazed at how successful our graduates have been in any number of fields and disciplines – whether it has been as the President of Colombia (page 1), the Dean of a business school (page 9), a founding member of the faculty at a historic new university (page 10), or as one of the foremost authorities on Central Asian agriculture (page 8). I am certain that all of our alumni, whether they are the CEO of a major corporation (page 7) or a recently named territorial sales manager (page 2), would attest to the value of their degree in economics from KU. And we are especially proud of one of our most recent graduates (page 4) – straight from the Class of 1939!

I hope as you read each newsletter, you will get a flavor of the Economics Department’s exciting and ongoing arc of history. From the listing of a course in “political economy” in the initial 1866 university catalog; to the claim we have of producing KU’s only Nobel Laureate, Vernon Smith; to our healthy enrollment data that point to an even brighter future, I am honored to have played a small part in the department’s vibrant past, present, and future. For those who may not have heard, I will be stepping down as Chair at the conclusion of the 2011-12 academic year after many years in that role, and I wanted to take this opportunity to thank everyone who has been so helpful to me during that time.

Relative to the current happenings at the Economics Department, we are very excited to continue to bring you the latest news about the awards, accomplishments, publications, and growing national reputations of our faculty and students alike.

Please continue to let us hear from you! We would like to know what you are up to, would very much like to stay in touch with everyone on an ongoing basis, and would like to know what more you want to know about what is going on here in your former department at KU.

Rock Chalk!

– Joe Sicilian

Student News

Kay Nti-Addae, in the PhD program, made recent presentations at the Missouri Valley Economic Association Conference (October) and the American Economic Association Annual Meeting (January). His paper, “Access to Finance by Minority-Owned Businesses: How Relevant is Race/Ethnicity/Gender?” will soon be published as part of the official proceedings of the latter conference.

Melody Yin, in the PhD program, also presented at the Missouri Valley Economic Association Conference on “Modeling the Impact of Oil Prices on Stock Returns: Empirical Study for 13 Emerging Countries”.

Isaac Kanyama, in the PhD program, authored “Civil War, Sexual Violence and HIV Infections: Evidence from the Democratic Republic of the Congo” in the Journal of African Development and also made presentations at conferences in Kansas City, Chicago and Boston. He is an author on three current working papers with members of the faculty (William Barnett, Elizabeth Asiedu, and John Keating).

Brian Danley, in the MA program, is working as a research assistant at the Kauffman Foundation for Dr. Yasuyuki Motoyama on a project analyzing a database involving the 500 fastest growing companies in the US for every year since 1982.

Mark Withrow, in the MA program, is working as a research and development technician at Triumph Foods, LLC.
Barnett Book Signing for Getting it Wrong April 19 at Edwards Campus

On Thursday, April 19, the public will have a unique opportunity to hear a lecture and get autographed copies of a tremendously important new book by Dr. William A. Barnett, the Oswald Distinguished Professor of Macroeconomics at KU. The special book signing ceremony will be at 7pm on the KU Edwards Campus in Regnier Hall, located at 12600 Quivira Road in Overland Park. Dr. Barnett will be outlining his latest work, Getting it Wrong: How Faulty Monetary Statistics Undermine the Fed, the Financial System, and the Economy. The book will be available for book signings immediately after the presentation.

As politicians, pundits, and historians continue to attempt to assign blame for the recent financial crisis and subsequent recession, Dr. Barnett weighs in with a somewhat different and far-better-informed perspective. Whereas Wall Street greed and the “failure” of mainstream economics are two of the standard scapegoats, Getting it Wrong argues that there was too little use of relevant economic analysis, especially relating to economic measurement formulas used by the U.S. Federal Reserve. The growing complexity of financial instruments made traditional simple-sum monetary aggregation formulas obsolete, and the lack of public availability of best-practice data prevented households, firms, and the public sector from correctly assessing the accelerating systemic risk. Increased regulation then could have helped minimize the adverse consequences of poor economic decisions made as a result of inadequate access to the best-practice data. But deregulation instead helped produce a perfect storm, triggering the global financial crisis.

One reviewer, Professor Steve Hanke from Johns Hopkins University (and a Forbes columnist), hailed the book as “a magisterial treatment on the measurement of monetary aggregates by the world’s foremost authority. Barnett informs us about how to get the measurements right. He also shows us how the Federal Reserve gets them wrong. Indeed, if Paul Volcker’s dashboard would have displayed Barnett’s monetary metrics, the severe 1981–82 recession might never have occurred. Alas, the Fed’s money supply gauges remain in need of an overhaul by Barnett, a monetary master craftsman.”

