

## SLUSKY NAMED RECIPIENT OF PRESTIGIOUS SHUTZ AWARD FOR DISTINGUISHED TEACHING IN ECONOMICS



Dr. David Slusky has received the Byron T. Shutz Award for the 2020-21 academic year, one of KU's top distinguished teaching honors.

KU announced at the outset of the fall semester that Dr. David Slusky had been named recipient of one of the university's top annual distinguished teaching honors, the Byron T. Shutz Award. Established in 1978, the Shutz Award alternates between recognizing excellence in teaching in business and economics in even-numbered years; and outstanding teaching in any discipline in odd-numbered years.

KU's Center for Teaching Excellence noted that since he came to Lawrence in 2015, Dr. Slusky "has provided unparalleled innovation and leadership in developing courses and programs for undergraduate and graduate students in the Economics Department, in addition to being an excellent instructor and adviser."

The Center lauded his innovative teaching methods and techniques that have been evident at multiple levels, including a first year undergraduate seminar on the Affordable Care Act; a required undergraduate course on intermediate microeconomics; an undergraduate upper-level course on labor economics; and a doctoral course on health economics.

"Beyond the classroom, David offers a tremendous amount of advising. Undergraduate students greatly appreciate his invaluable and up-to-date insight on post-KU prospects and his energetic support for their future success, while his key goal for graduate students is to help transform them into productive independent researchers," the Center added. "He also contributes to teaching through his service, both within the Economics Department and the College."

One of Dr. Slusky's most recent projects ("Office Visits Preventing Emergency Room Visits: Evidence from the Flint Water Switch" – with Shooshan Danagoulian and Daniel Grossman – <https://www.nber.org/papers/w27098>) was featured by *KU Today* in April. That research provides some very interesting analysis of one potential silver lining from the otherwise catastrophic Flint, Michigan water crisis involving the extent to which emergency room overuse in the long run may have been reduced after primary-care relationships had been established or strengthened as patients were treated.

The authors found that children were more likely to receive subsequent care from the same clinic following their lead tests; and that ongoing relationship tended to reduce the likelihood parents would seek to admit them to emergency rooms for conditions otherwise treatable in an office setting.

"This is not only a paper about Flint," Dr. Slusky told *KU News*. "This is also a paper about overuse of the emergency room, and specifically overuse of the emergency room in a low-income population. These people are often the least medically connected, with the least time and least education to manage these kinds of complex problems."

As recipient of the Shutz Award, he will be giving a major lecture at some point during the 2020-21 academic year. "Teaching Students at all Levels to Love Economics Research" is expected to be the topic. Details on that event are not immediately available but should be posted on the Department's website (<https://economics.ku.edu/>) as they are released.

"These educators have earned the respect of their peers and have demonstrated their ability to help our students attain their full potential," Chancellor Douglas A. Girod said of the recipients of all the distinguished teaching awards at a special virtual ceremony in August. "These teachers should be proud of their contribution to our university's work, and I congratulate them on their outstanding accomplishments and commitment to their craft."



### \*\*\* ALUMNI PROFILES \*\*\*



Jennifer Meents, KU Class of '97, owns Massage Envy in Lee's Summit.

#### **KU ECONOMICS DEGREE INSTRUMENTAL IN SUCCESS OF SMALL BUSINESS OWNER**

Navigating the complexities of the COVID-19 crisis on her small business and consumer psychology, Jennifer Meents, who received her undergraduate degree in economics from KU in 1997, said that the skill set she began develop-

ing while in the Economics Department at KU has proven invaluable.

Jennifer, a recipient of the prestigious Kansas City Business Journal's "Women Who Mean Business" designation, currently owns and runs a Massage Envy franchise in Lee's Summit, MO.

"My KU economics background taught me how to weigh various factors and make a decision," Jennifer said. "One example would be evaluating the percent of the appointments that are booked and using that information to determine when it's most beneficial to hire additional staff."

She explained that during the two-month period in the spring when her business was closed (March 16 to May 16th) she used that time to research everything she could about COVID-19 and its transmission and prevention. She also was then instrumental in developing an impromptu collaborative network with other Massage Envy owners.

"Being part of a franchise allowed me to bounce ideas off 50 or more other owners. Together we addressed each issue and prepared for reopening," she added. "After reopening, customers mentioned feeling very safe at our location with our new processes. Thankfully, I was also able to obtain a PPP loan that helped me financially."

After graduating from KU, Jennifer completed her MBA at the University of Iowa. She then initially went to work at Sprint in Overland Park in a development program for finance professionals.

"But after 4 years, I decided I wasn't made out for corporate America and purchased a business, AAA Screening, which conducted background checks for residential property owners," she said. "After 13 years, I sold that business and started the Massage Envy franchise in Lee's Summit."

"I very much love running a small business because I enjoy making changes and improvements; and I am fasci-

nated with analyzing many of the factors – like how a specific marketing initiative for a new service or product impacts operations, finances, and human resources. The bottom line is that all areas are impacted by each decision. I love thinking through the impact of each and changing on the fly to make everything work."

Jennifer said that she had a great many fond memories of her days at KU, including having attended every home basketball game while she was a student.

"One of my craziest memories also involved a geology class in Wescoe. A fire alarm was pulled in the middle of class, and the test ended up being canceled," she said. "To my knowledge, there was no fire."

"But the thing I miss the most about KU is no longer being exposed to so many people, both students and faculty, who are so intent on learning. I greatly enjoyed being able to discuss and learn from everyone in different disciplines – especially while I was in student housing for the first two years."



