

Department of Economics 2003 Holiday Newsletter

HOLIDAY GREETINGS!

As 2003 winds down and we move into the holiday season, I am sitting in my office, looking out the window at Pullman, reflecting on a year of change for the Department of Economics. The most obvious development is that Duane Leigh is not the one writing this note to you. Duane ended his nine-year term as chair of the department in May, and I assumed the post. Duane is on professional leave this semester. Meanwhile, I took on the headaches and thrills that go along with being head of the Department.

We've had lots of other changes as well. Dean Len Jessup has instituted some radical changes within the College in the quest for AACSB re-accreditation. Many of these changes have impacted our department, including some reductions in our resources (we lost several TA slots), the phasing out of the Business Economics option in the undergraduate business degree, and new requirements in our graduate programs. At the same time, discussions with the Department of Agricultural and Resource Economics (AREC) culminated in a proposal to the Provost to form a School of Economic Sciences. We discuss the proposed School in more detail in another part of this newsletter.

Despite the loss of the TA slots, the PhD program brought in three new students, as did the MA program. With 19 Economics graduate students in residence, and the entering classes in AREC and Finance, we seem just as busy as ever. We had eight students finish their PhDs this year (see the list elsewhere in this newsletter) and four students finish their MA degrees. The undergraduate program continues to be strong, with somewhere between 50 and 60 majors (we are busy processing new majors as I write this) and 17 BA degrees awarded last year.

Many of you have taken the time to write us over the past year, and we always enjoy hearing about your families or careers. It makes me proud to see how successful our graduates are in the wide variety of paths their lives have taken. Please keep the news coming. For your convenience, I'm enclosing a business reply envelope, or feel free to contact me at yamaka@wsu.edu. We are exploring the possibility of developing an advisory board for the department, to help us in outreach and development. If you are interested in joining the board, or would like to suggest someone for it, I'd especially like to hear from you.

I'd also like to thank those of you who contributed financially to the Department. Budgets continue to be tight at WSU, and your contributions make it possible to continue providing the same high quality education that you enjoyed. These contributions help support our active visiting speakers program, as well as scholarships for undergraduate and fellowships for graduate students.

My best wishes for a fun and fulfilling holiday season with family and friends.

Robby Rosenman, Chair

In the past several newsletters, we have reported our progress on the merger of our PhD program with those of AREC and Finance. Our coordinated PhD program has been operating smoothly for two years now, and all of us are benefiting from the increased cooperation of the faculties of our three departments. During the past year, the Econ and AREC faculties decided to take coordination a step further in developing a plan to merge our two departments into a "School of Economic Sciences." A committee chaired by Ron Mittelhammer of AREC first developed a merger proposal, which was modified and finally approved spring semester in a series of meetings involving the faculties of both departments. Wayne Joerding, Jeff Krautkraemer, and Robby Rosenman served as Econ representatives on the merger committee. Our merger proposal was forwarded to the Provost during the summer, and we received his comments early this fall. Where matters stand at present is that we have revised our proposal and re-submitted it to the Provost. We are hopeful that in a not-too-distant future newsletter we will be able to report that our merger proposal has been approved enabling us as a combined faculty to offer stronger programs at both the graduate and undergraduate levels.

In early April of this year, V. Kerry Smith came to campus as our third guest lecturer in the Bertha C. Leigh Distinguished Speaker Series. Kerry is University Distinguished Professor of Agricultural and Resource Economics at North Carolina State University and Director of the Center for Environmental and Resource Economic Policy. Kerry's all-University address titled "Earning a Place at the Policy Table: Benefit Cost Analysis Comes of Age," was presented to a large and appreciative audience. In a very full two-day visit, he also met with graduate students, had breakfast with the undergraduate Econ Club, and presented a departmental seminar titled, "Estimating the General Equilibrium Benefits of Large Changes in Spatially Delineated Public Goods." Alan Auerbach, a distinguished scholar in public economics from UC Berkeley, will be our fourth speaker in the Leigh Series. His visit is scheduled for April 1-2. Previous speakers in this series were Hal Varian from UC Berkeley and Edward Lazear from Stanford.

