



Department of Economics Newsletter

June 2014

GENERAL DEPARTMENT NEWS

The Economics Department at Johns Hopkins has had another busy year with multiple events and many developments among the faculty and graduate students. This Newsletter will cover many of them but feel free to keep track of all developments as they happen on the department website, <http://www.econ.jhu.edu/>.

We welcomed in January, 2014, two new Assistant Professors. **Anton Korinek** arrived from Maryland with a specialization in International Monetary Economics. He taught a graduate course in macro theory and an undergraduate course in Evolution and Economics in Spring, 2014. **Yuya Takahashi** came from the University of Mannheim with specializations in Industrial Organization and Econometrics. This Spring semester he taught a graduate course in numerical methods and an undergraduate course in Labor Economics. Anton and Yuya will greatly strengthen our already-strong faculty concentrations in macro and in applied micro (especially Industrial Organization), respectively. And we are looking forward to **Ying Chen** joining us in September. Ying is currently at Southampton and specializes in Economic Theory.

We are also happy to report that Dr. **Robert Barbera**, a graduate alumnus from our Department, has assumed a greater role in the Department this year, teaching introductory Macroeconomics as well as Economic Forecasting and serving as a Fellow of our Center for Financial Economics.

Sadly, we are losing **Hulya Eraslan** to Rice University. We wish Hulya and her family well in her new location.

Our faculty continue to perform important government service. **Jon Faust**, our Louis J. Maccini Professor of Economics, is concluding his two-year leave to the Federal Reserve Board, having served as a Special Advisor to Ben Bernanke and, this last

semester, to new Chair Janet Yellen. Jon will return full-time in September. **Greg Duffee**, the Carl Christ Professor of Economics, returned from a one-year leave at the Office of Financial Research, where he served as Executive Fellow. Going in the other direction, **Chris Carroll** began a leave in January to be the Assistant Director and Chief Economist of the Office of Research of the Consumer Financial Protection Bureau.

The Department was well represented at the AEA Meetings in January, 2014 in Philadelphia. Among the faculty, **Jorge Balat, Larry Ball, Chris Carroll, Greg Duffee, Jon Faust, Olivier Jeanne, Anton Korinek, Robert Moffitt, Yuya Sasaki, and Jonathan Wright** were on the program. The traditional cocktail party and reception also drew a number of current and former graduate students and faculty. We will be having another in January, 2015 in Boston. Mark it on your calendars.

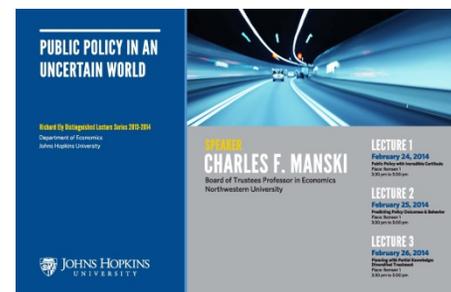
We had several distinguished visitors to the Department this year. Our graduate alumnus **Takeshi Amemiya**, Emeritus Professor of Economics and Classics at Stanford (below), visited us in October and gave a lecture entitled "Econometric Reflections Plus My Recent Interest in Ancient Greece and Chinese History."



Our annual Richard T. Ely lecture this year was given by **Charles Manski** (below) from Northwestern University, who gave three stimulating lectures on "Public Policy in an Uncertain World." Professor Manski's week with us was filled with discussions of economics and econometrics, meetings with faculty and students, and several lunches and dinners.



Poster for the Richard Ely Distinguished Lecture Series 2013-2014:



We look forward to the Spring 2015 Ely Lectures as well, which will be given by Professor John Geanakoplos from Yale.

