New NIH Award Study Shows Race More Important than Gender

New research from a team led by KU Economics Professor Donna Ginther concludes that race appears to be more important than gender when it comes to the awarding of National Institutes of Health Research Project Grants.

The latest study (“Gender, Race/Ethnicity, and National Institutes of Health R01 Research Awards”), which made national news on a variety of fronts over the summer when it was published in the August issue of Academic Medicine, finds that relative to the awarding of NIH’s prestigious R01 grants from 2000 to 2006, differences by race/ethnicity explained the NIH funding gap for women of color, since white women actually had a slight advantage over men in receiving the grants.

The implications of the study (co-authored by Shulamit Kahn, associate professor at Boston University’s Questrom School of Business, and Walter Schaffer, senior scientific adviser in NIH’s Office of Extramural Research) suggest that the “double bind” disadvantage facing women of color in science may be less prevalent than other research had indicated, at least with respect to the R01 grant awards.

“Focusing on the issues associated with race, in this case may be less prevalent than other research had indicated, at least with respect to the R01 grant awards.

She added that the double bind notion does appear to come into play in certain circumstances, given that black women MDs were less likely to get funding than their male counterparts; and black women PhDs were more likely to have submitted a grant, gotten rejected, and never applied again.

This new study built on her previous landmark work from 2011 looking specifically at racial disparities alone. That previous research (“Race, Ethnicity, and NIH Research Awards”– published originally in the August 2011 issue of Science) 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.

The NIH responded to the national publicity generated by that paper’s findings by forming a special Working Group on Diversity in the Biomedical Research Workforce that conducted follow-up research and held public hearings. That group’s final report, which specifically cited Dr. Ginther’s research as the catalyst for its recommendations, unveiled new policy initiatives that include bias and diversity awareness training to improve NIH’s peer review process; the creation of a pilot program designed to make grant applications anonymous; creation of a chief diversity officer position within NIH; implementation of a new mentoring network to connect students, postdoctoral fellows and faculty with experienced mentors; and the development of special workshops on grantsmanship.

Dr. Ginther, who is also director of the Center for Science Technology & Economic Policy at KU’s Institute for Policy & Social Research, explained that NIH funds are often the gateway to receiving tenure and becoming a full-fledged member of an academic faculty. She said that understanding who gets grants and promoting a more diverse applicant pool would promote additional diversity at colleges and universities.

“Science is a high-risk enterprise,” she told KU News. “So you want to have as many qualified people working in science as possible. You don’t want to make it the exclusive domain of a select few.”

In addition to publishing the new NIH grant award findings over the summer, Donna personally received three new grants – two from the National Science Foundation and a $1 million grant from the Centers for Disease Control (CDC). The CDC grant (with Michelle Johnson-Motoyama) will enable research to explore the causal impacts of economic and social safety net policies on child neglect in the United States.
SEM Hosts Third Annual Conference in Greece

The Society for Economic Measurement (SEM), founded in 2013 by Dr. William A. Barnett, Oswald Distinguished Professor of Macroeconomics at KU, held its third annual conference in Thessaloniki, Greece in early July. That event featured numerous prominent speakers from around the world and included keynote addresses from George Tavlas from the Bank of Greece's Monetary Policy Council; Paul Schreyer, Deputy Director of the Organization for Economic Cooperation and Development's Statistical Directorate; Stephen Spear from Carnegie Mellon; and Anthony Smith from Yale University.

SEM's long-run objective is to meet the data standards established for the physical sciences, notwithstanding the fact that economics as a social science is subject to certain inherent limitations. The society's founding cosponsors are the University of Kansas, Carnegie Mellon University, and the Center for Financial Stability (CFS).

CFS President Lawrence Goodman in his presentation ("Why CFS Divisia Money Matters, Now!") said that if CFS Divisia data had been on the Federal Reserve's dashboard, the excessively easy monetary conditions between 2002 and 2006 enabling the expansion and absorption of credit by institutions and individuals could have been avoided – strongly suggesting that the subsequent global financial crisis also could have been averted.

