

BARNETT GIVES KEYNOTE AT SPECIAL CONFERENCE FOCUSING ON TWIN UK CHALLENGES OF BREXIT, COVID-19

Given the challenges facing the United Kingdom's economy as it enters the post-Brexit and post-COVID era, disaggregating uncertainties associated with those two major and distinctive events could be easier and more timely, based on the latest findings from a groundbreaking line of research developed by KU's Dr. William A. Barnett. His research has found that Shilnikov chaos may be relevant to understanding the ultimate outcome of the decision to leave the European Union.

In his keynote address ("Is the Brexit Bifurcation Causing Chaos in the United Kingdom?") at a major international conference in late July, Dr. Barnett, KU's Oswald Distinguished Professor of Macroeconomics, said that while the pandemic had provided a series of external stochastic shocks to the UK economy, Brexit on the other hand, as an internal policy choice, represented a bifurcation that has imposed and/or removed certain constraints from the European Union's pre-Brexit economic landscape.

"The Brexit bifurcation represents a rare and fascinating opportunity for a controlled experiment for economic research," he observed during his presentation at the event ("Post Brexit: Uncertainty, Risk Measurement and COVID-19 Challenges").

The talk built on decades of previous research dating back to the 1980s regarding findings of mathematical chaos in both the US and UK economies. Dr. Barnett noted that some of the early research was informed and shaped by an important paper co-authored in 1987 by a prominent Stanford economist, Donald Harris, the father of current US Vice President Kamala Harris.

Chaotic dynamics follow paths within an attractor set having a particular kind of complex geometry called fractal geometry. Dr. Barnett said that it is part of proven mathematical theory that the fractal geometry of the attractor set contains all of the information about the dynamical system's unknown structure.

"So it is important to remember that chaos in fact produces informative stochasticity, which is entirely distinct from uninformative white noise," he said.

He said that common examples of chaos with which most people would be familiar would include the climate, weather, and human brain waves. Chaotic dynamics should not be viewed as a negative, but a commonly positive property of nature. In fact, non-chaotic brain waves would be a symptom of mental illness, since the human brain could not find its memories without chaotic dynamical search and hence would produce delusions. As written by the famous Nobel Laureate in Chemistry, Viscount Ilya Prigogine, "We grow in direct proportion to the amount of chaos we can

We consider various regimes, with the following two being the most revealing:

1. High inflation volatility and low monetary authority reaction to inflation.
2. High monetary authority reaction to inflation.

Model with high inflation and low reaction of central bank: stable without support of any form of Shilnikov chaos.

Model with low inflation and highly responsive central bank: large subset of parameter space supports Shilnikov chaos!

The research found particularly intriguing results for two distinct regimes in the UK - the volatile inflation and output growth coupled with passive monetary policy during the 1970s and 1980s; and the post-1992 era of inflation-targeting policy which saw lower inflation but continued output volatility.



Dr. William A. Barnett's latest research suggests that Shilnikov chaos may be relevant to understanding the ultimate outcome of the UK's decision to leave the European Union.

sustain and dissipate." (*Order Out of Chaos: Man's New Dialogue with Nature*, Bantam Books, 1984).

Chaos has always been an especially important component in systems theory and engineering, something about which Dr. Barnett knows a great deal from his days working on the Rocketdyne F-1 engine used in the US space program (for more details on his remarkable career path from rocket scientist to renowned

economist, see Spring 2018 *KU Economist*, p. 2-3). He noted that his lecture was coming on the same day as Jeff Bezos' space flight from west Texas using an engine and technology that would not have been possible but for all of the testing protocols available during the heyday of the space program. He further explained that those original engines were able to be tested many thousands of times in an effort to identify small problems that could have ultimately turned catastrophic. In fact, the rocket engine used in Bezos' flight was based upon the technology developed by Rocketdyne for its J-2 engine, used in the second stage of the Saturn vehicle for the Apollo program.

"But while engineers and physicists can run thousands of replications in controlled experiments, economists are not normally afforded that luxury," he added.

But Shilnikov Chaos Theory has proven to be widely relevant to natural phenomena and provides a unique tool that very few economists have utilized. One important finding from some of Dr. Barnett's previous Shilnikov research is that US interest rates have tended to drift downward unintentionally during recent decades, as a result of the change in the economic system's dynamics caused by imposing an active interest rate feedback rule on the economy.