#### **RECENT KU GRAD ENTERS HIGHER ED PHD PROGRAM AT VANDERBILT**

After completion of a three-year stint as a research associate specializing in higher education issues at the prestigious American Enterprise Institute, Cody Christensen parlayed that expertise into his acceptance by a special PhD program in higher education policy at Vanderbilt University, where he started in August.

Cody received his undergraduate degree in economics and political science at KU after completing a remarkable journey on Mount Oread in 2017. Graduating with both departmental and university honors ("Barriers to Entry: Why are Disabled Employees Paid Less for the Same Work?" was his Economics Department Honors Thesis), he interned at both the White House and the Brookings Institute. He also served for four years on Student Advisory Board of the Robert J. Dole Institute of Politics and received numerous awards and honors while at KU, including the Arthur J. Boy-



Cody Christensen spent three years at AEI before entering a special doctoral program focused on higher ed issues at Vanderbilt this fall.

ton Scholarship.

His most memorable times in and around Snow Hall, according to Cody, came in his labor economics course with Dr. David Slusky and in his econometrics and applied microeconomics courses with Dr. Donna Ginther.

"Those classes were all very difficult -- but looking back on them now, I think they were among the most helpful and practical classes I took while at KU," he said.

Cody added that like so many of his fellow Jayhawks, he will always cherish the time he spent in Allen Fieldhouse.

"I very much loved attending the basketball games. And I'm pretty sure I did not miss a single home game my senior year when we had Frank Mason, Devonte Graham, Landen Lucas, and Svi."

One of Cody's most recent accomplishments was co-authoring an op ed in August that appeared in the *Washington Examiner*, "Private Colleges Punch Above Their Weight on Economic Mobility" (with Jason D. Delisle).

## 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 updates in the next *KU Economist*.

### Mail

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### Email Your News

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Subject Line: Alumni News



Dr. Bernard Cornet, Oswald Distinguished Professor of Microeconomics, has been researching the history and economics of gambling as a way of providing information about decision-making under uncertainty.

## CORNET RESEARCH ON THE ECONOMICS OF BETTING FEATURED IN "PERSPECTIVES" SEMINAR SERIES

The Economics Department over the summer demonstrated its flexibility in the wake of the COVID-19 crisis by implementing one of the initiatives of Dr. Tarun Sabarwal – a Perspectives in Economics weekly online seminar that allowed faculty and graduate students to continue to collab-

orate and interact by providing each other with constructive feedback on their latest research efforts.

During one Perspectives event in June, Oswald Distinguished Professor of Microeconomics Dr. Bernard Cornet presented a fascinating talk ("You Bet!") on gambling on why economics is so interested in betting.

"As part of teaching KU's financial economics sequence, especially as it relates to the concept of GEI (General Equilibrium with Incomplete Markets), it occurred to me that one important question was what asset pricing could say to betting," he said.

Dr. Cornet explained that gambling (betting), which represents aleatory contracts made on uncertain outcomes, provides a great deal of information about decision-making under uncertainty; and that studying the different types of betting and prediction markets is key to understanding the aggregation of individuals' heterogeneous beliefs.

"We do need to distinguish between games of chance and games of skill. Games of chance occur when the outcome is strongly influenced by some randomizing device," he added. "The outcome of games of skill, on the other hand, is determined mainly by mental or physical skill as opposed to pure chance. My talk at this point really focuses only on games of skill."

By way of history, Dr. Cornet noted that the first bookmaker offering fixed-odds betting is generally recognized to be Harry Ogden in the United Kingdom during the 1790s, although similar activities had been around for much of the 18<sup>th</sup> century. Parimutuel wagering (betting among ourselves), invented in 1867 by Joseph Oller, a Spaniard who spent much of his life in Paris, did not become introduced in the US until around 1908. And the first modern betting exchange, where fixed-odds bets can be made via a platform, did not turn up until Betfair and Flutter.com were introduced in 2000.

He further observed that the betting exchange prediction markets have proven to be often more precise than political polling, for example, in predicting the final outcomes of elections.

Dr. Cornet also said that it was quite interesting to him to focus on the similarities and differences between betting and insurance, given that both are considered aleatory contracts under most legal systems.

"Setting aside widely different regulatory structures, one of the major differences between gambling and insurance focuses on the intent of the participants – do they hope to win money; or do they want to protect themselves," he said.

Mutual insurance originated in England in the late 1600s to cover losses from fire and was introduced in America by Benjamin Franklin in 1752, according to Dr. Cornet. But mutual insurance as an industry has sometimes struggled to raise capital, he added, even as parimutuel betting has regularly prospered.

## GINTHER OUTLINES KANSAS' RESPONSE TO COVID-19 ON PRESTIGIOUS URBAN INSTITUTE WEBINAR

Identifying the extraordinary challenges states are facing and how they are responding as a result of the COVID-19 crisis and its fallout, Dean's Professor of Economics Dr. Donna Ginther joined other distinguished experts from around the country in July as part of a special zoom panel presented by the Urban Institute ("State of the States: Pandemic-Driven Budgeting Innovations").

Staff from the Urban Institute explained that because of ongoing uncertainty about the length and magnitude of the crisis and its impact on the economy, many states were addressing their fiscal problems for only the immediate future term by passing short-term budget resolutions lasting for a few months, in some cases extending or moving the end dates for their fiscal years, and sometimes accessing rainy day funds in addition to utilizing federal CARES Act money earmarked for COVID-19 related expenses. All panelists at the event agreed that a subsequent round of federal aid for state and local units of government without as many strings attached was going to be crucial in terms of minimizing the fiscal damage to states and to the economy as a whole.