In fact, Dr. Barnett is now even more uniquely situated to provide that relevant craftsmanship and analysis from his recent appointment as Director at the Center for Financial Stability (CFS) in New York City. The program he directs at the CFS is designed to oversee and develop national and international databases rigorously founded in economic aggregation and index-number theory, with the ultimate goal being the delivery of multi-disciplined research on finance, law, and economics to policymakers and the public.

The book was sparking much discussion, including in the mainstream financial press, even as it was being released. Bloomberg News in February noted that “the U.S. government has no excuse for not compiling and distributing better data, and Barnett is right to press the issue.” Within a week of appearing as a Kindle Edition, the book had become a best seller in two Kindle categories.

Before bringing his expertise on the econometrics of financial aggregation and monetary policy to KU, he previously served on the staff of the Board of Governors of the Federal Reserve System in Washington, DC for eight years; was the Stuart Centennial Professor of Economics at the University of Texas; a full professor of economics at Washington University in St. Louis; and a research associate at the University of Chicago. Before becoming an economist, he was one of the engineers who developed the rocket engines for the Apollo project at Boeing’s Rocketdyne Division in Los Angeles.

Other endorsements for Getting it Wrong:

“Leading up to the financial crisis, investors displayed an incorrect assessment of systemic risk and significantly increased their leverage and risk-taking activities. Barnett documents that better Federal Reserve data could have signaled the error in that view. This error led to the credit-driven, asset-price bubble in the US housing market. He also shows that as a result of measurement errors, monetary policy was damaged, with tragic consequences. He is the world’s foremost authority in the study of monetary and financial aggregation using index number and aggregation theory.”

—James J. Heckman, University of Chicago and University College Dublin, Nobel Laureate in Economics

“I would never fly in an airplane designed by an economist. Unfortunately, I have to live in an economy where policy makers listen to economists. Professor Barnett, a former rocket scientist, shows clearly how important it is that economists pay attention to details and teaches economists how to do far better. Until economists absorb these lessons, the policy makers they advise will be flying blind.”

—Kenneth L. Judd, Hoover Institution, Stanford University

“Getting It Wrong is a gripping combination of colorful mini-biographies, memoir from a close witness to our financial troubles, and well-argued case for better monetary statistics. This book first makes you care about monetary aggregation and then masterfully shows you how it should be done.”

—Julio J. Rotemberg, William Ziegler Professor of Business Administration, Harvard Business School
Margaret Shirk made state and regional news in 2011 when she received her KU economics degree – from 1939. At that time, Margaret, whose maiden name was Lewis, was engaged to be married to David Shirk, a team captain on the 1938 football team. She had completed all the requirements for her degree and even walked down the Hill with her classmates in the Spring of 1939. But the busy newlywed-to-be never took the time to apply for her own graduation and get her degree certified.

She would tell the Lawrence Journal World years later that since she had already landed a very good job as a stockbroker, she did not think that getting the diploma was all that important.

Flash forward to October of 2010, and her son-in-law, former state legislator Jim Yonally introduced Margaret, still a rambid KU sports fan, to a member of the College of Liberal Arts and Sciences Advisory Board at a tent outside a football game. Yonally later asked his contact, who also happened to be an Economics Department alum, if anything could be done to track down her records and verify how close she had come to graduating; and whether she would in fact have received her degree in 1939 had she applied. Margaret, for her part, had always assumed that if she ever had any hope of receiving her degree, she would need to take additional classes and somehow get formally readmitted.

From the Advisory Board, the story and request went directly to Christie Appelhanz, then the CLAS Director of External Relations. Christie worked with graduation advisors who managed to unearth the paper transcripts from the 1930s and confirm that Margaret was qualified to have received her 1939 economics degree.

KU subsequently decided to award Margaret Eloise Lewis her Bachelor of Arts degree – and took the unusual step of amending its records to reflect that she is in fact a member of the Class of 1939. But they worked with Yonally and her family to help surprise the 93-year-old graduate at a special ceremony at a downtown Lawrence restaurant.

The newest alum and her family told the press that she was delighted to get her diploma, and the surprise award was a fitting tribute to her years of service to KU and the Douglas County community. Shirk had spent many decades as a volunteer for the KU Athletics Department; the KU Alumni Association; and the KU Endowment Association.