Dr. Barnett directs a CFS program specifically designed to oversee and develop national and international databases rigorously founded in economic aggregation and index-number theory (such as Divisia monetary aggregates). Following this lead, a number of important papers have emerged over the last several years (many presented at the SEM annual conferences) on the relevancy of monetary aggregation to New Keynesian and New Classical macroeconomics. The rapid growth of SEM since its inception in 2013 and the fact that many Federal Reserve staff economists are now counted as members is indicative of the progress that has been made.

Dr. Goodman concluded his remarks by noting that this is an exciting time for scholars working to develop resilient monetary policy frameworks for the future.

"Whether you are a Keynesian, Monetarist or simply agnostic, monetary and financial measurement and its integration into policy and models is essential for the future," he said.

SEM's fourth annual conference will be held at the Massachusetts Institute of Technology's new Samberg Center in late July of 2017; and details may be found at: http://sem.society.cmu.edu/home.html. Nobel Laureate Peter Diamond is scheduled to give one of the keynote addresses at that event.

A separate conference not affiliated with SEM also has been organized by the prestigious Bank of England next May 23-24 in honor of Dr. Barnett and the "Barnett Critique" (first coined in a 1994 paper by two British economists in recognition of his landmark contributions to monetary economics) wherein Barnett will be giving a special keynote address. His groundbreaking book providing a decades-long historical analysis of monetary policy, Getting It Wrong: How Faulty Monetary Statistics Undermine the Fed, the Financial System, and the Economy (MIT Press, 2012) won the prestigious PROSE Award (for professional and scholarly excellence) from the Association of American Publishers for the best book in economics.
Ganchimeg Ganpurev, currently with the Central Bank of Mongolia, enjoys the view in August from atop the Oread during a return visit to campus.

Ganpurev
Advancing at Mongolia’s Central Bank

Another of the Economics Department’s more recent graduates, Ganchimeg Ganpurev, has continued to advance in her career with the Central Bank of Mongolia. Ganchimeg, who finished her undergraduate economics degree with honors from KU in 2013, has been with her home country’s central bank since early in 2015.

Her current duties in the bank’s balance of payments division involve focusing on external debt. In fact, she helps write a gross external debt report that is a critical but confidential document utilized by the institution. She initially worked in the research and statistics division.

The central bank has put a good deal of recent emphasis (thanks in part to special IMF funding) on continuing to improve the multi-lingual capabilities of its staff, and Ganchimeg as an important part of those efforts has been able to travel extensively to other countries as part of her outreach training.

She said that her late grandfather was a prominent economist and professor in Mongolia, and she credits his influence with her career choice. After arriving at KU in 2009, Ganchimeg immediately began noticing how different higher education was in the US.

“Faculty and students have a much closer relationship at KU than they do in Mongolia,” she said. “It is easier for students in Mongolia to feel intimidated by their professors. They certainly don’t enjoy the friendly access to professors that I had at KU.

“Another great thing about KU is that it much easier to double and triple major (she also received her math degree from KU) than it is in Mongolia. My home country has only recently began taking steps to help students who want to consider getting multiple majors and degrees.”

Ganchimeg visited Lawrence in August to help her younger sister (who just came to KU on the same Mongolian program) get settled in for the 2016-17 academic year; and to check in with a number of friends and faculty, including Dr. Ted Juhl, who had taught her econometrics.

“Mohamed El Hodiri was basically my advisor and mentor during my time here at KU,” she added. “And Dr. Shu Wu was a great help to me when I took on one of my biggest challenges – a doctoral level financial economics class when I was just a junior!”

A three-time winner of the Department’s Arthur J. Boynton Scholarships and Awards, Ganchimeg stays in touch with a number of her friends from Miller Scholarship Hall, where she lived while at KU. She said that she was excited that her sister (a biology major) is also getting to experience cooperative living in the scholarship hall system – right next door at Watkins Scholarship Hall.

“I am encouraging her to sometimes enjoy a little down time and be a college student and enjoy her life in this beautiful college town,” she added. “Go to more football and basketball games and plug in on more activities campus. If I have any one regret, it is that I did not do more of those things.”