In effect, what central bank policy has done is to turn the economy into a servomechanism displaying complex dynamics with drift.

He said that one potentially important conclusion coming out of that work is that it was becoming increasingly clear that there is a need for a second policy instrument beyond short-term interest rates to prevent the long-term downward drift in rates, as evident from how low short-term rates have become. This conclusion was derived from a well-known engineering algorithm on controlling chaotic dynamics. Without an anchor on long-term interest rates, the ability of the short run interest rate feedback policy to operate in a countercyclical manner, as intended, is lost at the zero

lower bound on interest rates. In addition, with interest rates below their natural rate at the marginal product of capital, the economy is off of its optimal growth path.

Dr. Barnett and his coauthors have found that a previously published and widely accepted model relating to the UK's economy permits study of the onset of the Shilnikov phenomenon under different parameterizations and policy formulations. During the 1970s and 1980s, the UK experienced volatile inflation and output growth during the era of passive monetary policy that had existed prior to 1992; whereas the post-1992 era of inflation-targeting policy led to lower inflation but continued output volatility. This latter regime (model with low inflation and a highly responsive central bank) is characterized by a large subset of the parameter space supporting Shilnikov chaos.

In response to a question, he said that it would not take many years of post-pandemic data to determine what had in fact happened to the UK fractal attractor set as a result of Brexit and thereby the consequences for UK economic risk. While earlier research on mathematical chaos required very large sample sizes, the Shilnikov approach does not.

"We don't need very large sample sizes to do this, which is something many economists have not, up until now, begun to appreciate. The work of physical scientists and mathematicians has allowed us to reduce the needed sample sizes to make this type of analysis available to economists," he added.

Dr. Barnett said that a good deal of similarly important research was occurring at the Institute for Nonlinear Dynamical Inference in Moscow, where he serves as Director. As one of his previous initiatives, he also founded the Society for Economic Measurement (SEM) in 2013. That society'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. (SEM and the Center for Financial Stability, where Dr. Barnett also serves as Director of Advances in Monetary and Financial Measurement, were two of the event's co-sponsors.)

The three-day conference, which was specifically designed to focus on a broad array of policy and control issues and their interactions to economic phenomena following the UK's exit from both the COVID crisis and from the European Union, featured presentations from a number of other KU-affiliated speakers, including Assistant Professor Dr. Shahnaz Parsaeian ("Structural Breaks in Seemingly Unrelated Regression Models"); Dr. Logan Kelly, current chair of economics at the University of Wisconsin-River Falls, who received his PhD from KU in 2007; and a number of current Jayhawk doctoral candidates in economics.

FACULTY UPDATE

Dr. David Slusky is spending the 2021-22 academic year and next summer on sabbatical in Stockholm. Dr. Slusky, who has visiting and guest researcher appointments at the Swedish Institute for Social Research at Stockholm University, Uppsala University Department of Economics, and the Stockholm School of Economics, is currently living in downtown Stockholm with his family.

He said that he is particularly excited to this opportunity to return to Sweden because he had previously worked as a research assistant at the Swedish Central Bank (Riksbanken) in 2010 before attending graduate school; and that his wife, (KU Molecular Biosciences and Computational Biology Professor) Dr. Joanna Slusky, who was a Human Frontier Science Program postdoctoral fellow at Stockholm University from 2008-2012, is also on sabbatical this year visiting multiple institutions in Sweden.

"We love Sweden and visited almost every year since moving back to the U.S. in 2012. More recently in planning for this sabbatical, I've attended several health economics conferences in the region, including in Uppsala, Gothenburg, Copenhagen, and Reykjavik," he said. "And what a memorable experience this will be for our eight-year-old daughter, who is enrolled in school here in Sweden. We are thrilled she can have an extended immersive linguistic and cultural experience."

Dr. Slusky, a renowned health economics authority, said that he hoped to work with Swedish administrative data, studying disparities in physician practice. He currently



The Sluskys are happy to be spending the 2021-22 academic year based in Stockholm.

is scheduled to give seminars, make presentations, and participate in conferences at Aarhus University in Denmark, ZEW (Manheim) in Germany; the University of Liverpool, the University of Manchester in the UK; Lund University in Sweden; a conference at the University of Bergen in Norway; and the Ireland Masterclass in Health Economics in Dublin.