Margaret and her husband, David, both had fascinating ties with many deep roots to KU’s history. David took classes while at KU from both James Naismith and Phog Allen. Margaret when younger had been a flower girl in her aunt’s wedding, a ceremony performed by Naismith, who was a Presbyterian minister in addition to his more recognizable status as the inventor of basketball and as the Jayhawks’ first coach. The Shirks also attended KU basketball and football games regularly from 1940 up until David’s death in late 2009.

Marie Mora from UTPA reviews her latest research on the usage of technology in minority-owned small businesses.

A leading scholar from the University of Texas-Pan American (UTPA) unveiled research at KU in November that explored the extent to which minority small business owners used digital technologies in both the late 1990s and mid 2000s relative to similar non-minority owned businesses; and the extent to which increased utilization of various new technologies may have improved the likelihood of success as defined by several small-business outcome benchmarks.

Marie Mora, a professor at UTPA, spoke at Snow Hall as part of the KU Economics Department’s Guest Speaker Series and presented her latest findings, “Racial/Ethnic Differences in Technology Usage Among Small Business Owners,” co-authored with Alberto Davila, also from UTPA.

Using data from the 1998 and 2003 Surveys of Small Business Finances (SSBF), the researchers noted that in the late 1990s, small businesses owned by Blacks, Hispanics, and Asians were significantly less likely to have been technologically engaged, indicating the presence of a “digital divide” relative to non-minority-owned small businesses. The analysis showed that not only had the digital divide vanished by 2003, but also that being technologically engaged had a significantly stronger relationship for Hispanic-owned firms than all other small businesses with respect to certain sales and profit benchmarks designed to define success. Mora said that an empirical extension suggested that the relative improvement made by the technologically connected Hispanic firms from 1998 to 2003 could not be explained by shifts in, or returns to, their observable characteristics in the SSBF, but rather a set of unobserved characteristics.

She also expressed disappointment that the SSBF, which had been conducted by the Federal Reserve System’s Board of Governors, has been discontinued due to budget cuts, seriously confounding efforts to follow up on what changes may have been occurring since 2003.

The study concluded that because of the growing presence of minority populations in the US, understanding factors that affect the success of minority-owned enterprises has become a topic of national interest, particularly during a time of weak labor markets. As technological advancements continue to surge, the results suggest that the rate at which minority entrepreneurs integrate such technology into routine business operations has real implications for their success. Programs designed to help small business owners utilize new technology therefore should increase not only their computer literacy, but also enhance potential performance with respect to a variety of measurable business outcomes.
Staihr Named Champion for Accessible Learning

The KU Economics Department’s own Dr. Brian Staihr in the Fall of 2011 was named recipient of the Champion for Accessible Learning Award. He said that the special award, which was provided by KU Disability Resources, came in the form of a nice plaque presented to him unexpectedly one day in class.

The mission of Disability Resources is to work with all units at KU to insure all students have an equal opportunity to succeed, notwithstanding any and all physical, medical, sensory, psychological, attention-based or learning-based disabilities.

Dr. Staihr teaches economics at KU, Park University, and Avila University and is an acknowledged expert in telecommunications issues.

Snapshot of a Thriving Department

Amid declining support from the state in recent years and discussions about the costs of maintaining certain programs, the Economics Department has continued to thrive from an enrollment and graduation standpoint. Data provided by KU’s Office of Institutional Research and Planning (OIRP) show that 108 undergraduate economics degrees were granted in the 2010-2011 academic year; 26 master’s degrees; and 4 doctoral degrees. The OIRP data also indicated that as of Fall 2011, 363 undergraduates were pursuing economics majors (and another 28 pursuing minors); 21 students were in the master’s program; and 58 students were seeking doctoral degrees.

Economics Degrees (2010-11)

Baccalaureate: 108
Masters: 26
Doctoral: 4

Economics Majors (Fall 2011)

Freshmen/Sophomore: 96
Junior/Senior: 267
Masters: 21
Doctoral: 58

Source: KU Office of Institutional Research and Planning

Loving Named Ex.C.E.L. Award Finalist

KU senior James (Greg) Loving added to his impressive list of awards during the Fall semester when he was named as one of 10 finalists for the Ex.C.E.L. Award, which is given out annually to students in acknowledgment of excellence in community, education, and leadership.