Ganchimeg said that while she very much enjoys the advancement opportunities that the central bank has already given her, as well as being around her family in Mongolia, she may consider jumping back into a doctoral program in economics at some point in the future.

Alumni Profile: Somchai Sanyalaksiri

Somchai Sanyalaksiri, who graduated from KU in 1981, retired earlier this year as the executive vice president for the Siam Commercial Bank in Bangkok, Thailand. He served that institution in a number of different capacities during his long and distinguished career, including as Deputy Manager of its London branch; head of its International Banking unit; and specializing in public sector relations as a special liaison to the Ministry of Finance.

Somchai has many fond memories of the “beautiful, hilly campus” during his days in Lawrence and credits Dr. David Faurot, who retired in 2012 after 39 years of teaching economics at KU, with giving him extra attention and encouragement.

He said that he very much enjoys the KU Economist each semester and thinks the Department should keep expanding on its outreach and networking efforts for all of its alumni.

COLOMBIAN PRESIDENT AWARDED NOBEL PEACE PRIZE

As this issue was going to press in October, Colombian President Juan Manuel Santos, one of the Department’s most prominent alums, was awarded the Nobel Peace Prize for his efforts to end his country’s decades-long and often violent conflict with rebel groups. The award will be formally presented to President Santos at a special ceremony on December 10, and the Spring issue of the KU Economist will feature a great deal of additional coverage of this historic honor.
Economics Department Student Awards, 2016-17

The Economics Department gives a number of annual undergraduate awards to outstanding economics majors. The selections are made by the faculty and are based upon academic achievement.

The 2016-17 awards were presented at a special awards banquet held April 21 at the Oread Hotel just off campus. A number of faculty and alumni joined with Dr. Ted Juhl, Chair, in congratulating the winners, all of whom are required to have exceptional academic records as a prerequisite for being considered for the honors.

The John Ise Award, Domenico Gagliardo Award, R. S. Howey Award and Arthur J. Boynton Award have been granted each year to graduating seniors. The John Ise Award now rotates between an economics major and another CLAS student not in economics and is scheduled to be awarded again to a graduating senior in economics next April. The R.S. Howey Award also was not granted in 2016.

In announcing the awards, Director of Undergraduate Studies Brian Staihr outlined the history and accomplishments of the former faculty luminaries for whom the awards are named.

* The Arthur J. Boynton Memorial Awards and Scholarships were established by friends, former students and associates after Professor Boynton’s death in 1928. A longtime member of the Economics Department, Professor Boynton graduated from Harvard in 1903 and came to KU, where he served as head of the department from 1915 to 1924. An asset to the entire Lawrence community, he served on the KU Athletic Board and the Lawrence School Board. An avid golfer and one of the founders of the Oread Golf Club in 1908, Professor Boynton built a nine-hole golf course between Mississippi Street and Potter Lake. He also was a member of the Beloit College Glee Club and the Harvard Double Quartet. When his wife, Flora Boynton, died in 1978, most of her estate was added to the fund.

* The Domenico Gagliardo Award was established after Gagliardo’s death in 1955 to honor his teaching, scholarship and impressive accomplishments in scholarship and public service. He joined the Economics Department faculty in 1923. Professor Gagliardo, born in Frontenac, Kansas in 1895, began working in coal mines in Crawford County as...
a seventh-grader and did not start high school until age 20. After serving in the Navy in World War I, he came to KU originally in 1920, received a degree in just three years, and subsequently obtained his Master’s degree from Harvard in 1924 and his Ph.D. from the University of Chicago in 1931. He later received the Legion of Merit and the Army Commendation Ribbon for again serving his country in World War II. He was renowned for his scholarship and expertise in labor economics.