SABARWAL NAMED TRUSTEE OF KU'S SELF FELLOWSHIP PROGRAMS

Dr. Tarun Sabarwal has been named to a four-year term as Trustee of KU's prestigious Self Fellowship programs.

"Identify, recruit, and provide development opportunities for exceptional students who demonstrate the promise to make significant contributions to their fields of study and society as a whole."

For the 2021-22 academic year, there are 42 current Self Graduate Fellows. The fellowship, a four-year package awarded to incoming or first-year doctoral students who demonstrate leadership, initiative and passion for achievement, covers full tuition and fees, provides graduate research assistant support of \$32,000 per year; a \$5,500 professional development award; and a unique

KU announced in late September that Dr. Tarun Sabarwal had been named as the newest trustee of the prestigious Self Fellowship programs. The Self Graduate Fellowship and Self Memorial Scholarship programs provide generous and extensive support to KU graduate students to align with the mission of the late Madison "Al" and Lila Self to

professional development program that provides training in communication, management, innovation, policy and leadership to assist the fellows in preparation for future leadership roles. The total value of the four-year doctoral fellowship exceeds \$180,000.

Dr. Sabarwal, who serves as Director of the Center for Analytical Research in Economics as well as professor of economics, is uniquely situated to serve as a trustee for the Self programs because of his extensive work in mentoring graduate students. Serving as Director of Graduate Studies and Associate Chair of the Economics Department (2016-2020) and a member of the Executive Council of Graduate Faculty (2018-20), he led and implemented an extensive redesign of the Department's doctoral program, providing students a comprehensive roadmap with annual milestones. He has further supported excellence in graduate education via service on KU's Argersinger Dissertation Award Committee.

The Self Graduate Fellowship Board of Trustees was established in 1993. Trustees, who are responsible for developing the programs while adhering to the original donor-driven guidelines, are appointed by the KU Chancellor to staggered four-year terms.





Dr. Donna Ginther in September was named recipient of ASCB's prestigious Public Service Award.

GINTHER NAMED RECIPIENT OF ASCB PUBLIC SERVICE AWARD

The American Society for Cell Biology (ASCB) announced in early September that Dr. Donna Ginther had been named recipient of the group's prestigious Public Service Award, which recognizes outstanding public service in support of biomedical research or advocacy of sound research policies. ASCB noted that its 2021 Public Service Award, granted for her work of over a decade on identifying a need for more diversity and inclusiveness within the scientific community, was especially important given many of the divisions in the nation in recent years underlining the ongoing lack of equity and inclusion. Dr. Anthony Fauci received the organization's honor in 2020.

Dr. Ginther and Dr. Raynard Kington, former Acting Director of the National Institutes of Health (NIH) and co-recipient, will be formally honored in December at ASCB's annual meeting in acknowledgment of their "leadership in alerting the scientific community to the serious problem of racial inequity in research funding at the NIH and continuing to call for change." The two award recipients - along with Walter Schaffer, Joshua Schnell, Beth Masimore, Faye Liu, and Laurel Haak - published groundbreaking research in 2011 using "Big Data" techniques to analyze NIH data to examine racial disparities in NIH funding. That 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, thanks to the leadership of Dr. Kington and others, 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 policy initiatives that included 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.

In response to comments from that working group, Dr. Ginther, who currently serves as the Roy A. Roberts Distinguished Professor of Economics as well as Director of KU's prestigious Institute for Policy and Social Research, and a number of other prominent researchers subsequently sought to explain why black scientists are less likely to receive NIH funding and focused on the relative lack of early career publications. ("Publications as Predictors of Racial and Ethnic Differences in NIH Research Awards" in the journal, *PLOS ONE*; Donna Ginther, Jodi Basner, Unni Jensen, Joshua Schnell, Raynard Kington and Walter Schaffer.)