The generous financial contributions of alumni allow us to help cover the academic expenses of our undergraduate and graduate students. Recipients of Henry T. Buechel scholarships to undergraduate economics majors are Justin Challain from Olympia, Ian Dunstan from Pasco, Gary Franke from Pullman, Aaron Gutzwiller from Malaga, Laura Kroh from Pullman, Lai Shan from Hong Kong, Richard Lasher from Ridgefield, Rosemary Ludlow from Bainbridge Island, and Emily Schlect from Yakima. Support from the James C. Nelson fund was provided to graduate students Kelly Cullen from Ann Arbor, Mich., Chris Gonzalez from Grapeville, Texas, Hal Snarr from Pocatello, Idaho, and Jingyu Wang from China.

Faculty and Staff News

Ray Batina (rbatina@pullman.com) is co-author of two papers presented in February at the Economic and Social Research Institute in Tokyo.

Rod Fort's (fort@wsu.edu) *Sports Economics* text is selling well and has been adopted at approximately 60 colleges and universities across the country. He has been asked by Prentice Hall to write a second edition with a target publication date of summer 2004. Rod also just returned from presenting a paper at a sports economics and marketing conference in Rio de Janeiro, Brazil.

Bill Hallagan (hallagan@wsu.edu) taught for six weeks last summer in the Swiss center for WSU's School of Hospitality Business Management in Brig, Switzerland. Bill reports that because of the unusually hot weather and the low value of the dollar, he hiked extensively in the Alps.

Susan He's (yijun@wsu.edu) paper, "Bifurcations in Macroeconomic Models in Economic Growth and Macroeconomic Dynamics: Some Recent Developments," was recently published in a Cambridge University Press volume.

Fred Inaba (inaba@wsu.edu) and **Hayden Stewart's** (PhD 2001) paper, "Impacts of Regulatory Change in Ocean Liner Shipping: Organizational and Contractual Response by Agribusiness Shippers," appeared recently in *Agribusiness*. Hayden is employed in the Economic Research Services branch of the U.S. Department of Agriculture in Washington, D.C.

Wayne Joerding's (joerd@wsu.edu) paper, "Double Auction Market Simulation Software for Very Large Classes," has been accepted by the *Journal of Economic Education*. His co-authors are **Pat Kuzyk** (pkuzyk@wsu.edu) and **Brian Ironside** (BA 2002). Brian is a research assistant in the Research and Statistics Division of the Board of Governors in Washington, D.C.

Jeff Krautkraemer (krautkra@wsu.edu) was invited in October to present a paper, "Are Natural Resources Adequate for Sustainable Agriculture?" at the UC Davis Seminar Series on the Science of Sustainable Agriculture.

Duane Leigh (leighd@wsu.edu) returned full-time to his professorial duties in May after nine years of service as chair of the Department. He is on professional leave this fall and enjoying traveling and working on a variety of research projects. His major project, co-authored with **Andy Gill** (PhD 1985), is completing a research monograph titled, "Evaluating the Variety of Educational Services Offered by California's Community Colleges," for the Public Policy Institute of California. Andy teaches at California State University, Fullerton.

Mahbub Morshed's (mmorshed@wsu.edu) recent paper, "Sectoral Adjustment Costs and Real Exchange Rate Dynamics in a Two-Sector Dependent Economy," was recently accepted by the *Journal of International Economics*.

Robby Rosenman (yamaka@wsu.edu) became department chair in May. He continues his productive research collaboration in medical economics with **Dan Friesner** (PhD 2000). Four of their forthcoming papers are "Scope Inefficiencies in Physician Practices: Evidence from DEA," in *Health Economics*, "The Relationship between Service Intensity and the Quality of Health Care," in *Health Services Management Research*, "Nonprofit Cost Adjusting with Quality as a Private Good" in *Applied Economics*, and "Inpatient-Outpatient Cost Shifting in Washington Hospitals" in *Health Care Management Science*. Robby spent February at Warsaw University in Poland and July at Khon Kaen University in Thailand, both times as a Fulbright Senior specialist. He was also an invited speaker at Chonnam National University in Korea in September.