We had several visitors this academic year who enlivened the Department. Professor **Anna Scherbina** from the University of California Davis visited in the Fall, teaching

Corporate Finance and Behavioral Finance. Professor Scherbina gave an interesting seminar on behavioral finance, bubbles, and related phenomena. Dr. **Egon Zakrejsek** spent the Fall with us on leave from the Federal Reserve Board. He is an expert on credit markets, banking, and monetary policy. Professor **Nobusumi Sagara** from Hosei University, an expert economic theorist, visited us last year and again this Fall. Dr. **Berna Demiralp**, our graduate alumnus, visited us in the Fall and taught undergraduate econometrics. Dr. **Priyanka Anand** from Mathematica Policy Research also visited us and taught undergraduate labor economics. Professor **Che-Lin Su** from the Booth Business School at Chicago visited us this Spring for a few days and gave lectures to our graduate students as well as a talk in our research workshop. We were happy to have Dr. **John Driscoll** from the Federal Reserve Board visit us this Spring, teaching our undergraduate Intermediate Macroeconomics class as well as attending the macro seminar and discussing research with our faculty. Professor **Robert Miller** from Carnegie Mellon is visiting us this Summer and working on research projects with our faculty.

The Center for Financial Economics (CFE) continues to support teaching and research at the intersection of macroeconomics and finance. The director, **Jon Faust**, will return from public service leave as special adviser to Federal Reserve Chairmen **Ben Bernanke** and **Janet Yellen**. **Jonathan Wright** stood in as Acting Director last Fall and **Bob Barbera** stood in this Spring, with **Olivier Jeanne** helping out in student advising. **Jon Faust** has been at the center of the policy process for the last two and a half years, and will bring his unique insights to teaching and research upon his return. The Minor in Financial Economics continues to expand and the job placement record of graduates in this Minor has been outstanding.

The CFE has been regularly quoted in the press. **Bob Barbera** has appeared on television, written an op-ed in the Financial Times, and contributes to the Survey of Professional Forecasters. Commentaries about some recent economic developments are available on the CFE website: <http://cfe.econ.jhu.edu/>. The CFE is actively fundraising with the aim of recruiting new faculty and offering a major in financial economics.

FACULTY NEWS

Jorge Balat continues his work on auction models and production functions and presented his work at several universities and conferences this year, both in the U.S. and abroad.

Larry Ball continues to serve as a Visiting Scholar in the IMF Research Department as well as serving on the Advisory Board of Economic Research Forum in Turkey. He also continues to make presentations around the world including the West Indies, Brazil, Morocco, Turkey, Germany, Scotland, and Sweden. He has also written about the need for more expansionary fiscal policy with Larry Summers and Brad DeLong. Paul Krugman and others have endorsed his proposal for a 4% inflation target. Professor Ball has also filed a lawsuit in federal court against the Federal Reserve Board under the Freedom of Information Act to obtain legal memoranda setting forth the justification for extending emergency loans to Bear Sterns and AIG in 2008. We are hoping he does not sue the Chair of the Johns Hopkins Economics Department to obtain justification for setting faculty salaries.

Chris Carroll gave two keynote speeches this year, one at the European Central Bank Conference on Household Finance and Consumption and one at the St. Louis Federal Reserve Bank Research Symposium on Restoring Household Financial Stability After the Great Recession.

Greg Duffee, the Carl Christ Professor of Economics, spent 2013 at the Department of the Treasury. He also gave a talk in November 2013 at the Shanghai Advanced Institute of Finance and led discussions at the Federal Reserve Bank of San Francisco Zero Lower Bound Conference in October and at Tel Aviv University in December.

Bruce Hamilton, Professor Emeritus in the Department, continues to teach his popular undergraduate course in Antitrust as well as the major Principles of Microeconomics course. He also serves as the Director of Undergraduate Studies. This Spring, he put together a new course for undergraduates called Faculty Research in Economics which brought our faculty to a group of students to tell them about his or her research.

Yingyao Hu has been named an Associate Editor of *Econometric Reviews*. He also has been named a Fellow of the Journal of Econometrics and he won the Kuznets Prize from the Journal of Population Economics for his 2013 paper jointly authored with Richard

Evans and Hopkins graduate alumnus **Zhong Zhao** on "The Fertility Effect of Catastrophe: U.S. Hurricane Births."