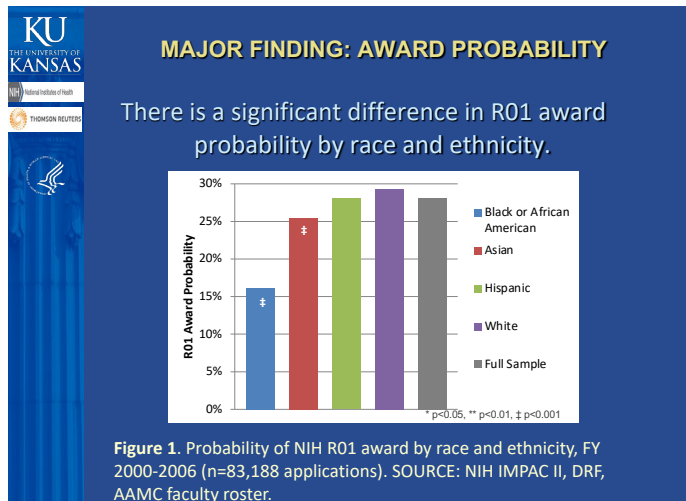
Utilizing data from almost 2,400 NIH Biosketches submitted between 2003-2006 as part of new applications for NIH Type 1 R01 awards to obtain detailed information on applicants' training and scholarly activities, including publications, the analysis found that black applicants had fewer citations than their white counterparts; and that the papers reported appeared in journals with relatively lower influence.

"We found that because publications explain so much of the gap in funding, an intervention that focuses on how to convert research funding into publications seems to be warranted," Dr. Ginther told the *KU News Service*. She said that the research had found the scientists' careers seeming to diverge in terms of citations during the doctorate and postdoctoral period. "That seems to be the obvious place to start intervening," Ginther added. "Right around the postdoc and early career period to try to make sure that black investigators have the tacit knowledge needed to generate competitive publication records."

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Dr. Ginther's landmark research focused on the difference between certain NIH research award probability relative to race and ethnicity.

BARNETT CRITIQUE OUTLINED IN INNOVATIVE ONLINE ENCYCLOPEDIA

An innovative peer-reviewed *Encyclopedia of Social Sciences*, published by the Multidisciplinary Digital Publishing Institute (MDPI) in Switzerland, released in September an invited entry from Dr. William A. Barnett, KU's Oswald Distinguished Professor of Macroeconomics, on the historic and increasingly relevant "Barnett Critique" – a finding of internal inconsistency between the theory that is implied by simple-sum monetary aggregation (perfect substitutability among components) and the economic theory that produces the models within which those aggregates are used. This inconsistency, which produces the appearance of unstable demand and supply for money, has caused significant harm to the field of monetary economics due to incorrect inferences of unstable money demand.

Following the appearance of the Barnett Critique (coined and defined in a British paper published by the St. Louis Federal Reserve Bank in 1994), considerable literature has followed to buttress the conclusion that Divisia monetary aggregates provide far more appropriate monetary measures than simple-sum aggregates for use within economic models. The Center for Financial Stability (CFS), where Dr. Barnett also serves as Director of Advances in Monetary and Financial Measurement, provides Divisia monetary aggregates data for the US, free of charge, to the public and incorporates the most recent advances of the Barnett Critique. CFS supplies Divisia monetary aggregates at eight levels of aggregation. Broad monetary aggregates such as Divisia M3 and Divisia M4 are especially important, given that the Federal Reserve no longer provides (non-Divisia) M3 and M4 measures, having acknowledged that adding distant substitutes for money to transaction balances involves seriously flawed weighting of the component monetary services.

With ongoing financial innovations continuing to produce new substitutes for currency and demand

The 2018 *PLOS ONE* article observed that improved mentoring was likely to be an important part of addressing the early publication issue, applauding the emphasis by NIH to enhance the diversity of the scientific workforce, including the National Research Mentoring Network, in an effort to bolster professional networks for researchers from underrepresented groups; and that better mentoring had been previously shown to improve the number and quality of publications and future research grants for junior female economists.

The ASCB, which counts 35 Nobel Laureates among its members, represents about 7,000 basic biomedical researchers in the United States and over 60 countries around the world. The research done by a vast majority of ASCB members is supported in whole or in part through grants received from the NIH, the National Science Foundation, and other federal agencies.



deposits that are relevant to the economy's liquidity, transactions services, and other services normally associated with money, application of the Barnett Critique is increasingly relevant in understanding evolving defects in macroeconomic modeling and policy brought about by reliance on simple-sum aggregation.