Where are they now? Bachelor's Degree Alumni

Heather (Naughton) Baldwin, BA 1997, recently changed jobs and moved to a new part of the country. She is now employed by BorgWarner Automotive and living in Etowah, N.C. She previously worked for Intel in DuPont, Wash. and PACCAR in Bellevue.

Mike Baumgartner, BA 1999, recently changed jobs although he continues to live in Dubai. He is presently vice president of strategy for i4 Communications. He previously worked in the executive office of the Crown Prince of Dubai. i4 Communications is a start-up firm attempting to build a new telecom network

across the Middle East. Mike writes that the project has a very high risk factor but also a lot of potential upside. He completed the Master in Public Administration & International Development program in the Kennedy School of Government at Harvard University in 1999.

Jess Gobel, BA 1985, is a credit manager with Genie Industries. He lives in Edmonds, Wash.

Kyle Grubbs, BA 2003, is working as a national sales recruiter for Culver Careers in Rancho Cucamonga, Calif.

David Hardin, BA 2001, is an intelligence officer in the U.S. Navy. In January he received a commission as an Ensign from Officer Candidate School in Pensacola, Florida. David lives in Virginia Beach, Va.

Jaime Jerde, BA 2003, is a contract specialist for the Department of Navy in Keyport, Wash.

Walter Johnson, BA 1964, retired in 2000 as professor and department chair at University of Missouri-Rolla. He received his PhD from the University of Oklahoma and spent the early part of his career teaching at the University of Illinois-Springfield. Walt writes that after retiring, he and his wife moved to St. Louis where they restored a home built in 1896. He continues to be active in his forensic economic consulting firm, working for law firms throughout the Midwest, primarily in Chicago and St. Louis.

Craig Lenhart, BA 1976, was commissioned at graduation as an officer in the U.S. Air Force and spent 21 years managing high tech programs. While in the Air Force, he earned a MS degree in engineering management from Western New England College and an education doctorate in policy, planning and administration from the University of Southern California. After retiring from the Air Force in 2000, he joined CH2M Hill, an engineering and project management firm, where he works as a consultant. Craig and his wife live in Seattle. Their two daughters are students at UW.

Joel Ley, BA 1981, is pastor of First English Lutheran Church and Lutheran campus pastor at the University of Wisconsin-Platteville. He lives in Platteville, Wis.

John Lopez, BA 1988, earned his PhD from the University of California, Santa Barbara and is now an economist with Essex Property Trust, Inc. in Palo Alto, Calif. John writes that he "now gets paid to estimate supply and demand curves, which I think is all any economist could hope for."

Master's and PhD Degree Alumni

Dan Axelsen, PhD 2003, is teaching economics at Whitworth College in Spokane.

Bandar Aba-Al-Khail, MA 2003, is a member of the department of economics and finance at the Institute of Public Administration/Central Branch in Riyadh, Saudi Arabia.

Bruce Calkins, MA 1982, and his bookstore in downtown Pullman, *Brused Books*, were featured in an article in the *Moscow-Pullman Daily News* in May. Bruce moved his greatly expanded store to a new location on Main Street in January.

Kynda Curtis, PhD 2003, is an assistant professor in the Department of Applied Economics and Statistics at the University of Nevada-Reno.

Francis Dodoo, MA 1986, is professor and chair of Afro-American Studies at the University of Maryland. He previously taught at Vanderbilt University, and from 1998-2000 he was director of the Rockefeller Foundation-funded African Population and Health Research Center in Nairobi, Kenya. His research interests are in the areas of gender, power, and fertility decision making in Africa and on the socioeconomic attainment of immigrants and minorities in America. He received his PhD degree in demography in 1988 from the University of Pennsylvania.

Thom Flottesmesch, PhD 2003, is teaching at Minnesota State University, Minneapolis.

Grant Forsyth, PhD 1996, was married in November. Grant and his wife, Sharon, live in Cheney, and Grant continues to teach at Eastern Washington University.

Dan Friesner, PhD 2000, recently moved back to the Northwest joining the economics department at Gonzaga University in Spokane.