* The R.S. Howey Award, established upon the retirement of the late Richard S. Howey, recognizes outstanding students majoring in economics. He received a B.S. from Harvard in 1926, an M.A. from Southern California in 1929, and a Ph.D. from the University of Chicago in 1955. He joined the KU faculty in 1929, taught for 44 years, and subsequently helped establish the notable Howey Economic History Collection of literature at Spencer Research Library. The Howey Collection, considered one of two benchmark collections in the world alongside the Kress holdings at Harvard University, now includes over 15,000 items. Exceedingly rare books, pamphlets and journals from most major European countries from 1700 through the 1850s form the backbone of this one-of-a-kind archival resource. Adam Smith’s *The Wealth of Nations* is available in 53 editions and translations. Even after he became professor emeritus in 1973, Dr. Howey continued to serve the university in a variety of capacities and conduct research in economic history.

* The John Ise Award is funded from sales of Ise’s book, *The American Way*, a collection of his speeches. A committee from the Economics Department and the KU School of Business published and distributed the book. Professor Ise, a native of Downs and the author of *Sod and Stubble*, was a member of the economics faculty at KU from 1916 to 1955. One of eleven children, he obtained degrees from KU in Fine Arts (1908), Liberal Arts and Sciences (1910), and Law (1911) before getting advanced degrees at Harvard. The author of a total of eight books, he served as president of the American Economics Association and on the editorial board of the *American Economic Review*. His great generosity is reflected not only in numerous large gifts that helped aid generations of KU students, but also in helping the city of Lawrence build and support its first humane animal shelter.

* Graduation with Honors. In addition to the named student awards, the Department also confers honors on selected outstanding undergraduate majors. Graduating with honors is limited to students who have completed all economics major requirements for a B.A., B.G.S., or B.S. degree and achieved a minimum grade-point average (GPA) of 3.5 in all economics courses and a minimum overall GPA of 3.25 at the time of graduation. Eligible students are further required to complete research activities and write a thesis for subsequent presentation and defense in front of a committee of at least three faculty members.

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**2016-17 Student Awards and Scholarships**

**Gagliardo Award**
- Jacob Reinig
- Alex Samuelson

**Arthur J. Boynton Awards**
- Steven Harms
- Xiangze Li
- Emily Otte
- Elijah Parker
- Rhys Raglow

**2016 Departmental Honors**
- Ashlie Koehn
- Corbin Stephens

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Gagliardo Award winners Jacob Reinig and Alex Samuelson celebrating the awards with Brian Staihr at the Oread Hotel.

Emily Otte, winner of a Boynton Award, said that she planned on working at Cerner for at least a year or so before considering continuing her education in law school.
Grads will be able to choose from a wide range of maj","Grads will have the opportunity to choose from a variety of focus areas within the major.

The 2015-16 academic year concluded for the Economics Department with the Graduation Recognition Ceremony on May 14, a formal event at Woodruff Auditorium in the Kansas Union that honored graduating seniors, masters, and doctoral students.

Following introductory remarks from Dr. Ted Juhl, Chair, the 2016 guest speaker, Joshua Hanson, was introduced by Director of Undergraduate Studies Brian Staihr. Brian explained that since one of the new points of emphasis was improving the marketability of the Economics Department’s undergraduates, he felt it appropriate to have a very recent alum who had moved into the job market successfully (like Josh, KU Class of 2014) give advice to the Class of 2016. Josh, who had received his BA with honors two years earlier, had spent much of that time as a research associate for the Federal Reserve Bank of Kansas City before just recently moving on to a research analyst job with Standard and Poor’s based in Denver. He told the new graduates that there could be many tough days ahead; and added that there was a great deal of additional learning to be done. “Navigating the professional world can be quite difficult. But always be ready to ask yourselves, ‘Why not me?’” he said.

Brian then announced that two students (Ashlie Koehn and Corbin Stephens) had received special Departmental Honors recognition for completing their undergraduate economics degrees with a 3.5 grade point average in economics courses and 3.25 overall; and researching, writing and defending a thesis before a faculty committee.

Following the formal recognition of 112 undergraduates (presented by Dr. Donna Ginther), 13 master’s candidates (presented by Dr. Mohamed El-Hodiri), and 9 Ph.D. candidates (presented by Dr. Tsvetan Tsvetanov), everyone was invited to join arms and sway one last time to the Alma Mater and Rock Chalk Chant.