When discussing the situation in Kansas, Dr. Ginther, who also serves as Director of KU's Institute for Policy and Social Research, noted that Governor Kelly had already used her discretionary allotment powers to cut certain expenditures previously approved for the fiscal year that began July 1. She added that the Governor now appeared prescient in resisting any number of tax cut proposals over the last two years that would have made the hole that much deeper.

Dr. Ginther said that state tax receipts apparently had not been collapsing as quickly in Kansas as in other states because it is one of the few states that fully applies sales taxes to groceries. (Her observation on this point was later quoted in *Forbes*.)

"But I would add that we have 18 percent of our labor force in state and local government here in Kansas," she said. "So another round of federal aid for states and locals is especially crucial for us, or the balance of the crisis could well be much worse here than in many other states."

She further observed that manufacturing in and around Wichita had been especially hard hit, with roughly 20 percent of initial statewide unemployment claims since March coming in from Sedgwick County.

Several panelists discussed multijurisdictional coordination, including efforts involving the states of Maryland and Virginia and the District of Columbia, but said that it was unclear if that collaborative spirit would continue as the crisis deepens and lengthens. Dr. Ginther explained many of the



Dr. Donna Ginther discussed how Kansas and other states are grappling with the fiscal impact of the COVID-19 crisis during a special Urban Institute Webinar in July.

challenges facing the Kansas City metro area and its coordination issues and said that the Mid America Regional Council had thus far been especially helpful in facilitating communication between and among the many units of government.

In discussing what kind of "out of the box" thinking states were using, Representative Anne Kaiser from Maryland said that state had a sports betting initiative on the November ballot; and that marijuana legalization could well be on the table in the near future.

The panel agreed that the ability of states to shift costs down to local governments was nowhere near as great now as it was during the Great Recession.

Dr. Ginther stressed that long-run social costs could be even greater to the extent that social safety net programs bear the brunt of state budget cuts.

"Research has shown that tax cuts and revenue reductions increase mental health problems and lead to increased incarceration," she said.

"The bottom line here in Kansas is that it can be considered a major victory that the state did not cut taxes over the last couple of years. In fact, I do think that some form of tax increases, especially for sin taxes, is likely to be on the table during the 2021 legislative session that starts in January," she added. "But the election will be critical. What will be the makeup of the new legislature, and will freshman lawmakers in particular be willing to cast tough votes on budget cuts, tax hikes and any number of borrowing and accounting maneuvers that all might be necessary to navigate the balance of the pandemic and minimize its impact?"

## GINTHER SELECTED AS SOUTHERN ECONOMIC ASSOCIATED VICE PRESIDENT

The Southern Economic Association announced in late July that KU's own Dr. Donna Ginther had been elected to a two-year term as its Vice President. Her term begins in late November at the conclusion of SEA's Annual Business meeting, and she will serve as second Vice President for a year before being elevated to first Vice President in November of 2021.

SEA Vice Presidents are largely responsible for awarding the group's prestigious Georgescu-Roegen Prize for the best article published in the *Southern Economic Journal*.

Dr. Ginther, a Dean's Professor of Economics who also serves as Director of KU's Institute for Policy and Social Research, is scheduled to meet with SEA's other officers at the organization's Spring Board meeting in Houston in April.

KU Economics Department Chair Dr. Milena Stanislavova said that Donna's selection represented another important personal achievement that also reflected well on the overall reputation of the Department.

"SEA is one of the oldest economics associations in the US, dating back to its first conference held in Atlanta in 1928," she said. "And *SEJ*, which began publication in 1933, is the eighth oldest American scholarly journal in economics. We could not be more pleased about Donna's ascension into SEA leadership."



Dr. Tarun Sabarwal in July was named SAET Economic Theory Fellow

## SABARWAL NAMED PRESTIGIOUS SAET ECONOMIC THEORY FELLOW

The KU Economics Department announced in mid July that Dr. Tarun Sabarwal, who served as Associate Chair and Director of Graduate Studies for the Department for the past four years and is Founder and Director of the Center for Analytical

Research in Economics, had been selected as an Economic Theory Fellow by the Society of Advancement for Economic Theory (SAET). Being chosen as a Fellow by SAET, the largest body of economists in the world dedicated to the development of economic theory, is considered one of the highest honors in the profession for theoreticians.

SAET Fellows are selected based on scientific excellence, originality, leadership and their high ethical standards; as well as scholarly and creative achievement. Fellows have made contributions in multiple areas of theoretical economics, including pure and applied research; and government service. Having substantially advanced economic theory is the primary qualification for fellowship, an achievement that may be evidenced by an outstanding publication record; strong editorial board service; honorary, scientific, educational and professional achievements, or through the training of graduate students.

“This fellowship bestowed on Tarun by SAET represents yet another distinguished honor for him personally, as well as another feather in the cap for the Department in terms of continuing to build our world-wide reputation,” said Dr. Milena Stanislavova, Chair.

Dr. Sabarwal said that the fellowship would not have been possible without the support and encouragement of Dr. Bernard Cornet (Oswald Distinguished Professor of Microeconomics) over the past 12 years.

“I am fortunate to be in the company of colleagues leading the profession in so many different fields,” Dr. Sabarwal added. “This is a great incentive to forge new paths in research, teaching, and service.”

## SABARWAL DISCUSSES ECONOMICS RESEARCH IN “MENTOR SPOTLIGHT”

In recognition for the outstanding work he has done in recent years guiding the Economics Department’s undergraduates, Dr. Tarun Sabarwal was featured in a special “Mentor Spotlight” released in October by KU’s Center for Undergraduate Research (<https://ugresearch.ku.edu/spotlight/tarun-sabarwal>).