John Fuller, PhD 1968, visited the campus with his wife in July. John is professor in Urban and Region Planning at the University of Iowa. He was in our area attending a Transportation Research Board meeting in Portland.

Ted Gates, MA 1997, writes that he is a full-time dad taking care of his 18-month son Julius in Minneapolis.

Ethan Giertz, MA 1998, is owner of The Bargain Lot, ILL.C. in Joplin, Mo.

Cindy Hill, PhD 1997, has been awarded tenure in economics at Idaho State University. You might want to check out her new article,

Kelly Meyers, BA 1997, recently changed jobs within PACCAR. She is now senior commodity manager for exterior composites working in PACCAR corporate headquarters in Bellevue. Kelly lives in Kirkland.

Dana (Sommers) McCullough, BA 1997, gave birth to a baby boy, Kaden, in July. She and her family live in north Spokane. Prior to Kaden's arrival, Dana worked as a fixed-income analyst at ICM Asset Management, Inc. in Spokane.

Scott McKinlay, BA 1980, is a sales representative for Box Maker, Inc. in Kent, Wash. He and his wife live in Enumclaw.

Leo Perras, BA 1959, retired from IBM 11 years ago. Leo and his wife live in Roswell, Ga.

Kara (Hadley) Rohrig, BA 1997, is a senior financial analyst at Washington Mutual Bank in downtown Seattle. She recently moved with her husband and two-year old daughter Katlyn to a new home in Normandy Park, Wash.

Kimberly Shelton, BA 1987, is a senior business systems analyst in the Field Automation department of Washington Mutual Bank in Seattle. Kimberly writes that she spent the year 2000 living in the Old City of Jerusalem and in Raineh, a village near Nazareth. While in Israel, she volunteered for a few NGOs and the Episcopal Diocese of Jerusalem and the Middle East. She found working on projects and grant proposals aimed at helping underserved people in Gaza and on the West Bank especially gratifying.

Jon Sonstelle, BA 1968, is back at his regular job as professor of economics at the University of California, Santa Barbara. He was on leave at the Institute for Public Policy in San Francisco where he is working on a major study of the K-12 education system in California.

Dameon Wilbur, BA 1999, is completing the PhD program at the University of Oregon. His fields are game theory and industrial organization.

"Calculating the Candy Price Index: A Classroom Inflation Experiment," that appeared in the summer 2003 issue of *Journal of Economic Education*.

Shaomin Huang, PhD 1993, is on sabbatical leave at Peking University in Beijing. His regular job is teaching economics at Lewis-Clark State College in Lewiston, Idaho.

Dave Huck, MA 1996, has moved to a new job at American Marine Bank from his old job at Frontier Bank. He continues to live in Seattle.

Minsoo Lee, PhD 1999, is a senior lecturer at Lincoln University in Canterbury, New Zealand.

Patrick McHugh, MA 1984, was recently promoted to associate professor of human resources and employment relations at George Washington University in Washington, D.C. He received his PhD degree in labor and industrial relations from Michigan State University in 1995.

Chris Molitor, PhD 2001, is teaching in a tenure-track position at Eastern Washington University in Cheney.

Arun Raha, PhD 1990, is senior economist at Eaton Corp. in Cleveland. He is a member of *The Wall Street Journal's* forecasting panel and of the Governor of Ohio's Council of Economic Advisors, and he chairs the Commercial Vehicle Committee for the Automotive Market Research Council.

Vic Tremblay, PhD 1983, recently stepped down after 13 years as department chair at Oregon State University. Vic writes that he is really enjoying teaching and research full-time again and having more time to watch his son's sporting events.

Qizhi Wei, PhD 2003, is working for the American Express Co. in Boston.

Jason Winfree, PhD 2003, recently accepted a tenure-track position in sports management at the University of Michigan. He is teaching sports economics and sports finance. Jason was a Thomas S. Foley Graduate Fellow his last year at WSU.

Shuoe-Yien Yu, PhD 2001, is an assistant professor of economics at the Chinese Culture University in Taipei, Taiwan.

Shidong Zhang, PhD 2003, is employed in the State Department of Ecology, Olympia.