The departmental ceremony nicely complemented the less formal University of Kansas Commencement held the next day at Kansas Memorial Stadium, where many students took the traditional “walk down the Hill” with heavily decorated caps and gowns.
Dr. Ted Juhl, Chair, chats with happy graduates and families at a reception in Alderson Auditorium immediately following the 2016 Graduation Recognition Ceremony.

New economist David Olson reminisces about his days in Lawrence in the Big 12 Room prior to the ceremony, noting that his grandfather would be especially proud that he would be walking down the Hill the next day.

DeBruce Center with Naismith’s Rules Now Open, Courtesy of David Booth

Thanks in large part to the generosity of prominent Economics Department alum David Booth, the DeBruce Center, a 32,000 square foot facility adjacent to historic Allen Fieldhouse, held its grand opening on July 23 and is now a major tourist destination where many thousands of fans have already streamed through to view the original rules of “Basket Ball” written by James Naismith, KU’s first basketball coach.

Booth made national news in 2011 when he paid $4.33 million, a record for sports memorabilia, at a Sotheby’s auction to insure that the original rules would be permanently housed in their rightful place at the University of Kansas (see Spring 2013 issue of the KU Economist).

David graduated from KU with his undergraduate economics degree in 1968 before staying on in Lawrence to get his master’s from the business school in 1969. He is chairman and CEO of Dimensional Fund Advisors, one of the largest institutional fund managers in the US. He founded the company in 1981. He and his wife, Suzanne, live in Austin, Texas.

The DeBruce Center celebrated its grand opening on July 23, allowing fans to pose with a new statue of James Naismith.
Recent Grad Koch Awarded NSF Grant; Currently Working Abroad in Computational Lab

Recent graduate Jordan Marie Koch, who received her undergraduate degree with departmental honors in 2015, was named recipient in March of a special National Science Foundation Graduate Research Fellowship. That award is designed to provide students with annual funding for up to five years of research in evolutionary biology at any PhD granting institution in the country.

At the time she applied for the grant last year, Jordan was working as a post-baccalaureate fellow at the American Museum of Natural History in New York, where she conducted computational biology research and shared her expertise by teaching underrepresented high school girls computer science skills.

She credits Dr. Ginther in particular with inspiring her to continue to develop her data analysis skills, as well as Pat Oslund (with KU’s Institute for Policy & Social Research); and also cites Dr. Tarun Sabarwal, Dr. Ted Juhl, Dr. Elizabeth Asiedu, and Dr. Joshua Rosenbloom as being among her mentors at KU who helped shape her unique set of talents. Jordan added that Dr. Eric Hoffman, currently at West Texas A&M, taught her first advanced-level economics course while he was a graduate teaching assistant at KU and also provided a key inspiration for her decision to pursue a degree in economics.

Two Economics Workshops Hosted by KU Unveil Groundbreaking Research

The KU Economics Department continued to enhance its international reputation by hosting two prestigious events late last semester – the 2016 Kansas Workshop in Advanced Econometrics (April 30 at the Adams Alumni Center); and the 2016 Kansas Workshop in Economic Theory (May 7 at Snow Hall). Both workshops allowed researchers and theoreticians from around the country and world to convene and present their latest findings while interacting with one another to provide additional constructive input.

Dr. Anne-Christine Barthel (as of July working as assistant professor of economics at West Texas A&M) who received both her master’s and doctoral degrees in economics from KU, presented at the latter event the latest version of a paper (“Directional Monotone Comparative Statics”) that she wrote with KU’s own Dr. Tarun Sabarwal. The Oswald Distinguished Professor of Microeconomics at KU, Dr. Bernard Cornet, also presented some of his latest research, “On Choquet Pricing for Financial Markets with Frictions” (with Alain Chateauneuf).

Economics Department Chair Dr. Ted Juhl presented on “Rolling Regression” at the econometrics workshop in late April.