Olivier Jeanne's work in international macro has continued to lead to numerous invited speaking engagements at INET, the San Francisco Fed, the Bank of Japan, and the Bank of Korea.

Edi Karni, the Scott and Barbara Black Professor of Economics, was the Hallsworth-Simon Visiting Professor at the Department of Economics at the University of Manchester. He was also the keynote speaker at a conference at Manchester and also presented at the Manchester Economic Theory workshop. His joint work with graduate alumnus Nan Zhou was presented at Warwick in May.

Ali Khan, the Abram Hutzler Professor of Political Economy, gave a keynote speech at the UECE Lisbon Conference on Game Theory and Application entitled "Subjective Randomized Strategies in Games with Correlated Information." He also gave the plenary address at XXII European Workshop on General Equilibrium Theory entitled "Finite-Player Games with Private Information."

Anton Korinek was selected as one of four 2013 IMF Research Fellows and spent the Fall semester at the International Monetary Fund doing research on capital controls and the international monetary system. In Spring 2014, he took over the Graduate Macroeconomics course that Lou Maccini had been teaching for over 30 years. He also developed a new junior/senior level course on "Evolution and Economics" that analyzed how evolutionary dynamics shape our economic system, from individual behavior to such complex topics as risk-taking in the financial system.

Elena Krasnokutskaya gave a talk at Georgetown University in November 2013 on "Multi-Attribute Auction Model with Unobserved Bidder Attributes." She has also started a new project with her colleagues Jorge Balat and Nick Papageorge.

Robert Moffitt, the Krieger-Eisenhower Professor of Economics, began a term as Chair of the American Economic Association Committee on Economic Statistics. He also is serving as President of the Population Association of America and gave his Presidential Address to the Association in May, with the title "The Deserving Poor, the Family, and the U.S. Welfare System."

Nick Papageorge gave presentations this year at Duke, UNC, Cal Tech, NYU, and Penn. He continues his work on medical innovation, personality and entrepreneurship, and behavioral models of schooling.

Yuya Sasaki gave talks at George Washington University and the University of Tokyo. He continues his work on panel data, measurement error, and dynamic discrete choice models.

Yuya Takahashi joined us in January. In the 2013-2014 academic year, he made presentations at the Stockholm School of Economics, IEIF Rome, the Paris School of Economics, Kyoto University, and Pennsylvania State University. He also made a conference presentation at Berlin IO Day at DIW Berlin.

Jonathan Wright served as Acting Director of the Center for Financial Economics in the department in the Fall. He has been named Coeditor of the Journal of Applied Econometrics and co-organizer of the NBER Workshop on Forecasting and Empirical Methods in Macro and Finance. He also presented a paper on seasonal adjustment at the Brookings Papers on Economic Activity which generated considerable discussion.

And we have welcomed two new babies to the Department this year, the proud parents being Professor **Jonathan Wright**, and Professor **Elena Krasnokutskaya**.

GRADUATE STUDENT NEWS

The Department welcomed 11 incoming first-year students in October with a party which faculty and other graduate students attended. A photo gallery from the party is available at:

<http://econ.jhu.edu/2013/11/21/department-of-economics-welcomed-new-doctoral-students/>



We will welcome 10 new students next Fall as well. A new and revised Math Camp for them will be taught this August by graduate student **Metin Uyanik**.

Graduate student activity this year continues to be extensive. Informal reading groups consisting primarily of advanced graduate students plus faculty members met periodically to read and discuss papers in labor economics, industrial organization, theory, and macro and finance. These groups are popular because they allow graduate students to continue to meet and discuss papers in their area even after coursework has been completed.