Friends and Former Faculty

Carol Clark, faculty member from 1973 to 1999, continues as state director of the Small Business Development Center located in Spokane. Carol also serves as one of 13 members of the Governor's Council of Economic Advisors. She loves to hear from former students. Please write her at clrk@wsu.edu.

John Donnelly, faculty member from 1968 to 1998, is living in Sonoma, Calif. with his wife, Sara, and continues to pursue his interests in development economics. He serves on the board of directors for Seeds of Learning (SOL), a Sonoma-based nonprofit organization working with rural communities in El Salvador and Nicaragua to expand access to education. John and Sara have traveled to El Salvador three times as members of SOL volunteer

work groups partnering with villagers to build schools in rural areas. This year he helped launch a pilot microcredit program in Chalatenango, El Salvador. John can be contacted at jsdonnelly@vom.com.

Greg Duncan, faculty member from 1978 to 1987, retired from his position as senior vice president at the consulting firm National Economic Research Associates. He continues to teach economics part time at UC Berkeley.

Tong Li, faculty member from 1997 to 1999, was promoted to associate professor of economics with tenure at Indiana University.

Bob Wallace's wife, Sarah, passed away on Oct. 1. Bob was a long-term faculty member and department chair.

New PHD's and MA's

Bandar Aba-Al-Khail, MA. Major professor: Tom Lowinger.

Khalid Al-Jebreen, MA, "The Effect of Oil Price Fluctuations on Macroeconomic Variables of the Saudi Arabian Economy." Major professor: Tom Lowinger.

Dan Axelsen, PhD, "Welfare Dependency and Labor Force Participation; Analyzing the Welfare Recipient." Major professor: Robby Rosenman.

Kynda Curtis, PhD, "The Industrialized Global Market for Processed Potatoes: Contracting, Westernization in Asia, and Biotechnology." Major professors: Jill McCluskey and Tom Wahl.

Ahmed Elameer, MA. Major professor: Dave Holland.

Thom Flottemesch, PhD, "The Marginal Willingness to Pay for Education: Peer Effects, Provision and School Choice." Major professor: Ray Batina.

Daechang Kang, PhD, "Assessment of the Productivity of Highway Stock and Maintenance Spending by Disaggregated Industry Data Analysis." Major professor: Ray Batina.

Sopon Sakulratanaska, MA. Major professor: Tom Lowinger.

Alejandro Sampaolesi, PhD, "Environment, International Trade and Growth." Major professor: Jeff Krautkraemer.

Qizhi Wei, PhD, "The Pricing of Risk Factors in International Financial Markets." Major professor: Robby Rosenman.

Jason Winfree, PhD, "Valuation of Conservation Properties." Major professor: Jill McCluskey.

Shidong Zhang, PhD, "The Determination of Foreign Exchange Rates and the Efficiency of Foreign Exchange Markets." Major professor: Tom Lowinger.

2003 Donor Honor Roll

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Economic Holidays

by an anonymous faculty member

'Twas near to the holidays, and look hard you'll see,
Nervous politicians flock out of D.C.
The economy, you see, danced in their brains,
With inflation, unemployment, and other such pains.
Most scary of all, was Greenspan, of course,
Whose words, more than theirs, carries such force.
A wrong word or two, or maybe some more,
Could shake the economy down to its core.
With interest rates low, and no lower to go,
With fear they anticipate a change in the show.
What if feared Greenspan thinks inflation is nigh?
And raises those interest rates up to the sky?
But Bush, who of course, sees elections forthcoming,
Claims jobs and low taxes keep the economy humming.
While 6 (or some 7 or 5 other rubble),
Democrats see future economy trouble.
They push all their plans, that they say, they are sure,
Will bring to us all jobs, low prices and more.
But few can agree on a path to this place,
Leaving students and others staring off into space.
For we try to teach all these bright shining students,
How to analyze all of those economic rudiments.
And our frustration, of course, is that we know what to do,
If only the world were really true blue,
But the micro we teach shows it won't have a chance,
While macro just puts them all in a trance.
So with Christmas, Kwanza and Hanukkah near,
Put aside economics for holiday cheer.