The two events featured other prominent economists and mathematicians from Singapore, China and Australia; as well as Columbia University, Harvard, Johns Hopkins and MIT.
Importance of Sunlight and Vitamin D for Pregnant Women Highlighted by Slusky Research

KU Assistant Professor David Slusky and his colleagues made national news in the spring with the release of their research on the importance of vitamin D, especially from sunlight, for pregnant women in terms of lowering the probability of their children ultimately developing asthma.

Professor Slusky and his colleagues, Nils Wernerfelt (MIT) and Richard Zeckhauser (Harvard), conducted their research (“Second Trimester Sunlight and Asthma: Evidence from Two Independent Studies” – forthcoming in *American Journal of Health Economics*) in response to a hypothesis developed by two physicians that higher vitamin D levels during the second trimester of pregnancy indeed could reduce the likelihood of asthma in children.

The three health economists then stepped in to evaluate the hypothesis using a variety of survey and health data.

“This is the golden age in the way that data about hospital discharges, insurance claims, birth certificates and death certificates are more and more available and more and more set up for researchers,” Slusky said. “And that allows economists to get really large sample sizes with not a lot of cost.”

Analyzing hospital discharge data and birth record data, the project then honed in on measurements of sunlight in birth locations where asthmatics’ mothers would have been in their second trimesters (since Americans get more than 90 percent of their vitamin D from sunlight).

The findings were that increased maternal sunlight (and therefore vitamin D) exposure during the second trimester does indeed lower a child’s chance of developing asthma. To finesse concerns about individuals in different parts of the country being systematically different, the research looked at relative differences across time in sunlight levels in particular places and seasons (as opposed to comparing sunny versus non-sunny parts of the country). So, for example, second trimester pregnancies were compared for relatively sunny Aprils in Kansas and for relatively rainy Aprils in Kansas.

Professor Slusky said that the study suggests that the very cost-effective idea that maybe as little as 10 minutes a day in the sun during the second trimester for pregnant women could dramatically reduce future cases of asthma. Although vitamin D is often included as a supplement in prenatal vitamins, pregnant women may not be necessarily getting the full benefit provided by just a few additional minutes in the free sunshine.

He added that while calibrating the precise health policy recommendations is something he would leave to others, other recent research on the importance of sunshine and vitamin D has already triggered changes. He explained that health officials in Australia, in an effort to help maintain adequate vitamin D levels, have relaxed previous requirements that students wear hats when outside during the winter months.

He pointed out that asthma affects as many as 1 in 12 Americans, noting that the economic opportunity costs from additional pain and suffering, loss of productivity and premature death should be considered along with the many billions of dollars directly spent by the health care system in treating the disease.

Dean Champions International Outreach at Universidad de La Sabana

Another prominent KU Economics Department alumnus, Hilda Arango de Ortega, has been ramping up the global outreach efforts at Colombia’s Universidad de La Sabana, where she serves as Dean of the International School of Economics and Administrative Sciences (EICEA).

She explains that EICEA has a high commitment to international programs and encourages an aggressive use of cooperative agreements to foster mobility of both faculty and students. EICEA currently has agreements with over 100 universities around the world, including many located in the US, Spain, France, Italy, Switzerland, Germany and Australia.

Under her leadership, La Sabana’s EICEA has become the first Latin American institution to receive international accreditation from the European Foundation for Management Development.

Joint Economics and Law Program

One of several joint-degree programs offered at KU is available through the Economics Department and the School of Law. Students may earn both an M.A. in economics as well as their J.D. degree in three years and one summer session, provided they have been admitted to the law school as well as the economics master’s program. The combined-degree program acknowledges the growing importance of economic analysis in many areas of law, including corporate law, regulated industries, environmental law, torts, and labor law.
In the wake of declining oil prices, Sub-Saharan African (SSA) countries are facing a unique set of challenges in attempting to stimulate and diversify additional foreign direct investment (FDI), according to important new research unveiled by the KU Economic Department’s own Dr. Elizabeth Asiedu at a special summer workshop at Columbia University. KU’s John Francois, a 2016/17 PhD and job market candidate, assisted with the presentation at the historic event.