Loving, who is a senior from McPherson majoring in economics and chemical engineering, also has been named a Hall Center Scholar for the 2011-12 academic year and received a Charles W. Oswald Scholarship awarded by the Economics Department.

The Ex.C.E.L. Award is one of several honors announced during Homecoming in the Fall. After turbulent anti-war demonstrations had rocked the campus, a special advisory committee in 1969 recommended that the naming of a Homecoming Queen be replaced with a variety of awards more appropriately recognizing “those who embody the academic spirit.”

Nominees generally are selected based on their effective communication skills and ability to work with a variety of students and organizations – in addition to community involvement, academic success, and leadership.

Doctoral Student Research Focused on Variety of Important Topics

A number of doctoral student research papers are scheduled for presentation in the Fall of 2012 from a variety of different fields, including macroeconomics, monetary economics, development, labor, game theory, monetary policy, and financial economics.

Kablan Alkahtani The Effect of Oil Price Shocks on Saudi GDP
Ryadh Alkhareif Divisia Monetary Indices for the Gulf States
Salah Alsayaary On the Determinants of Growth in Middle East and North African Countries: How Relevant Are Institutions?
Jing Fu Chinese Immigrants’ Fertility: One or More?
N. Gaekwad-Babulal Liquidity Effect: Comparing the Simple Sum and Divisia Monetary Aggregates
Eric Hoffmann Incomplete Information in Games of Strategic Complements
Lee Smith Are Monetary Aggregates Useful for Monetary Policy? Evidence from the Welfare Evolution of a DSGE Model with a Financial Sector
Toshiyuki Wakana No Economic Recovery from Crises? Panel State-Space Approach
Melody Yin Modeling the Impact of Oil Prices on Stock Returns: Empirical Study for 13 Emerging Countries
Faculty News

William A. Barnett has already seen his most recent book, *Getting It Wrong: How Faulty Monetary Statistics Undermine the Fed, the Financial System, and the Economy*, be lauded as a groundbreaking new look at the real causes and culprits behind the global financial crisis (see page 3). His most recent journal articles include “Bifurcation Analysis of Zellner’s Marshallian Macro Model” (with Sanjibani Banerjee, Evgeniya Duzhak, and Ramu Gopalan) in the *Journal of Economic Dynamics and Control*; and “Rethinking the Liquidity Puzzle: Applications of a New Measure of the Economic Money Stock” (with John Keating and Logan Kelly) in the *Journal of Banking and Finance*. As Director at the Center for Financial Stability, Dr. Barnett has been busy overseeing the recent (March 2012) public launch of the rapidly growing program on Advances in Monetary and Financial Measurement, which will soon be providing monthly press releases. Special issues of two economic journals, the *Journal of Econometrics* and *Econometric Reviews*, are currently being prepared in his honor.


Dietrich Earnhart, a recognized authority in environmental economics, authored a book (with Robert Glicksman) in 2011, *Pollution Limits and Polluters’ Efforts to Comply: The Role of Government Monitoring and Enforcement* (Stanford University Press). Dr. Earnhart also wrote a chapter (with Daniel Phaneuf) on “Combining Contingent Behavior, Contingent Pricing, and Revealed Preference Data to Improve the Valuation of Time in a Recreation Context,” in another 2011 book, *Preference Data for Environmental Valuation: Combining Revealed and Stated Approaches*. His most recent journal articles include “The Effect of Environmental Regulation on Firm Financial Performance: Short-Run versus Long-Run Implications” (with Dylan Rassier) in *Contemporary Economic Policy*; “Pollution Control in a Transition Economy: Do Firms Face Economies and/or Diseconomies of Scale?” (with Lubomir Lizal) in *Transformations in Business & Economics*; and “Effect of Corporate Economic Performance on Firm-Level Environmental Performance in a Transition Economy” (also with Lubomir Lizal) in *Environmental and Resource Economics*. He also presented a paper on “Corporate Environmental Strategies in Developing and Transition Economies” at the University of Illinois in late October.