In that interview, Dr. Sabarwal explained how so many important new intellectual frontiers are opened for students who begin doing research in addition to more traditional and structured classroom learning.

“Classroom skills help you understand how to think about a problem or question, how others have tried to solve it, what are the limitations of our existing understanding, and, based on accepted standards in a discipline, what an improved understanding would entail,” he said. But conducting research and “coming up with a better answer is the new part,” he added. “That is not available in a class, or in a book, or online. You have the company of previous knowledge and some fellow researchers, but beyond that, it is your own thoughts, skills, intuition, and experience.”

Dr. Sabarwal also emphasized that in order to successfully conduct good and valid research in economics, students needed to have already built strong analytical skills in mathematics, statistics, and data analysis.

He further encouraged students beginning to delve into research to be patient and flexible and to expect to face multiple setbacks along the way.

“I have never had a research project that ended exactly the way I was thinking about it in the beginning. That’s the nature of tackling a new and uncertain problem. On the positive side, every single time I have still been able to solve an interesting problem by adjusting the direction of the initial problem or modifying the technique used. When you hit an obstacle, give the problem some time to sink further into your mind and let the churning continue,” he advised. “It is also good to discuss with others who understand the broad aspects of the problem – although the further you go, the more you are on your own.”

### IN THIS ISSUE

- |   |  |  |
|---|--|--|
| <p>2 • Alumni Profiles</p> <p>3 • Cornet Researches Economics of Betting</p> <p>4 • Ginther Outlines Kansas’ Response to COVID-19</p> | <p>5 • Sabarwal Named SAET Economic Theory Fellow</p> <p>6 • Organization Response to Environmental Information Analyzed</p> <p>7 • Message from Director of Undergraduate Studies</p> | <p>8 • Conference Discusses Government Role in COVID Crisis, Recovery</p> <p>10 • Economics Department Student and Faculty Awards, 2020-21</p> |
|---|--|--|





KU's Dr. Dietrich Earnhart is a national authority on environmental economic issues.

## PROMISING FIELD EXPERIMENT RESULTS ON ORGANIZATIONAL BEHAVIORAL RESPONSE TO ENVIRONMENTAL INFORMATION INTERVENTIONS SUGGEST IMPORTANT POLICY IMPLICATIONS

Fascinating new research unveiled by Dr. Dietrich Earnhart at a special online seminar in July suggests that organizations responsible for limiting their pollutant discharges respond to a certain information intervention providing comparative data relative to their peers, a finding which could have significant policy implications regarding ways to protect environmental quality in a cost-effective manner.

In addition to its ramifications for environmental policy, the study ("Effect of Professional Peer Comparisons on Environmental Management: A Field Experiment" – with Dr. Paul Ferraro from Johns Hopkins University) represents an important contribution to behavioral economics literature in that it breaks new ground in analyzing the response of organizations (as opposed to households or individuals) to information about how well they are performing relative to their peers.

The authors conducted a field experiment by gathering EPA information on discharges from 328 municipal wastewater treatment plants operating across Kansas that are regulated under the US Clean Water Act. The study focused on Biological Oxygen Demand (BOD), a major pollutant whose treatment can be modified relatively quickly. The information provided to a randomly chosen set of plants used a "negative framing" by outlining what percent of each such facility's peers had better BOD discharge ratios during calendar 2016.

Dr. Earnhart said that it was perhaps not surprising that the "major" (larger) facilities responded to the information intervention in a statistically significant fashion and improved their discharge ratios, whereas a statistically significant conclusion about the response of minor facilities could not be reached. He also said that because major facilities appeared to respond more quickly than minor facilities during the initial 9-month transition period after the information was delivered, that tended to support the notion of an "enthusiasm burst".

"There are a number of policy implications, especially involving the idea that similar interventions could replace at least some of the far more costly regulatory interventions like facility inspections and enforcement actions," Dr. Earnhart said.

But he added that this initial field experiment had a number of shortcomings, not the least of which included the fact that it involved only one pollutant measure at one type of facility in one state and used only a negative framing of peer comparisons. He explained that the next project would address these shortcomings by expanding the information intervention approach to include multiple pollutants discharged by manufacturing factories operating in multiple sectors across EPA Region 3 (multiple mid-Atlantic states).

"There is a great deal more work that needs to be done, but I am excited that we have begun the process of seeing how organizations - who we know are different actors and respond differently than households - react to peer comparison framing regarding environmental performance information," he said.

The research was presented as part of the Economics Department's "Perspectives in Economics" summer program, a collaborative initiative that allowed faculty and graduate students to continue to interact via Zoom and provide constructive feedback on their latest research projects.

## COURTNEY "CORKY" NASON (1934-2020)



Corky Nason, KU Class of 1956 and a fixture at Economics Department awards banquets, was instrumental in establishing a new lecture series that will continue to honor the legacy of former Chair Dr. John Ise.

The Department was saddened to learn over the summer of the passing of one of its long-time friends and benefactors, Courtney "Corky" Nason. Although Corky passed peacefully in July at his Lake Quivira home at age 85, he will be long remembered for his extraordinary life and its many successes.

After graduating from KU in 1956 with his undergraduate degree in economics as well as a minor in chemistry, Corky joined the US Navy, where he served active duty on the *USS Gurke* until 1960. Retiring as a commander, he continued his service in the naval reserves into the 1980s. In 1981, Corky founded Nason Associates, which quickly

became a major player in all forms of aviation insurance, especially aircraft manufacturers' product liability lines. A past president of the Aviation Insurance Association, his personal love of flying was reflected by the fact that he was also a licensed multi-engine and instrument-rated pilot who logged many thousands of hours in the cockpit.