Her presentation (“Foreign Direct Investment to Sub-Saharan Africa”) documented that SSA FDI traditionally has been extremely concentrated in natural resources, with about 40 percent flowing to the top four oil exporting countries of Angola, Equatorial Guinea, Nigeria and Sudan. The reduction in world oil prices, especially since the global economic downturn, therefore has significantly dampened FDI coming into the region.

Dr. Asiedu noted that the biggest ongoing challenge was to attract additional FDI for non-extractive industries, especially manufacturing and services. But such investments are extremely sensitive to conditions of the host economies, including size of local markets, quality of infrastructure, labor productivity, openness to trade, and the overall quality of institutions. So she concluded that attracting new FDI streams under these conditions is now believed to be far more competitive than the previous extractive-industry model (where access to natural resources was the primary concern), suggesting strongly that incentives may need to be provided by SSA countries to stimulate additional investment from foreign firms.

Her invited presentation came at the first meeting of a task force established jointly by Columbia’s Initiative for Policy Dialogue (IPD) and Japan’s International Cooperation Agency. Nobel Laureate and IPD Co-President Joseph Stiglitz organized the special meeting that focused on the quality of growth in Africa.

In his opening remarks at the prestigious gathering, Dr. Stiglitz emphasized that one important component in ensuring a high quality and consistency of growth for Africa prospectively would be to accelerate economic diversification and begin moving away from dependence on natural resources – a notion dovetailing perfectly with and reinforced by Dr. Asiedu’s presentation.

The workshop, which was hosted by Columbia in early June, featured prominent economic development researchers and experts from around the world.

Elizabeth is also the founder and president of the Association for the Advancement of African Women Economists (AAAWE), a not-for-profit international professional association established in 2012 that focuses on building the capacity and skills of African women economists. As of early June, AAAWE featured over 1,000 members worldwide and had established branches in five African nations.

Ashlie Koehn, who graduated in 2016 and is currently working as a Scholar-in-Residence at the Institute for Policy & Social Research and continuing her research with Dr. Dietrich Earnhart and the Water Quality Research Team, in August was named a KU Woman of Distinction and featured on the 2016-17 calendar published by the Emily Taylor Center for Women and Gender Equity. Ashlie and the other 2016-17 KU Women of Distinction were honored at a ceremony and reception hosted by KU Chancellor Bernadette Gray-Little at the Kansas Memorial Union.

She has continued to stay quite busy this semester while applying to graduate schools, serving as Program Director for the Climate and Energy Project; as well as working as a Virtual Foreign Service Intern with the US Department of Agriculture on a special project examining agricultural trade tariffs in Colombia.

Over the summer, Ashlie interned for the US Trade Representative in Washington, DC, where she received “a great deal of fascinating background on the thought process and preparation behind negotiating trade provisions and their subsequent implementation.” She also participated in the Truman Summer Institute, which included presentations from former US Secretary of State Madeleine Albright and US Supreme Court Justice Clarence Thomas.

Named in 2015 as both a Truman and Udall Scholar, is currently a Virtual Foreign Service Intern with the US Department of Agriculture on a special project examining agricultural trade tariffs in Colombia.
STUDY FINDS PROPER MIX OF ENVIRONMENTAL REGULATION CAN INCREASE PROFITS

A proper mix of regulatory stringency can actually enhance the profitability of manufacturing firms by encouraging innovation, according to the latest research published over the summer by KU Economics Professor Dietrich Earnhart.

The study (“Effective Regulatory Stringency and Firms’ Profitability: the Effects of Effluent Limits and Government Monitoring”), which was published in the Journal of Regulatory Economics by Dr. Earnhart and his co-author, Dr. Dylan Rassier from the Bureau of Economic Analysis, analyzed data from chemical manufacturers and found that those facing either stringent wastewater discharge limits or stringent government monitoring (but not both) were able to increase profitability.