Donna Ginther made national news in August as the lead researcher behind stunning findings regarding the likelihood of black applicants to receive National Institute of Health grants (see Fall 2011 edition of *KU Economist*). The study (“Race, Ethnicity, and NIH Research Awards”) found that even after controlling for applicants’ educational background, country of origin, training, previous research awards, publication record, and employer characteristics, blacks were 10 percentage points less likely than whites to be awarded certain NIH research funding. Dr. Ginther was quoted extensively by the *New York Times* and *USA Today*; and gave interviews to PBS and National Public Radio. She made three other major presentations in 2011, “Multiple Partner Fertility and Children’s Educational and Earnings Outcomes in Sweden” (Society of Labor Economists Conference, Vancouver); “Dimensions of Diversity in Biomedical Careers: An Evaluation of Career Progression and NIH Funding” (NIH, Bethesda); and “Work Activities as Firm-Specific Human Capital: Estimates of the Effects on Wages” (Econometric Society North American Meetings, St. Louis). She continues to work on additional research funded by grants from the Alfred P. Sloan Foundation, the National Science Foundation, and the Ewing Marion Kauffman Foundation. She organized the October “Immigration and the Kansas Economy” Conference that made regional news; continues to co-chair a Modeling Subcommittee of an NIH Working Group on the Future of the Biomedical Research Workforce; and is part of the organizing committee for the KU Strategic Summit on “Building Communities, Expanding Opportunities.”

John W. Keating, a specialist in macroeconomics, time series econometrics, and monetary theory and policy, made three recent presentations of his paper, “What’s so Great about the Great Moderation? A Multi-Country Investigation of Time-Varying Volatilities of Output Growth and Inflation” – at a prestigious (EC) 2 Conference in Florence, Italy in December on “Econometrics for Policy Analysis: after the Crisis and Beyond”; at the Midwest Econometrics Group Meeting at the University of Chicago; and at the Western Economic Association Meeting in San Diego. He has also recently presented “The Time Varying Effects of Permanent and Transitory Shocks to Real Output”. Both research works (with Victor Valcarel) are closely associated with the important “Greater Moderations” working paper (page 11), the latest version of which has also been accepted for publication. Dr. Keating also has another forthcoming paper that has accepted by the *Journal of Money, Credit and Banking* on “Interpreting Permanent Shocks to Output When Aggregate Demand may not be Neutral in the Long Run.”

Pym Manopimoke in 2011 presented her research at a number of conferences, including the Society for Nonlinear Dynamics and Econometrics Annual Symposium, the Asian Meeting of the Econometric Society, Meetings of the Midwest Econometrics Group, and at the Thailand Develop-
Martha Hensley (1928 – 2012)

We were quite sad to learn in early January of the death of a longtime colleague and dear friend, Martha Hensley. Martha’s association with the Economics Department began in 1978, when she arrived as a (non-traditional) undergraduate student, and it continued in various capacities until her death on January 3. She earned both her undergraduate and M.A. degrees in economics; served as a GTA and lecturer; and taught an Econ 104 correspondence course for nearly 30 years. She also developed an early generation online Econ 104 course a decade or so ago and continued improving it to the present day. She also designed and created the format for this newsletter and served as its first editor. Everything Martha did, she did with great integrity and quality.

Before coming to KU, Martha raised a family of four children to adulthood in Dodge City. Her children and grandchildren, many of whom I know, are wonderful and successful people, and served as a great source of happiness for Martha. Every year, the family Thanksgiving was at Martha’s house in Lawrence, including this past November when 36 family members made it back to town.

In addition to Martha’s work in economics and her devotion to her family, she remarkably pursued another life in the arts. She was a talented painter from a young age. At KU, she also earned an advanced degree in the Fine Arts, turned to abstract painting, and created and sold many paintings. In addition, she received a degree in Theater and Film and worked on a number of films created by KU faculty members.

As an adult, Martha lost the use of her legs to polio. Not long after that, she tragically lost her beloved husband in 1972. Despite the difficulties involved with reliance on a wheelchair, Martha lived independently until her death. For most of her years in Lawrence she also traveled independently, carrying her wheelchair in the back seat of her sedan, pulling it in and out with her own strength. In the last several years, even as some of her mobility and strength was further reduced, Martha spent most of her time at her home, a great deal of it designing and working on our webpage, our newsletter, and on Econ 104, and a great deal of it in service to her family members.

While everyone who knew her realized that she was a brilliant and accomplished woman, it is also worth noting that a 1989 Lawrence Journal World feature story about her budding abstract art career appropriately described her as “an animated, forthright, and cheerful” woman.

Martha was a person of exceptional strength. It was a great fortune and a privilege to have known and worked with her.

- Joe Sicilian

Faculty News continued . . .