During his time at KU, Corky was a student of legendary economist, Dr. John Ise, a former chair who was widely published and also served as president of the American Economics Association. Working with the Department and the KU Endowment Association in recent years, Corky and his wife, Phyllis, helped provide for a significant enhancement of the John Ise Award.

Leading a nationwide effort that underwrote and bolstered the Ise Fund, the Nasons oversaw the implementation of a major new initiative last October when renowned economist Dr. Steve Hanke from Johns Hopkins University traveled to KU to give the inaugural John Ise Distinguished Lecture (see Fall 2019 issue of *KU Economist*). That fascinating event, which featured a wide-ranging interview with Dr. Hanke by KU's Oswald Distinguished Professor of Macroeconomics Dr. William A. Barnett, who had arranged for the historic visit, covered everything from the history of hyperinflations to the importance of correctly measuring the money supply.

Economics Department Chair Dr. Milena Stanislavova said that establishment of the Ise Lecture would not have been possible absent the generosity of the Nasons, as well as Rich and Judy Billings.

"I will always cherish the memory of Corky's being back on campus with us to meet with Dr. Hanke at a special dinner we hosted just after the inaugural Ise Lecture," Dr. Stanislavova said.

"And everyone in and around the Department will miss his wit, humor and zest for life, since he had become such a fixture at our awards banquet over the last several years and took great pleasure in seeing Ise Awards given out to so many of our top undergraduates," she added. "Corky will be greatly missed not just by his own family, but also by his extended family here on Mount Oread."



Corky presents a John Ise Award to Logan Stuart in 2019. Corky's generosity has significantly enhanced the honor named for his former professor.



### **From the Desk of the Director of Undergraduate Studies**

Over the past year and a half, the Undergraduate Committee has worked to expand the ways that KU undergraduates can engage with the Economics Department. While we've had a minor and majors for many years, we've made tweaks to make the B.G.S and B.A. more accessible (reducing math requirements without changing how we taught our courses); and the B.S. more flexible (formally including as electives master's level macroeconomics and certain doctoral courses).

We've also created a combined accelerated bachelor-master program, where as a student can double count 12 credit hours. And we've created several new programs that complement our existing ones, including certificates in microeconomics and macroeconomics as alternatives to a minor. These are particularly well-suited for engineering or other students already completing other mathematically intensive programs who can thrive in our upper level courses but lack the space in their schedules for a minor.

Furthermore, a number of other schools have developed a joint economics and computer science major recognizing the growing overlap between those fields. The Electrical Engineering & Computer Science (EECS) department at KU already has a B.S. in Interdisciplinary Computing program, where a student takes 21 hours of math, 50 hours of EECS, and then about 30 hours (effectively a full major's worth) of another program (i.e., astronomy, biology, chemistry, geography, journalism, or physics). We successfully proposed that EECS add economics as a seventh option, and the Engineering Faculty Senate approved our proposal on November 2. This new program is now perhaps the most rigorous economics and computer science major in the country.

Finally, we have increased the ways in which our courses can count for the KU core curriculum. Since the beginning of the program in 2013, our 100 level courses (i.e., principles) have counted for the social science part of the breadth-of-knowledge goal. This year, we successfully proposed students could also apply them to satisfy the quantitative-literacy goal. We also successfully proposed them to satisfy the quantitative-reasoning degree specific requirement of the college's B.A. degree. Both of these changes will make it easier for non-majors interested in our courses to count them toward graduation.

Overall, we have created a comprehensive set of options that makes a place for each KU undergraduate in the Department. With our courses, a student can now satisfy a core requirement, complete a certificate or a minor, utilize a basic level of calculus to complete B.G.S. or B.A., complete our mathematically intensive B.S. degree, concentrate in economics while pursuing computer science, or double count courses and leave KU with bachelor's and master's degrees.

- David Slusky



Kansas Lieutenant Governor Lynn Rogers was among the distinguished group of experts and policymakers at the virtual 2020 KEPC on October 22.

## CONFERENCE DISCUSSES ROLE OF GOVERNMENT IN THE COVID CRISIS AND HOW TO FACILITATE RECOVERY

Delving into a key topic defining 2020, the annual Kansas Economic Policy Conference (“What is the Role of Government in a Crisis?”) was held virtually on October 22. Organized each year by Dr.

Donna Ginther, Director of KU’s Institute for Policy & Social Research and the Roy A. Roberts Distinguished Professor of Economics, the 2020 conference allowed participants to zoom in free of charge – appropriately enough – thanks in part to federal CARES Act funding.

During the opening session, Bill Murphy, Deputy Secretary of the Kansas Department of Commerce, outlined a number of hurdles the state was facing in rethinking its economic development strategy in the wake of the pandemic. He said the fact that consumer demand and spending patterns had changed so much during 2020 made attempting to navigate the “new normal” that much problematic. He added that his agency had identified entrepreneurship in particular as one area where Kansas needed to improve relative to other states.

Dr. Ginther herself then presented a keynote address (“The Economic Recovery in Kansas: A Work in Progress”) summarizing and quantifying many of the ongoing public health and economic challenges. She reflected on the most recent troubling news about daily COVID cases’ spiking back up and presented some fascinating new analysis in a difference-in-difference model indicating that mask mandates have worked to reduce transmission in those counties which have maintained them.

“As for the economy itself, retail sales have largely recovered at this point, but production generally has not,” Dr. Ginther said. “And while employment in Kansas was down by 4.4 percent from September to September, that compares favorably with the national downturn of 6.4 percent over the same 12 months.”

She said that there is growing evidence that demand for social assistance had begun accelerating as a result of the discontinuation of certain enhanced unemployment insurance benefits that initially had been available over the summer months under the CARES Act.

