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University of Northern Iowa. Department of Economics.

Department of Economics

Newsletter

College of Business Administration

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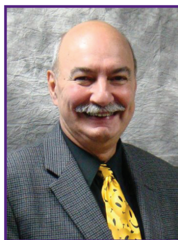


The economy is still struggling to get some traction although things seem to be getting a little better. Growth is small but positive and I expect to see some small improvement in employment this year. It will be interesting to see how the new Congress reacts to some harsh economic realities in the next session. Let's hope we can get better cooperation as we all struggle with some difficult times.

The upside to the poor economy is the increase in the number of students who are majoring in economics. We are at record levels with over 140 majors this fall. It's a fascinating time to take economics and even better time to teach it. Our upper-division enrollments are healthy and we are able to offer some interesting courses again such as Ken McCormick's seminar which was so well received last year.

We are doing a search for a new economist to start next fall. We are seeking an environmental economist to teach in that area. The world is going green but I am occasionally dismayed by some decisions, both public and private, that are made in the name of sustainability, whatever that means. Economics has a lot to say on these topics and we hope to get the right person here to say them.

An important discussion taking place on campus is the role of intercollegiate athletics and how they should be financed. Current estimates are the athletic department receives about $4 - 5 million from tuition and state appropriations. As you probably know, I am a sports fan but resource issues are a tricky business. Clearly, there are spillover benefits in the form of increased visibility (wasn't the basketball win over Kansas great?!) and perhaps increased enrollments due to having an athletic program but how much should we pay to get them? It's hard for me to justify huge amounts of money going to support less than 500 student athletes when we are teaching classes in sizes that far exceed optimal. As with most economic problems and solutions, there will be gainers and losers. It will be interesting to see how UNI resolves this.

Elsewhere in this Newsletter, Ken Brown writes about his trip to Washington to visit with bureaucrats and legislators. It wasn't exactly as depicted in "Mr. Smith Goes to Washington" but it was great exposure and experience for him. Ken's story is a great example how professional consulting can result in important public policy implications. Many of our faculty do outside consulting as well as teaching and research. We encourage this because it keeps us "cutting edge" in our discipline but also gets us out into the real world. These activities frequently find their way into the classroom so this results in a win-win outcome.

Higher education in the US is changing and I'm not sure it's for the better. We are seeing fewer public resources being allocated to colleges and students are being asked to shoulder an increasing share of educational costs. More than that, there seems to be a decline in the appreciation for the educational aspects of college. Rather, we are being viewed as vocational training as students and their parents think of us as job preparation. I'm a dinosaur on this but I still believe the purpose of going to college is to get an education, not a job. But, if you get a good education, you will get a good job!

We are also seeing a college degree viewed as just an accumulation of credits and not a representation of an education. To do so cheapens the value of all degrees awarded, both past and present. We are proud of what we have built and will work to maintain and improve our economics program.

As usual, stop by and I'll buy you lunch. But call first!

F.

Scholarship News

When we make scholarship awards, we consider a variety of factors and some of our scholarships have different objectives. Some are given to our best students, some to those with the greatest need, and some to those with an excellent work ethic. In 2009 we were able to help ten students.

The Mahmood Yousefi Scholarship was awarded to Nicholas Fohey from Monona, Iowa. Nick is in the General Economics emphasis and has a 3.87 GPA. Nick has served as a tutor for the Economics Department and he plans to pursue a graduate degree in either economics or law.

The oldest scholarship we have, the Leavitt Scholarship, was split between three worthy students this year. The first recipient is Anthony Rouse from Algona, Iowa. He is in the Business Analysis emphasis and has a 3.84 GPA. Tony's future plans are to obtain a CPA and to do transfer pricing.

The second recipient is Larissa French from Johnston, Iowa. She is in the Business Analysis emphasis and has a 3.86 GPA. Larissa serves on the publicity committee in the Economics Club and organizes the club's volunteer activity. Her future plans are to launch an Internet business which is going to be a commision art website.

The third recipient of the Leavitt scholarship is Kristi Philips. Kristi is from Ames, Iowa and is in the General Economics emphasis and has a 3.87 GPA. Kristi is an Economics tutor and she is currently applying to graduate programs in International Studies.

Charlie Cowell is the recipient of the Glasener Scholarship. Charlie is from Reinbeck, Iowa majoring in the Business Analysis emphasis with a 3.94 GPA. His future plans are to pursue a Master's Degree in Urban and Regional Planning.

Tom Augspurger, from West Des Moines, Iowa, was awarded the Alumni Scholarship. Tom has a 3.89 GPA and is majoring in the Quantitative Techniques emphasis. His future plans are to attend graduate school or secure a research assistant position at the Fed.

Josh Kleveland received the Emeritus Faculty Scholarship established to honor our retired faculty. From Fertile, Iowa, he is in the Business Analysis emphasis with a 3.72 GPA. Josh plans to come back next semester to take the CPA exam and in the future he plans to have his own business.