As explained in the article, the Barnett Critique effectively defines a "high road" to research that insists on internal coherence among data, theory, and econometrics; whereas less rigorous "low road" research often produces paradoxes, puzzles, and controversies.

"Unfortunately, many empirical monetary economists have been influenced by the low road. The basic point to be made by the Barnett Critique is that low-road research inherently contains internal logical inconsistencies," the entry notes. "The origin of many controversies in monetary economics has been the internal inconsistency of the formulas used to produce the data with the theory producing the models within which the data were used."

Dr. Barnett's invited entry, co-authored by Hyun Park and Sohee Park, represents part of an evolving new frontier utilizing this type of publication in the open-access MDPI journal.

"Conventional encyclopedias, like *Britannica* and *Americana*, are not what they once were," Dr. Barnett said. "The Wikipedia is much more widely used, but Wikipedia entries of course are not peer-reviewed. Since the MDPI Encyclopedia is open-access, it is as easily read as Wikipedia, but is peer reviewed. Even though our entry was invited, it was peer reviewed by four anonymous referees. In the future, when I look up something on Wikipedia, I will also see if it is in MDPI's Encyclopedia."

ECONOMICS DEPARTMENT STUDENT AND FACULTY AWARDS, 2021–22

In partnership with the KU Endowment Association, the Economics Department has significantly expanded its annual awards in recent years for students and faculty. The 2021-22 awards were presented at a special virtual awards banquet held via zoom in late April.

Following introductory remarks from the outgoing Chair Dr. Milena Stanislavova, a number of undergraduate scholarships and awards were presented by Dr. David Slusky. 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.

At the conclusion of the virtual banquet, the Department announced that Dr. William A. Barnett had received the Oswald Outstanding Teaching Award.

* 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 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 several 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 in 2020



The Corina Scoggins Outstanding Female in Financial Economics Award was established in recent years as result of the generosity of Corina and her husband, Willie.

(see Fall 2020 issue of *KU Economist*, p. 6), but the legacy of his generosity lives on.

* 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 and GTA Teaching Awards 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 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 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.

Undergraduate Awards and Scholarships

Arthur J. Boynton Scholarship and Award

Sylvia L. Bryan	Alex Feyerherm
Hayley A. Koontz	Brittany Huang
Ye Joo Lee	Logan Woodyard Stuart
John Connolly Waters	Ryan Wendling

John Ise Award

Agustina Vazquez

Domenico Gagliardo Award

John Higgins

Carol Drever Pimental Award

Irene Caracioni
Jackson Martin

Faculty Honors and Awards

Oswald Outstanding Teaching Award

Dr. William A. Barnett

Graduate Awards and Scholarships

Charles Oswald Summer Scholarship

Minh Thanh Cao	Hojin Park
Misun Park	Sohee Park
Jimin Shin	Rui Wang
Haoyi Wei	

Oswald GTA Teaching Award

William Duncan

John Ise Award

Seoyeon Jo

Learned Scholarship

Bozhidar Radev
Michael Easterday

Shu Wu Scholarship

Hyun Park

Richard S. Howey Award

Srishti Slaria (Macroeconomics)
Si Chen (Microeconomics)

Corina Scoggins Award

Chessa McCalla

KU UNDERGRADS URGED TO CONSIDER PREDOC PROGRAM EMPHASIZING DIVERSITY THROUGHOUT ECONOMICS, SOCIAL SCIENCES

The Economics Department's top undergraduates will be able to make more informed decisions about pursuing doctoral degrees thanks to a special program they have been encouraged to review at the recommendation of new Director of Undergraduate Studies Dr. Josephine Lugovskyy.

The Pathways to Research and Doctoral Careers (PREDOC), a consortium of universities and research institutions whose goal is to bring about a more diverse and inclusive generation of researchers in economics and other social sciences fields, has invited KU students to attend several virtual webinars providing information on pursuing a PhD and a career in academia or research, as well as the role that predoctoral programs can play in preparing students to do well in graduate school.