Her analysis also indicated that as much as 35 percent of the Kansas workforce was protected in some manner by the Paycheck Protection Program, underlining how much the CARES Act had helped prevent a larger catastrophe.

Renowned Kansas Department of Health and Environment Secretary Dr. Lee Norman kicked off the event’s public health panel with data indicating that decisive action taken by officials during the spring had prevented the initial surges in cases and deaths from being far worse than they otherwise might have been. He explained that the closure of schools in mid-March and the phased reopening plan that had largely banned mass gatherings for a time had been particularly effective in reducing transmission of the disease.

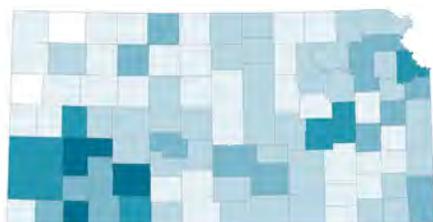
“Unfortunately, after changes in law and policy converted some of the mandates from the state to ‘guidance’ that counties could opt out of, we began seeing a lot of transmission again around Memorial Day weekend thanks to rock concerts, rodeos and other large social gatherings,” Dr. Norman added.

Dr. Tami Gurley, Associate Professor of Population Health at KUMC, then observed how complex it was to determine over the course of the lengthening public health crisis exactly why people had chosen to react the way they had.

“In economics, we tend to think about everyone optimizing their choices. But with COVID, notwithstanding the fact that the best mitigation strategies have largely been apparent, behavioral responses and outcomes have not always aligned with those strategies,” Dr. Gurley said. “It has certainly turned out that the cost-benefit analysis for risk has varied widely by households.”

Associate Professor of Urban Planning Dr. Ward Lyles agreed with Dr. Gurley’s assessment and then added that disasters tend to reveal long-run policy failures, “not unlike someone who hasn’t been to the dentist in many years. Disasters are very complex and uneven over time, space and people.” Dr. Lyles explained that some research suggests that the mental health fallout from the 1918 flu pandemic may well have lasted over a decade.

“In terms of influencing behavior, it can matter who the messenger is and what kind of leadership is being provided and examples are being set,” he added. “For example, it may well be that if colleges don’t allow a lot basketball fans this winter, high schools would be more likely to follow suit.”



## 2020 Kansas Economic Policy Conference

What is the Role of Government in a Crisis?

# KU INSTITUTE FOR POLICY & SOCIAL RESEARCH

The University of Kansas

A panel focusing on education and broadband issues then laid out the extent to which connectivity problems, especially in rural areas of the state, had been spotlighted that much more dramatically in the wake of the pandemic. Panelists explained that having some form of Internet access on a smartphone does not necessarily equate to having reliable high-speed service necessary to complete lengthy homework assignments.

And because of how amorphous the concept of “access” is, many existing maps purporting to quantify levels of access are not sufficient, according to Germaine Halegoua, Associate Professor of Film and Media Studies.

Other panelists agreed and said that a huge priority moving forward would be to provide better data collection and research to help inform better policy choices about improving access and service in rural areas. And since the initial installation of fiber in rural areas can be as much as \$16,000 per mile, they suggested that a number of tradeoffs were going to need to be considered relative to getting basic access for the last 5 percent of the state versus achieving improved service for another 40 percent with existing but relatively poor access.

“At the end of the day, access to digital resources is a problem that is bigger than COVID and will almost certainly outlive the crisis,” said Shannon Kimball, Past President of the Kansas Association of School Boards. “But COVID definitely has magnified an equity issue that we already knew was there.”

KU Chancellor Douglas A. Girod then introduced the conference’s final panel (“Moving from Crisis to Recovery”) involving Kansas Lieutenant Governor Lynn Rogers and three state legislators. The policymakers agreed that public perceptions about the pandemic had been shifting during October as caseloads had begun increasing anew.

“Most Kansans I talk to are increasingly concerned about their own health and the health of their families as well as the economy,” Lieutenant Governor Rogers said.

Senator Carolyn McGinn added, “While we all have COVID fatigue, people more and more are coming to realize that we are going to have to live with this for a while.”

Representative Troy Waymaster said that rural Kansans no longer felt as isolated or removed from the crisis anymore as a result of the recent outbreak in and around Norton, Kansas.

Representative Stephanie Clayton from Overland Park said that many of her constituents who were parents were feeling a great deal of additional stress because of the extent to which they were having to help implement hybrid and home learning models for their children.

All of the policymaking panelists agreed that child care had become a huge issue closely associated with the speed of any kind of economic recovery.

Lieutenant Governor Rogers also said that the recovery would be greatly assisted by a subsequent round of federal legislation which had gotten stalled in Congress that would provide not only additional stimulus for consumers and relief for businesses, but also state and local aid to help prevent a new round massive cuts in public sector expenditures and programs.

“We have been talking with our congressional delegation quite a bit about some form of the HEROES Act,” he said. “Without it, I am greatly concerned that we could be forced to look at unattractive options like substantial cuts to our transportation infrastructure spending.”

Representative Clayton agreed about the importance of the latest federal stimulus package and said that it was her impression that the most optimistic models about the timing of the recovery tended to assume that such legislation was in fact going to be enacted.

She added that an interim study panel she served on appeared poised to recommend some state tax reductions, something that she would not be supporting because of the extent to which they would exacerbate the state’s already severe budget woes.

“And while I don’t know how realistic this is, I do think there’s at least a chance the state is instead going to have to consider some kind of revenue enhancements as part of the mix moving forward. Things like taxation of recreational cannabis that has been adopted in some states may not be possible at this time here in Kansas, but I would note that we have some liquor taxes that haven’t been increased since 1977.”