As noted in previous newsletters, the Department has several funded awards to honor some of our most accomplished graduate students. The Eugenio and Patricia Castillo Award is given to the student who displayed the best performance in their first two years in the graduate program. The 2013-2014 recipient was **Chang Ma**.

The Bruce Hamilton Research Seminar Award is given to the advanced graduate student who has demonstrated the best performance in one of the department's research workshops. Again funded by Eugenio and Patricia Castillo, it is named in honor of Professor Emeritus Bruce Hamilton who was well-known for his insightful and clever comments at seminars. This Spring's award went jointly to **Ryan Bush** and **Gizem Kosar** for their remarks, comments, and questions at our workshops.



The Professor Joel Dean Undergraduate Teaching Award was established in 2009 to recognize graduate students who exhibited extraordinary performance in teaching Hopkins undergraduates. This award was creatively conceived by Professor Dean's son Joel and his wife Monia. Professor Dean received his Ph.D. in Economics from the University of Chicago in 1936 and was a pioneer in applying economics to business decision-making. The 2013-2014 recipients were **Alanna Bjorklund-Young**, **Ryan Bush**, **Liuchun Deng**, **Christopher Martin**, and **Terrance Oey**.



Hearty congratulations to all these graduate students, who exemplify the best of the Johns Hopkins graduate program.

Ten students successfully defended their dissertations in oral examinations since our last Newsletter. They are **Indra Astrayuda**, **Colleen Carey**, **Matthew Raskin**, **Prathibashi Seneviratne**, **Matthew White**, **Ruli Xiao**, **Xiaochen Xu**, **Wei Zhao**, **Yizhen Zhao**, and **Nan Zhou**. A few pictures of the students and their examining committees are shown below.





There is life after the dissertation.

The Department had a record crop of students on the job market this year, including **Natsuki Arai**, **Weining Bao**, **Blair Chapman**, **Yoichi Goto**, **Leyla Karakas**, **Christopher Martin**, **Collin Rabe**, **Lucia Tiererova**, **Ruli Xiao**, **Hou Wang**, **Xi Yang**, **Jiae Yoo**, and **Nan Zhou**. They have accepted positions throughout the country and around the world - National Chung Cheng University, Xi'an Jiao Tong University, Montclair State University, Deloitte, Syracuse University, the FDIC, the University of Richmond, the Analysis Group, Indiana University, the IMF, and the USC Lusk Center for Real Estate. We wish them the best in their future careers.

Many of our other graduate students had notable activities this academic year.

Natsuki Arai presented a paper entitled "Evaluating the Efficiency of FOMC's New Economic Projections" at several conferences last summer. Another of his papers, "Using Forecast Evaluation to Improve the Accuracy of the Greenbook Forecast" has been accepted to the *International Journal of Forecasting*.

Yajing Jiang presented a joint paper with Professor **Yingyao Hu** and fellow student **Ryan Bush**, "On Misclassification Errors in Self-reported Drug Use," at the 2013 Asian Meeting of the Econometric Society.

Burcin Kisacikoglu has a joint paper with Refet Gurkaynak and Barbara Rossi forthcoming as a chapter in *Advances in Econometrics: VAR Models in Macroeconomics, Financial Economics and Forecasting- New Developments and Applications*.

Also, **Gizem Kosar** attended the Search and Matching Workshop at the Federal Reserve Bank of Philadelphia. **Metin Uyanik** visited the University of Queensland and presented a paper on the "Non-Emptiness of the Core with Discontinuous Preferences" and he attended a conference on the History of Economic Thought at the University of Richmond. **Boqun Wang** has a paper entitled "Volatility and Economic Regimes: Evidence from a Large Transitional Economy" coauthored with Professor Dennis Tao Yang presented at the 2014 AEA Meetings and he coauthored with Davide Furceri and Andrea Pescatori a small article called the "box" in the chapter 3 of the World Economic Outlook. He also visited the World Economic Outlook group of the Research Department at the IMF in Jan 2014.