Dr. Lugovskyy said that PREDOC's mission of recruiting students from diverse backgrounds and life experiences while creating inclusive workplaces where all scholars can

thrive dovetails nicely with certain additional initiatives she is hoping to oversee.

"One of our challenges in trying to more successfully recruit minority students has been a lack of diversity in course offerings," she said. "At this point, we are planning this spring to offer Econ 584 (Economic Development of Latin America), which has not been taught in a number of semesters; and to work on providing a more diverse course scheduling process within the Department moving forward."



Director of Undergraduate Studies Dr. Josephine Lugovskyy

ALUMNI PROFILE

Grace Phillips, KU Class of 2017, is currently a fifth-year economics PhD candidate at Cornell and is expected to receive her doctoral degree in the spring of 2023. She currently studies the intersection of public policy and the criminal justice system. Her job market paper looks at the impact of private prisons on incarcerated individuals and their recidivism rates.

She began developing her strong background in public policy and applied economics while an undergraduate at KU. She interned at the Kansas Center for Economic Growth (KCEG) in 2015-16, which she said gave her a great deal of perspective on the role economic research can play in public policy and advocacy.



Grace Phillips, who received her BS degree (with Honors) in Economics from KU in 2017, is currently a fifth-year economics PhD student at Cornell.

"A lot of the work at KCEG focused on economically constrained Kansans and helped me think about how governmental policies affect people," she said. "This was especially apparent during the now infamous Brownback tax 'experiment' that was in full bloom at the time."

Grace said that Dr. Donna Ginther, whom she assisted on some TANF research, "really helped me learn how to ask the questions I had been thinking about at KCEG. Having Donna as one of my mentors at KU turned out to be critical in terms of my interest in public policy and the social safety net."

"Dr. David Slusky's labor economics class was also quite influential in my journey," she reflected. "I very much appreciated how he integrated real economics research into his class. He taught us how to get what we could out of a paper, even if we did not fully understand all the methodology. He also taught us how to read and present a paper to an academic audience. In fact, I am working on developing a liberal arts class using some of David's techniques and assignments with

the goal of teaching undergraduates of how to better digest economics research and ask questions about it."

Grace, who received her MA in economics from Cornell in 2020, said that one of her most memorable times in graduate school came during the summer of 2020 when she served as a special American Economic Association Summer Teaching Fellow.

"I worked for Dr. Belinda Archibong during that first summer of COVID and absolutely loved all of my students. That summer George Floyd was murdered. It was a very impactful time to work with and talk to students from traditionally excluded backgrounds. I still talk to many of those students, and two of them have now started their first year of a Cornell doctoral program in Applied Economics and Management."

Another milestone event in Grace's time at Cornell has been involvement with Diversity in Cornell Economics (DICE), a group she co-founded and has served as its president for two years. That organization's stated mission is to strive toward equity in economics and related fields, empower students to progress in the field, and provide a sense of belonging for all members of the economics community, particularly those from historically excluded groups. Grace said that she was proud that the group had succeeded this year in getting two of its members appointed to the economics department's diversity committee.

"I have also served for a number of years in Cornell's Policy Analysis and Management Mentoring Program," she added. "This program is critical in matching up our first-year students with an upper-year student to answer questions about Cornell, creating a sense of community, and helping get them connected to services and resources. My biggest push has always been to normalize therapy and to help students start therapy early. Students tend to get overwhelmed with the stress level early in the semester."

Grace, whose many honors at KU included being named Phi Beta Kappa, a KU Global Scholar, and recipient of the Economics Department's Arthur J. Boynton Award, said that she has remained in touch with many of her friends from KU and very much looked forward to the next time she could visit Lawrence.

ALUMNI NEWS

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

Mail

Alumni News
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Email Your News

econ@ku.edu
Subject Line: Alumni News



AROUND THE ECONOMICS DEPARTMENT – FALL 2021

• The Economics Department launched into the 2021-22 academic year on August 20 with a welcome-back gathering atop the Oread Hotel for faculty and graduate teaching assistants (GTAs). At that event, new Chair Dr. John Symons said that he was honored to be taking the reins of a Department with a world-class reputation for its superb faculty, research achievements, and outstanding record of placements. Dr. Symons, a professor of Philosophy who came to KU in 2012 and has extensive administrative and academic experience, was announced as the incoming Chair last January (see spring issue of *KU Economist*, p. 2).