In her concluding remarks, Dr. Ginther said that one of her biggest takeaways from this year’s conference was how challenging it had become for public health officials and policymakers to balance COVID fatigue with the strong desire to keep Kansans safe heading into the winter months.

“The KEPC continues to be one of the cornerstones where the university and whole state come together and talk about the critical economic issues of the day,” Chancellor Girod said. “This event is always so successful because of the willingness of policymakers and thought leaders to participate in these important ongoing dialogues.”



Rep. Stephanie Clayton and other policymakers told the KEPC that the fiscal challenges facing the 2021 Kansas Legislature would be much greater absent another round of federal stimulus that includes aid earmarked for state and local governments.

## ECONOMICS DEPARTMENT STUDENT AND FACULTY AWARDS, 2020–21

Under an initiative spearheaded in recent years by Dr. Milena Stanislavova, Chair, in partnership with the KU Endowment Association, the Economics Department has significantly expanded its annual awards for both students and faculty. The 2020-21 awards were presented at a special virtual awards banquet held via zoom on April 23.

Following introductory remarks from the Chair, a number of undergraduate scholarships and awards were presented by Dr. David Slusky. The program then featured four outstanding undergraduate research presentations from Kyle Stutzman, John Higgins, Chelsea Stitt and Nick Taylor.

Oswald Distinguished Professor of Microeconomics Dr. Bernard Cornet announced winners of the Carol Drever Pimental Study Abroad Award. Dr. Cornet had worked closely with the late Carol Drever Pimental and the KU Endowment Association in recent years in establishing a permanently endowed fund that will provide for the continuation of study abroad opportunities for many economics students.

The event then featured Judge Arthur Federman as the 2020 Guest Speaker. Judge Federman, who recently completed a long and distinguished career as a federal bankruptcy judge, used his KU economics background in a variety of unique ways (see Fall 2019 issue of *KU Economist*). He said that one of his favorite courses while in the Economics Department at KU was Money and Banking, taught by the renowned Dr. Leland J. Pritchard (for whom one of the undergraduate honors has been named).

Dr. Tarun Sabarwal subsequently presided over the graduate student awards and scholarships and said that he was especially pleased about the extent to which these honors had been enhanced in recent years as a result of the generosity of donors. He introduced Will Duncan, Hoa Vu and Caio Vigo Pereira to present examples of some of the outstanding graduate-level research that those funds had helped support.

At the conclusion of the virtual banquet, the Department announced that Dr. John Keating had received the Oswald Outstanding Teaching Award; and Dr. David Slusky, the De-Min and Chin-Sha Wu Award.

\* The Leland J. Pritchard and Helen von Behren Memorial Scholarship was established in honor of longtime Professor Pritchard in recognition of his impact both inside and outside of academia. During the 1930s and 1940s, he served the nation as part of the Federal Emergency Relief and Works Projects Administrations, as well as the War Labor Board. An authority on finance and economic statistics, Dr. Pritchard joined the Economics Department in 1942 and served in a number of capacities over 37 years, including a stint as Chair from 1955-62. He was a successful author across several fields within the discipline, including finance and economic statistics.

\* 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 graduat-



ed 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 John Ise Award was originally 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. As part of a nationwide effort to revitalize this particular honor led by the generosity of Corky and Phyllis Nason, the Ise was enhanced significantly within the last two years. Corky, who graduated from KU in 1956 with a BA in economics and a minor in chemistry, knew Dr. Ise personally and worked with the Economics Department and KU Endowment to launch this important enhancement initiative.

\* 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 Corina Scoggins Outstanding Female in Financial Economics Award recently was established by a prominent KU alumnus, Corina D. Scoggins, who, along with her husband, Willie, created a new fund to provide an annual award to a top performing female economics student – graduate or undergraduate – who is pursuing an internship or employment in the investment industry. Corina, who received her undergraduate degree in economics and French from KU in 1988 after being named a 1987 Phi Beta Kappa inductee, cites her fond memories of KU in general and in the Economics Department in particular as an important part in her decision to give back in such a significant way in establishing the Scoggins Award. Corina's career, which progressed over a quarter century in investment research and management, started with her first position as a sales and research assistant at George K. Baum and Company and concluded with her job as Senior Investment Manager in Internal Public Markets at the Teacher Retirement System of Texas when she retired in 2017.

\* The Carol Drever Pimental Scholarships and Awards, established in 2017 as a result of her generosity, is part of a major new effort to diversify the economics program at KU with a special emphasis on assisting students who participate in study abroad programs. Long before she graduated in the Class of 1962, Carol's remarkable journey started with a rural upbringing in northeast Kansas (Marshall County). Even as a young girl, she had a great deal of interest in international affairs, sparked by her pen pal relationship with several friends from abroad. During her junior year at KU, she was able to study abroad at the University of Copenhagen, which turned out to be a transformative experience that helped shape the balance of her remarkable career. After graduating from KU, Carol went on to get her master's degree in international business and finance from George Washington University. Her career included stints with the US-Japan Trade Council, the US Treasury Department, and the World Bank – all of which enabled her to continue to travel extensively abroad while being based primarily in the Washington, DC area. Her motivation in establishing the permanently endowed fund was to provide scholarships enabling the next generation of economics students to experience multi-cultural international programs that will make them more marketable. For the immediate future, the gift provides an ongoing formal funding mechanism for a special agreement established between KU and the Université Paris 1 Panthéon-Sorbonne arranged through Dr. Bernard Cornet. Dr. Cornet, the Oswald Distinguished Professor of Microeconomics at KU, initiated that agreement some years ago and has served as a facilitator as result of his extensive contacts in Paris. Carol's intent

was for the fund to also allow the Department to make additional overtures to other institutions and countries.