Jiaxiong Yao presented a paper entitled "Progressive Taxation and Precautionary Saving Over the Life Cycle" at the 28th Annual Congress of the European Economic Association/67th European Meeting of the Econometric Society.

Several students attended the January 2015 meetings of the AEA in Philadelphia and came to the Departmental Reception.

ALUMNI NEWS

Yonghong An (Ph.D., 2011) is moving to the Economics Department at Texas A&M in July.

Daniel Barth (Ph.D., 2012) is finishing his time at Hamilton College and is moving to the Office of Financial Research at the Department of the Treasury.

Geoffrey Gilbert (Ph.D., 1975) became Professor Emeritus of Economics in July, retiring after 40 years of teaching, 37 of them at Hobart and William Smith Colleges (Geneva, NY). His teaching and writing over the years have focused on poverty and population, with Malthus a particular interest. He and his wife Mundy celebrated their 40th wedding anniversary and their younger daughter gave them their first grandchild about a year and a half ago.

Paul de Grauwe (Ph.D., 1974) recently moved from the University of Leuven to the London School of Economics.

Mark Dynarski (Ph.D., 1981) is now a senior fellow (nonresident) at the Brookings Institution and has his own research firm, Pemberton Research.

Michael Fratantoni (Ph.D., 1995) was recently promoted to Chief Economist at the Mortgage Bankers Association.

Daniel Gubits (Ph.D., 2008) and his wife Sarah had a baby daughter Natalie Ruth last July.

Frank Gunter (Ph.D., 1986) is still at Lehigh. His book "The Political Economy of Iraq: Restoring Balance in a Post-Conflict Society" (Edward Elgar, 2013) was published last year, based on his two years in Iraq as an economic advisor.

John Hartwick (Ph.D., 1969) is in the midst of doing an undergraduate textbook in urban economics for ME Sharpe, which brings back memories of his time at Hopkins when urban economist Ed Mills was in residence and who later collaborated with **Bruce Hamilton** on a textbook. John's thesis was on regional input-output tables.

Guofang Huang (Ph.D., 2011) started at the Carnegie-Mellon Tepper School of Business as an Assistant Professor of Marketing last year.

Susanne James-Burdumy (Ph.D., 1999) has been promoted to Senior Fellow at Mathematica Policy Research and continued to direct two evaluations, one focused on evaluating the US Department of Education's Race to the Top and School Improvement Grant programs and the other focused on evaluating a program called Playworks, which is designed to provide opportunities for organized play and physical activity during recess in low-income schools.

Francesco Mongelli (Ph.D., 1992) moved to the Research Department of the European Central Bank as Senior Adviser in February, charged with the task of catalysing projects on Payment Systems (stability, efficiency, innovation and growth enhancing effects), Euro area convergence, and governance. He also continues to teach at the Goethe University.

Marc Nerlove (Ph.D., 1956) was honored for his major lifelong contributions to economics at a conference in Washington in May with presentations by Jinyong Hahn, James Heckman, Ariel Pakes, John Rust, Thomas Sargent and James Stock. Johns Hopkins faculty in attendance included **Carl Christ**, **Jorge Balat**, **Yingyao Hu**, **Robert Moffitt**, **Nick Papageorge**, and **Yuya Sasaki**. Fellow JHU Ph.D **Takeshi Amemiya** was in attendance.



At the conference dinner, **Carl Christ** read another of his famous limericks:

*His earliest work is replete
With supplies of corn cotton and wheat
On cross section data, than Nerlove,
No one has lavished greater love
In this field he cannot be beat*

Jennifer Roff (Ph.D., 2003) was recently awarded tenure at Queens College. She tells all graduate students who are passing through New York to get in touch.

Katheryn Russ (Ph.D., 2004) was tenured and promoted to Associate Professor in the Department of Economics at the University of California at Davis and was appointed a Research Associate at the NBER. This year she is serving as a Guest Editor for a special issue of the IMF Economic Review on Cross-Border Banking along with Galina Hale from the Federal Reserve Bank of San Francisco.