Joshua L. Rosenbloom in January completed a six-month stint as Dean of Graduate Studies. He recently received a three-year grant from the National Science Foundation for a project, “Economic and Scientific Effects of Federal Investment in Chemical Sciences Research” (co-principal investigators include Donna Ginther and Ted Juhl, as well as Joseph Heppert), that will examine the impact of federal research and development funding in chemistry and chemical engineering on selected measures of scientific output (students trained and publications); and on local economic activity. The researchers will analyze data from a sample of 150 universities from 1990-2009. He also has revised his article, “Technology Evolution”, which was published originally in 2011 and will appear in 2013 in the Wiley Online Encyclopedia of Management.

Shu Wu has recently been invited to be a co-editor of a monograph entitled “State-Space Models and Applications in Economics and Finance” as part of a new book series, Statistics and Econometrics for Finance, to be published in 2013 by Springer Press. Dr. Wu made presentations in 2011 at the Asian Econometric Society in Seoul, South Korea; and at Jinnan University in Guangzhou, China.

Van Eekeren Now CEO of Land O’Frost

Another KU Economics Department alum achieved an impressive milestone in 2011 when he was named CEO of a major corporation, Land O’Frost. David Van Eekeren, who received his undergraduate economics degree from KU in 1991 and later an MBA in finance from Loyola, began working for the company as an Arkansas plant supervisor in the early 1990s. He subsequently was promoted to executive vice president in 2005; to president in 2008; and then to CEO in 2011.

Land O’Frost manufactures sliced packaged luncheon meats (beef, chicken, turkey and ham), and is now the largest family-owned brand of packaged deli meat in the United States.

Under David’s leadership, Land O’Frost in late 2011 announced a multi-year partnership with the Juvenile Diabetes Research Foundation to help raise funds to build awareness of type 1 diabetes and boost efforts to cure, treat and prevent the disease.
Alumni Updates

Hisaya Kitaoka

Hisaya Kitaoka, who received both his master’s and doctoral degrees in economics from KU (in 2005 and 2008), is currently an Assistant Professor of Economics at Franklin College in Franklin, IN. In 2010, Dr. Kitaoka was named recipient of the prestigious Teaching Innovations Program Certificate of Achievement Award by the American Education Association’s Committee on Economic Education.

His latest paper, “The Effect of US Import Tariff Reductions on Expanded Wage Inequality,” was recently accepted for publication by the Journal of Indiana Academy of the Social Sciences.

In that paper, Dr. Kitaoka wades into the disagreement among researchers as to whether trade liberalization can explain rising wage inequality. He examines the contribution of the reductions of US import tariffs from NAFTA countries Canada and Mexico to the expanding wage inequality that occurred in US manufacturing industries from 1980 to 2000. Based on a newly developed industrial classification code not available to prior researchers, he concludes that US tariff reductions on imports from both neighboring countries in fact did expand wage inequality between skilled workers and unskilled workers in US manufacturing industries. Each one percent reduction of US tariffs on Canadian imports resulted in an increase in the wage gap of 0.69 percent; and each one percent reduction of tariffs on Mexican imports resulted in a wage gap increase of 0.57 percent.

Dr. Kitaoka was born and raised in Tokyo, received his undergraduate degree from Keio University, and worked for 20 years as an oil and gas specialist for Mitsubishi. While with Mitsubishi, he traveled to a number of oil-producing areas, including the Middle East and North America, and was stationed in Jakarta, Indonesia for four years. He subsequently moved to the African Department, where he worked as a desk economist specializing on Angola and Cape Verde. Since August 2011, he has been with the Sovereign Asset and Liability Division within MCM, where his analysis helps policymakers grapple with complicated debt restructuring, reserve management, and fixed income market issues. He says that while at all three jobs at IMF, he has gained “tremendous experience by interacting with high level policymakers (ministers of finance and governors), as well as seasoned economists all over the world.”

Stan Diel

Stan has recently been appointed business columnist for the Birmingham News, the largest newspaper in Alabama, where he also has worked as national editor and news editor. Previously he was business editor at the Democrat & Chronicle in Rochester, N.Y. His writing has appeared in numerous magazines and newspapers, including USA Today and the New York Times.