On that blustery late summer morning, Dr. Symons said that he hoped everyone could hear him over the artificial crowd noise that the football team was piping in for practice at their facilities just to the west of the Oread, joking that many people on campus were hopeful that there would soon be a good deal of actual crowd noise on Saturday afternoons. He added that the pandemic had provided an extraordinary set of challenges for KU during the previous academic year and said that he was guardedly optimistic about the resumption of many in-person classes this fall.

Graduate Advisor Kate Pleskac then explained how a number of the latest transformations being made to the departmental website would not have been possible without the help and input of graduate students.

Dr. Tsvetan Tsvetanov, Director of Graduate Studies, and Dr. Josephine Lugovsky, Director of Undergraduate Studies, both said they were looking forward to working with Dr. Symons to review departmental programs and initiatives as part of the ongoing effort to assure that the Department retain and continue to build upon its aforementioned reputation.

Later that afternoon, GTAs attended a special “Principles Boot Camp” to help them finalize preparations for the Econ 142 and 144 courses that were to start the next week.



A number of Economics Department faculty gathered atop the Oread Hotel prior to the start of the semester.

• One of the Department's more popular classes, Environmental Economics (ECON 550), kicked off on August 24 with Dr. Dietrich Earnhart telling students that environmental issues were high on the agenda at virtually all levels of government. He noted that the federal infrastructure package under consideration included proposed funding for additional local charging stations; and that even the Douglas County Planning Commission was deliberating as to whether to allow solar farms in the county.



Dr. Dietrich Earnhart, a national authority on environmental economics, teaches one of the Department's more popular classes.

Dr. Earnhart, a national authority on environmental economics who serves as Director of the Center for Environmental Policy, said that interest in the field had accelerated in recent years just as the climate crisis had.

“We can see just looking around at the headlines just this week that there are multiple examples of how the climate change has been driving more extreme weather. From the wildfires in California to the heat dome over British Columbia to the 17 inches of rain they had in 24 hours in Tennessee,” he said. “And one of the key missions in this class is to discuss what solutions economics can bring to the table. One economic idea or solution relates to what certain cities in California have begun doing to buy people out in order to reduce additional wildfire risks.”

He added that cap-and-trade programs (designed to reduced greenhouse gas emissions by providing limits but allowing market forces to come into play via transferability of credits) and feed-in-tariff policies (designed to boost renewable energy production by guaranteeing above-market prices for producers) are no longer limited primarily to Europe and are being discussed far more frequently here in the US in recent years.

The broad interdisciplinary appeal of the course, which is cross-listed (EVRN 550) with the Environmental Studies Program, is evident by the fact that a number of students are not economics majors (although an introductory economics course is required as a prerequisite).

Part of the semester's grade is attached to the 2021 Environmental Studies Project, which has each student analyze the environmental policies implemented or promoted by the Biden administration, with special emphasis on those policies promulgated by the EPA Region 7 office in Lenexa.

We can see just looking around at the headlines just this week that there are multiple examples of how the climate change has been driving more extreme weather.

– Dr. Dietrich Earnhart

CONFERENCE FOCUSES ON POST-COVID RECOVERY, CHALLENGES AHEAD

As the state economy continues to grapple with the impact of the pandemic and its aftermath, the annual Kansas Economic Policy Conference (KEPC) was held as a hybrid in-person and virtual conference on October 21 and focused on many of the critical challenges now on the table for Kansas and its policymakers ("The COVID Recovery in Kansas: A Work in Progress").

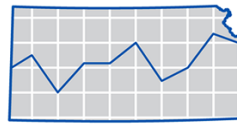
The morning keynote from conference organizer Dr. Donna Ginther, Director of KU's Institute for Policy and Social Research and the Roy A. Roberts Distinguished Professor of Economics, set the table for the balance of the event by emphasizing that although the post-COVID recovery in the state's economy has thus far been more rapid than could have been imagined a year ago, there are a number of labor-force related issues that must be addressed if it is to be sustained. She explained that the labor shortage had been exacerbated by what she called the "Great Retirement" wherein more than 35,000 Kansans who had been contemplating retirement went ahead and did so in the wake of the pandemic and the subsequent strength in the stock market. A large number of women also left the workforce in September as a result of lack of access to affordable child day care.