Eva Sierminska (Ph.D., 2003) has been named a Research Fellow at IZA and last year published two chapters on "The Distribution of Assets and Debt," and "The Joint Distribution of Income and Wealth" with co-authors in *Income Inequality: Economic Disparities and the Middle Class in Affluent Countries*, edited by Janet C. Gornick and Markus Jäntti. She has also published a paper "Wealth distribution within couples and financial decision making," with Markus M. Grabka and Jan Marcus in the *Review of Economics of the Household*. She still lives in Luxembourg.

Julie Smith (Ph.D., 2002) received tenure and promotion to Associate Professor in the Department of Economics at Lafayette College.

Craig Thornton (Ph.D., 1978) was re-elected to the board of directors of AcademyHealth (the major professional organization for health services research) and will serve as the organization's treasurer.

Richard Willke (Ph.D., 1982) has now spent 23 years with Pfizer and its legacy companies, following time in the Ohio State Economics Department and the American Medical Association Center for Health Policy Research. At Pfizer he is a vice president for Outcomes & Evidence, leading a group that does outcomes research, i.e., cost-effectiveness and other health economic studies, comparative effectiveness research (CER), and quality of life research, used to support Pfizer products for registration and reimbursement. Within the outcomes research community, he has served terms on various boards, task forces, and study sections, and had recent publications on smoking cessation modeling, heterogeneity of treatment effect methods and perspectives, and policy aspects of CER. He has thoroughly enjoyed being associated with the development of new medicines; there's no shortage of interesting work to do in this area. He and his wife Brenda live in Flemington New Jersey, having raised and exported four more Buckeyes. His home email is willkerj@aol.com.

Zhong Zhao (Ph.D., 2002) won the Kuznets Prize from the *Journal of Population Economics* for his 2013 paper jointly authored with Richard Evans and Hopkins professor **Yingyao Hu** on "The Fertility Effect of Catastrophe: U.S. Hurricane Births."

We are sad to note the passing of two of our graduate alumni. **Robert Fogel** (Ph.D., 1964) spent his career at the University of Chicago and won the Nobel Prize in 1993 for his fundamental work in economic history. **Lance Davis** (Ph.D., 1952) was an eminent historian of financial markets who spent most of his career at Cal Tech. We will miss them.

A NOTE OF APPRECIATION

Finally, I would like to thank those graduate alumni of the Department who have generously made gifts in the last year. They include **Julie Hudson and Steve Holden, Wilhelmina Leigh, Dan Stone, Takeshi Senda, and Jiri Slacalek**. These donations go directly to graduate student support, for Research Assistant supplements, lunches for the graduate student reading groups, and related activities.

I would also like to make special note of two exceptional gifts. **Reid Nagle** (Ph.D., 1979) made a generous gift last year to the Departments of Economics and History, remembering **Carl Christ** and Lou Galambos. His gift will go directly to supporting graduate student research. We have established the Reid Nagle Fund to support that research and to receive additional contributions made for that purpose. And **Alain D'Hoore** (Ph.D., 2002) made a generous gift, thanking his advisors **Lou Maccini** and **Ali Khan**, to support graduate student travel. We have established the Bretton Woods Travel Fund to support such travel and to receive additional contributions.

Please consider a gift, which you can make by going to JHU Giving (<http://krieger.jhu.edu/giving>) and designating that your gift go to the Department of Economics of the Krieger School of Arts and Sciences. If you choose to contribute online, please put "KSAS-Dept of Economics" in the "Other" field in the online form.

Robert Moffitt, Chair

STAFF NEWS

Our superb office staff--**Donna Althoff, Maggie Potts**, and IT Administrator **Nina Agopian**--are serving the department well. We have missed staffer **Karen Allen** during her medical leave. Donna, our long-standing departmental administrator, began her 30th year with the Department in January, still putting up with the faculty.