KU Grad Maintains Expertise on Central Asian Agriculture

After graduating from KU in 1968 with his undergraduate degree in economics and Slavic Area Studies, Ken Gray subsequently put both disciplines to work throughout his long and varied career. He went on to become an assistant professor in both the US and Moscow, before leaving academia for a time to work for the USDA’s Economic Research Service as their lead expert on agriculture in centrally planned economies. He also served as a special USDA consultant to the Kazakh Ministry of Agriculture. Ken returned to teaching in the late 1990s and directed an MA economics program in Kiev. He continues to research – and is an acknowledged expert on – the development and transition of agriculture in the former Soviet Union; and serves as an international consultant on any number of issues related to Central Asia. He maintains a US residence in Minnesota in addition to spending a good deal of time in Kazakhstan.

Ken said that he has very much enjoyed receiving the last several issues of the KU Economist and was intrigued to learn that John Lintner (who likely would have received a Nobel Prize had he not died in a 1983 automobile accident) was born in Lone Elm, Kansas, the same birthplace as his father. Ken had visited Lone Elm to explore his family connection about 15 years ago but discovered the town does not exist anymore.

While at KU studying economics, Ken was recipient of a John Ise Award and still has his (now rare and valuable) copy of Ise’s famous book, Sod and Stubble, which the Economics Department still gives to Ise Award winners. He had the great foresight to have Dr. Ise, who would die less than a year later in 1969, autograph his copy.

http://economics.ku.edu
Fed Economist Reviews Careers, Opportunities for Economics Club

One of the leading economists for the Federal Reserve Bank of Kansas City, Dr. Richard Sullivan, told the KU Economics Club in late November that since economics jobs at the Kansas City Fed frequently serve as a springboard to doctoral programs, there is often a good deal of turnover with the institution’s research economists.

Sullivan, who has worked at the Kansas City Fed since 1994, provided the club with an outline of his career, which included a brief stint at KU in the mid 1980s as a visiting faculty member. He received his Ph. D. from the University in Illinois in 1983 as a specialist in economic history. Since joining the Fed, he has tracked the history of payment services and the evolution of Internet banking dating back to the 1990s; and is currently conducting research on the amount of fraud loss per value of transactions for domestically issued debit and credit cards.

He said that there is some evidence that fraud losses are lower in other countries which have employed chip and pin technology prior to the issuance of cards than in the United States, where financial institutions have largely continued to resist utilizing the newer technologies prior to issuing the cards.

The Kansas City Fed is responsible for the activities of the nation’s central bank in a seven-state region.

For the Spring 2012 semester, the KU Economics Club named Mary Anderson and Dexter Smizer as Co-Presidents, replacing Maureen Primdahl and Jenny Van Wormer who served in those roles for the Fall 2011 semester. Mary and Dexter both said that they hoped to build on the club’s recent successes and momentum and boost its visibility on campus as a valuable extra-curricular outlet for those interested in economics.

KU Alum Named Dean of Oklahoma City University Business School

Oklahoma City University in late December announced that Dr. Steven C. Agee, another prominent KU Economics Department alum, had been named permanent dean of its Meinders School of Business. Dr. Agee, who served as interim dean since 2010, assumed the permanent dean's position in January, 2012, after leaving his post as Chair of the Kansas City Federal Reserve Bank’s Oklahoma City Branch.

Steven received an undergraduate degree in business administration from the University of Oklahoma in 1975 before receiving both his master's (1979) and doctoral (1982) degrees from KU in economics. He later taught economics courses briefly at both KU and Washburn before returning to Oklahoma to head up an oil and gas exploration company.

Soon after resuming teaching as a visiting professor of economics at Oklahoma City University’s Meinders Business School in 2008, he founded its Economic Research and Policy Institute.

In addition to his recent six year stint with the Fed, Dr. Agee has served on the boards of the Oklahoma Independent Petroleum Association, the Economic Club of Oklahoma, the Oklahoma Energy Resources Board, and Oklahoma City Economic Roundtable.

Steven said that it was an honor and privilege to be selected as the permanent dean, adding that he was looking forward to “using my thirty years of energy and banking experience to the benefit our students, not only with regard to their education, but also with future contacts and placement for post-graduate employment.”