"And many workers also concluded that a number of low-paying jobs simply weren't worth dying for," Dr. Ginther said, noting that in several counties, an increase in the minimum wage to only \$12 per hour would raise the wages of more than 33 percent of the workforce.

She added that federal legislation enacted to help minimize the pandemic crisis and stimulate the economy had been far more effective than the American Recovery and Reinvestment Act of 2009 (ARRA) that was adopted after the Great Recession.

"Because of opposition from one of the political parties in Congress, the ARRA was not large enough to provide the necessary level of stimulative impact, so what we saw was a long, slow jobless recovery that took almost a decade," she said. "Moreover, the ARRA ended up distributing a good deal of its aid to banks instead of directly to actual people."

The conference then turned to a variety of panels to discuss the labor-shortage issues, as well as infrastructure challenges such as broadband access and affordable



2021 Kansas Economic Policy Conference
The COVID Recovery in Kansas: A Work in Progress

housing that were exacerbated as a result of COVID – and ways in which the incoming federal aid could help.

KU Chancellor Douglas A. Girod kicked off the afternoon session by observing that the KEPC, with its timely and relevant themes, was always one of the highlights of the academic year on campus. He said that data he has seen indicated KU is doing a better job than many people believed at keeping recent graduates in the state, but that the outmigration problem could be improved with only a modest amount of additional effort from KU and the other Regents institutions.

A panel of legislators (Senate Minority Leader Dinah Sykes, Senator Brenda Dietrich, and Representative Susan Concannon) subsequently offered perspectives on what initiatives were likely to be discussed in Topeka to address the labor shortages, infrastructure problems, economic inequities, outmigration and other demographic issues that had been highlighted at the KEPC.

Senator Sykes stressed that younger workers tend to place a priority on diversity and an inclusive political culture, noting that quality-of-life issues were becoming increasingly important in discussions involving how to best retain and attract young families.

All three legislators agreed that there would be a spirited discussion of tax cuts during the upcoming 2022 election year session; and that removal of the state sales tax on food should be the top priority.

During her closing remarks, Dr. Ginther thanked the elected officials and other conferees who had been "on the cutting edge of dealing with a lot of anger" over the last year.

"Thanks to the federal response, we do now have an opportunity to take a step back and decide where we want to be over the next decade in terms of our child care, housing, broadband access, infrastructure, and even tax policy," she said. "Our voices matter in terms of how these resources will be distributed."

A grant from the Economic Development Administration with Coronavirus Aid, Relief, and Economic Security (CARES) Act University Supplemental Disaster Recovery and Resiliency Award funding supported the 2021 KEPC.



Policymakers discussed the best path forward for the Kansas economy at the annual KEPC on October 21.

MESSAGE FROM THE CHAIR

Greetings, Economics Department Alumni and Friends!

As many of you will recall, the *KU Economist* was launched a number of years ago to keep our alumni up to date on the growing national reputations of our award-winning faculty and students alike, as well as everything else going on in and around the Department and campus.

Looking through this issue, it is exciting to reflect on how the fascinating and groundbreaking research work of our faculty is acknowledged around the world; as well as how many of them "give back" to KU here on campus in many significant ways beyond teaching.

Certainly the pandemic has continued to provide ongoing challenges for KU and the Department as I have been settling in as the new Chair, but I am pleased to report that the resumption of most classes as in-person has gone remarkably well. And the timeliness and relevance of one of our most popular undergraduate courses, Environmental Economics (ECON 550), of course seems to be accelerating by the day (page 10).



The Department remains very blessed by the generosity of its friends and donors (pages 6-8), and our ability to help our undergraduate and graduate students handle ever-increasing higher educational costs is a critical part of our ongoing mission.

This publication also comes out each semester as an important part of our alumni outreach efforts. Over the years, we have been delighted at the response we have received from all corners of the globe. Please consider dropping by my office in Snow Hall to say "hello" the next time you are back in Lawrence - and keep sending us your news and updates in the meantime. We would very much like to stay in touch with everyone on an ongoing basis and would be happy to include your alumni update or profile in the spring edition.

Rock Chalk!

— John Symons



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