\* Charles W. Oswald Summer Scholarships were established from a portion of the very generous gifts that Charles Oswald made to KU and the Economics Department. A native of Hutchinson, Kansas, Mr. Oswald entered the US Marine Corps in 1946 after graduating high school. He received his bachelor's degree in economics from KU in 1951 and moved on to Harvard Business School for his MBA in 1953. From 1953 to 1970, he rose through Jostens Corporation and became president before leaving to become chairman and CEO at National Computer Systems from 1970 until his retirement in 1994. Prior to his death in 2014, he served as Chair of Rotherwood Ventures, a company he founded and named after the farm he grew up on. An enthusiastic investor and entrepreneur, Mr. Oswald also was very active as a civic and social philanthropist, supporting the Minnesota Arboretum, the Mayo Clinic and numerous other institutions. A new residence hall recently opened on Daisy Hill in 2015 is named Charles W. Oswald Hall in acknowledgment of his decades of service and generosity. He was named a 2005-06 recipient of the College of Liberal Arts and Sciences Alumni Distinguished Achievement Award, the highest honor bestowed by the College.

\* The R.S. Howey Award, established upon the retirement of the late Richard S. Howey, currently recognizes outstanding performance on Ph.D. qualifying exams. 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. Noted for his sartorial splendor, his students gave him a Brooks Brothers suit upon his retirement. The Howey Award is currently granted as a graduate honor to acknowledge outstanding performance on PhD qualifying exams for both macroeconomics and microeconomics.

\* The Learned Scholarship has been awarded in recent years to graduate students for the first time this year thanks to the generosity of John A. Creighton, who earned his B.A. in economics and B.S. in business administration from KU in 1988. Dr. Edmund Learned, a graduate of the KU Economics Department in the 1920s, was John's great uncle. The Learned Fund was established in acknowledgment of Dr. Learned's passion for a broad-based liberal arts education.

\* The John Ise Graduate Award was originally 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. As part of a nationwide effort to revitalize this particular honor led by the generosity of Corky and Phyllis Nason, the Ise was enhanced significantly within the last three years. Corky, who graduated from KU in 1956 with a BA in economics and a minor in chemistry, knew Dr. Ise personally and worked with the Economics Department and KU Endowment to launch this important enhancement initiative. Sadly, Corky passed away over the summer (page 6), but the legacy of his generosity will live on.

\* The Shu Wu Scholarship was established in 2019 in memory of Professor Wu, who dedicated his life to macroeconomics and helping his students succeed. During his 18 years of service at KU, Dr. Wu was most remembered as a deeply compassionate and loyal man, profoundly interested in the development of others before himself and as a very intellectual, yet humble person. This scholarship, funded by donations from his colleagues and friends, honors Dr. Wu's commitment to advancing graduate student research.

\* The Charles W. Oswald Outstanding Teaching Award was granted for the first time in 2018 to further acknowledge the extent to which his contributions have enhanced the Economics Department's international reputation. The Department's undergraduate program was named the "Charles W. Oswald Program in Economics" after Mr. Oswald's original historic gift to the university in 2001. The Outstanding Teaching Award honors a current faculty member and provides an ongoing legacy recognizing the extent to which his support has established multiple professorships and countless travel and research opportunities for faculty and students alike.

\* The De-Min and Chin-Sha Wu Faculty Award was established in 2014 in honor of De-Min Wu, a renowned econometrician who taught at KU from 1964 to 1999. Dr. Wu is credited with development of the Wu-Hausman Test, an important tool to evaluate the endogeneity of a variable. He served the Economics Department in many capacities during that time, including as Chair from 1990-93. This fund, established by the Wu children (who grew up in Lawrence) to recognize their parents' service to KU and the Lawrence community, provides for a rotating award to honor excellence among associate professors in the Department.

## Undergraduate Awards and Scholarships

### ***Leland J. Pritchard and Helen von Behren Memorial Scholarship***

Jackson Mullen  
Daniel Webb

### ***Arthur J. Boynton Scholarship and Award***

John Byrne	Kyle Stutzman
Grant Daily	Nicholas Taylor
Sylvia Bryan	Margo Johnson
John Johnston	Haley Pederson
Hayley Koontz	Noah Colby-George
Caroline Blubaugh	Alden Vogel
Mary Rielley	Keely Marshall
Alex Feyerherm	David Robinow
Mitchell Guyot	Shibo Li
Zachary Pascalar	John Higgins

### ***John Ise Award***

Quinn Lee

### ***Domenico Gagliardo Award***

Chelsea Stitt

### ***Corina Scoggins Award***

Michelle Mwangi

### **Study Abroad Awards**

### ***Carol Drever Pimental Award***

Sofia Berrospi Fernandez  
Van Nguyen

## Graduate Awards and Scholarships

### ***Charles Oswald Summer Scholarship***

Gunawan	Donghyun Lee
Shatil Anaholy	Jinyan Li
Andrade	Saima Samantha
Si Chen	Srishti Slaria

### ***Richard S. Howey Award***

Aryaman Bhatnagar (Microeconomics)  
Uttiya Paul (Macroeconomics)

### ***Learned Scholarship***

Hoa Vu

### ***John Ise Award***

Kun He  
Xiyuan Liu  
Kegan O'Connor

### ***Shu Wu Scholarship***

Caio Vigo Pereira

## Faculty Honors and Awards

### ***Oswald Outstanding Teaching Award***

John Keating

### ***De-Min and Chin-Sha Wu Award***

David Slusky