Additional information on faculty, their areas of research interest, and recent activities and publications may be found at [http://www.economics.ku.edu/people/faculty.shtml](http://www.economics.ku.edu/people/faculty.shtml). Additional information on current working papers also is available at [http://econpapers.repec.org/paper/kanwpaper/](http://econpapers.repec.org/paper/kanwpaper/).
Creating Risk: Understanding the Role of Derivatives on Reducing and Controlling Risk

Dr. Shannon returned to Lawrence in December at KU’s Conference on Theoretical Economics to present a paper she co-authored with Suzanne Scotchmer on *Verifiability and Group Formation in Markets*. In that paper, the authors develop a model mixing key aspects of contract theory, mechanism design and game theory with general equilibrium theory. That model subsequently allows for the study of the interplay between market forces, private information, the provision of incentives, and the structure of institutions, as well as the assessment of the role of markets in limiting inefficiencies that stem from asymmetric information. The research concludes that a sufficiently rich set of group types can ensure the existence of an efficient equilibrium.

The Economics Department, with support from the College of Liberal Arts and Sciences, played host to a variety of relevant new research in early December at Snow Hall at the Conference on Theoretical Economics.

One paper, “Monotone Comparative Statics for Games with Both Strategic Complements and Strategic Substitutes”, presented by KU doctoral candidate Andrew Monaco, provided an important new extension of work addressing a class of generalized lattice games which are not covered in the previously existing literature on games with strategic complements and games with strategic substitutes.
GrADUATION RECOGNITION CEREMONY – MAY 12, 2012

The Economics Department Graduation Recognition Ceremony is a formal event that honors graduating seniors, masters, and doctoral students. (The departmental ceremony is a nice complement to the less formal University of Kansas Commencement held outdoors in Memorial Stadium each May where students take the traditional “walk down the hill” with often heavily decorated caps and gowns.)

This year’s ceremony is scheduled for Saturday, May 12 at 1 pm at Woodruff Auditorium in the Kansas Union.

Students planning to attend the ceremony should complete the registration form available on the website by April 15. Additional information about seating for guests, appropriate attire, and photos is also available at: http://economics.ku.edu/graduation_ceremony/index.shtml

The program is scheduled to last approximately 30 minutes.

Program Schedule

- Processional
- Welcome and Introductions
- Guest Speaker
- Student Speakers
- Presentation of Senior Students
- Presentation of Master Students
- Alma Mater and Rock Chalk Chant
- Recessional

HISTORICAL ANALYSIS SUGGESTS GOVERNMENT POLICY LED TO DECLINE IN POST-WWII VOLATILITY

A new analysis of US real output data has found periods of substantial reduction in volatilities in both output growth and inflation from the end of World War II to the mid 1960s, a period labeled by KU Economics Professor John Keating (with Victor Valcarel) as the Postwar Moderation in the upcoming article, “Greater Moderations” (Economics Letters, May 2012).

After decomposing a 219-year sample of output data into permanent and transitory shocks, the study confirms the period of “Great Moderation” noted by others that began in the mid 1980s. But the more significant new finding is of output growth and inflation volatilities’ having fallen by 60 percent and 76 percent, respectively, from the end of World War II through the mid 1960s. The authors’ empirical model suggests that aggregate supply shocks account for most of the changes in output growth volatility; whereas aggregate demand shocks account for most of the changes in inflation volatility.

The research notes that “in contrast to the period before the Great Depression, stabilization had become a major component of policy discussions and procedures implemented throughout the post-World War II period. For example, passage of the Employment Act of 1946 occurs just before the volatilities of output growth and inflation began their rapid descents. That timing suggests the federal government’s intent ‘to promote maximum employment, production and purchasing power’ (15 USC, §1021) led it to adopt policies that played a major role in the Postwar Moderation.”

The latest version of the working paper is available online at: http://econpapers.repec.org/paper/kanwpaper/201202.htm.

ALUMNI NEWS

Alums and friends of Economics at KU, we want to hear from you! Please keep us updated on what is happening in your lives. We look forward to including your news and events in the next KU Economist.

Mail
Alumni News
Department of Economics
University of Kansas
Lawrence, Kansas 66045

Email Your News
econalums@ku.edu
Subject Line: Alumni News

Send News Online
http://economics.ku.edu/newsletter/online_news_form.shtml
note from the editor

A special thanks to everyone who contributed to and helped with this issue of the KU Economist, including Pam LeRow at CLAS Digital Media Services; and the Kansas University Alumni Association. The previous four editions also are available on the departmental website at http://www.economics.ku.edu/about/newsletters.shtml.

Dr. William A. Barnett, author of Getting it Wrong: How Faulty Monetary Statistics Undermine the Fed, the Financial System, and the Economy (MIT Press), will be holding a lecture and book signing on Thursday, April 19 at the KU Edwards Campus in Overland Park. See page 3 for additional details.