Reviewing EPA discharge limits and government inspection data alongside profitability data from SEC filings for certain chemical manufacturing firms from 1995 to 2001, the authors found that when limits were stringent and inspections were frequent, profits tended to decline – a result consistent with conventional economic thinking. But when discharge limits were stringent and inspections were more infrequent (or limits were less stringent but inspections more frequent), profits improved – a result consistent at least in part with the Porter Hypothesis. (Formulated by economist Michael Porter in a famous 1995 article, the hypothesis generally argues that strict environmental regulations can induce certain efficiencies and encourage innovations that help improve commercial competitiveness.)

The findings therefore represent an important new nuance in the policy debate over the impact of environmental regulations by suggesting that the proper mix of overall regulatory stringency (the combination of actual legal requirements and the level of scrutiny) is critical relative to a firm’s likelihood of boosting profits.

There is some indication the proper mix of environmental regulation and enforcement had allowed the chemical manufacturers to “put a different pair of glasses” on and get more creative, according to Dr. Earnhart. He said that while working to reduce the amount of discharged wastewater, the firms may have assessed their operations more closely and found new marketing opportunities or cheaper management practices.

“Any agencies working on clean water or clean air regulations should be concerned about how they induce compliance and what the tradeoffs are,” he said. “If there is a win-win situation, everyone should want to learn about it.”

KU ECONOMISTS EXPLORE IMPACT OF MEDICAID EXPANSION ON DIRECT HEALTH MEASURES

The implications of Medicaid expansion under the Affordable Care Act (ACA) have generated a great deal of discussion nationwide, especially in the wake of the 2012 US Supreme Court decision (National Federation of Independent Business v. Sebelius) authorizing individual states to opt out of the expansion provisions without losing other federal Medicaid funding.

Two KU economists have conducted important new research evaluating the impacts of Medicaid expansion on direct health measures, including both the diagnoses and measures of diabetes, high blood pressure, and high cholesterol. Rina Na and David Slusky (“Does the ACA’s Medicaid Expansion Improve Health?”) are believed to be the first researchers to have used professionally gathered actual health data and direct health measures to exploit the effects of state variation in Medicaid expansion decisions made by the end of 2014.

Rina Na presented the findings at a special Economics Department seminar at Snow Hall on September 14. She noted that the project was especially challenging in that the researchers had to be pre-screened and granted special status to access otherwise-restricted geotagged National Health and Nutrition Examination Survey (NHANES) data.

Doctoral candidate Rina Na presented findings on how state Medicaid expansion decisions have impacted direct health measures at a special Economics Department seminar on September 14.

The paper’s overall results suggest that Medicaid expansion did indeed result in improved health measures for affected individuals. Specifically, Medicaid expansion was associated with a 7 percentage point increase in cholesterol lowering medication usage, a decrease of 8.465 mm/dL in total cholesterol, and a decrease of 5.569 mmHg of systolic blood pressure (likely a side effect of the cholesterol lowering medication).

The study, funded in part by the Health Care Foundation of Greater Kansas City, provides an important piece of additional information that policymakers in states which have yet to expand (including Kansas and Missouri) could utilize in determining costs and benefits. As of the summer of 2016, 31 states and the District of Columbia had chosen to expand Medicaid under the provisions of the ACA.
MESSAGE FROM THE CHAIR

We were especially excited in early October to learn that Colombian President Juan Manuel Santos was named winner of the Nobel Peace Prize (page 3). President Santos, a 1973 KU graduate in both economics and business, was elected in 2010 and has made international news with his efforts to end more than five decades of strife and civil war with rebel groups in his country. But the Department is no less proud of accomplishments by our other many thousands of graduates, including those working to extend international outreach from a university in President Santos’ Colombia (page 9); receiving a special NSF fellowship (page 8); excelling in banking in Mongolia (page 3); and being named a KU Woman of Distinction (page 10).

Another point of emphasis for this publication has always been to keep all of our alumni and friends up to date on the growing national reputations of our faculty and students alike, as well as everything going on in and around the Department. I hope you will very much enjoy those features, including some of the fascinating research summarized in this edition of the KU Economist.

I am enhancing our efforts to stay in touch with everyone on an ongoing basis, so please do keep us posted on your latest news and happenings. We would love to feature you in your own “alumni update” in the next issue.

Rock Chalk!
– Ted Juhl

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.

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