The annual Maurice Van Nostrand Scholarship was awarded to Trevor Boeckmann from Vinton, Iowa. Trevor is in the General Economics emphasis and has a 3.94 GPA. He is a member of the Pre-Law Club and his future plans are to attend law school.

Matthew Peterson of Waverly, Iowa, was awarded the Economics Endowment Scholarship. Matt has a 3.95 GPA and is majoring in the Business Analysis emphasis. Matt has served as a tutor and his future plans are to attend law school.

The Thomas Amlie Scholarship was awarded to Mitchell Maahs of Dyersville, Iowa. Mitch is in the Business Analysis emphasis and has a 3.97 GPA. He is a member of the Pre-Law club and after graduation he is planning to sit for the CPA exam and possibly attend law school.

Honoring Scholarship Recipients

A reception was held on April 2 to honor the scholarship recipients.

Left to Right: Matt Peterson, Josh Kleveland, Anthony Rouse, Tom Augspurger, Trevor Boeckmann, Larissa French, Mitchell Maahs, Nick Fohey and Charlie Cowell.

Scholarship News

Adam Smith Circle

Fred Abraham
Joel Abrahamson
David Altman
Scott Broshar
Ron Giddings
Charles Gillette
David Hakes
Peter & Amanda (Eddy) Hosch
Jacquelyne Joens
Gregg & Chandra Lutz
Barb Mardis
Mark Miller
Thomas Rietz
Janet M. Rives
Marti Rodamaker
Jon & Stacy Shepherd
Charles Strein
Bulent Uyar
James Van Nostrand

J.M. Keynes Club

Chad Belville
Marshall Blaine
Craig Chase
Lisa Jepsen
Deborah Nestor
Charles Phillips
Kathryn Quinn
Ernest Raiklin
Christopher Riley

Scholars Club

David Adams
Melissa Edsill
Kelly (Cleveland) & Scott Fricker
Robert Gettemy
Maris Boyd Gillette
David Gingerich
Rebecca Huss
Bryce Kanago
Allison (Falor) Larson
Gregor MacDonald
Rick Massa
Katsuyuki Ohbayashi
Kevin Pearson
Jerry Peterson
Scott Rowsell
Erin (Blaine) Souder
Megan (Swanson) Thiel
Steve Veit-Carey
Mark Willard
Mahmood Yousefi

Other

Aaron Adkins
Gay Duroe
Robert Engrav
Jaclyn Johnson
Ray Loehr
Mark Milder
John Pantazis
Michael Russell
Thomas Quinlan
Barry White

Professors' Club

Stanley Benz
Kevin Bracker
Lisa (VerMulm) Dreyer
Steffanie & Robert Guess-Murphy
David & Kathleen Jones
Alex & Beth (Ganson) Knight
Terrence & Lois Lindell
Catalina & Michael Paar
Ronald Rolighed
Jeff Scudder
Jeffrey Williamson

Advancement Fund

Fred & Robin Abraham
David Adams
Imam Alam
Shahina Amin
Steven Anderson
Andrew & Jennifer Behrens
Marshall Blaine
Robert Cenak
Jin Choi
Liz Dunshee
Jennifer Fuhrman
David Hakes
Lisa Jepsen
Sue Joseph
Todd Kielkopf
Cassie & Randy Luze
Ken McCormick
Joseph Parcell
Ron & Gloria Rolighed
Keith Saunders
Jeff Scudder
Jon & Stacy Shepherd
David Sparks
Derek & Aaron-Marie Thoms
Greta Truman
Kerry Tudor
Bulent Uyar & Katherine Cota-Uyar

Law & Graduate School Application Help

Among the many objectives of the UNI Economics program is to prepare qualified students for law and graduate school. The deductive reasoning and analytical thought so prevalent in economics lends itself well to the study and practice of law as well as advanced study of economics. Our graduates who have gone on to school have reported they were well prepared by their economics major and have continued on to successful careers.

Unfortunately, the application process can be expensive. Several faculty in the department have established a fund which is used to defray some of the expenses related to the LSAT & GRE exam. If you wish to contribute to this fund, please make checks payable to the **Economics Advancement Fund: Applications** and send in the enclosed envelope.

Thanks for your help!

Remember

The University is currently undertaking a large fund-raising campaign called "Imagine the Impact." If you are contacted by the UNI Foundation or anyone else from the University about contributions, please consider being generous to our students. Also, you can designate that your gift be directed to the Economics Department or any of the Department's scholarship funds. If this is your desire, please so specify. Thanks!

–Fred Abraham

Give Now?

Please consider sending a contribution to our scholarships by using the enclosed envelope. With the rising tuition costs, our students can use the help! Thanks!

Alumni News

David Adams, '94. David is manager of general merchandise at the Hy-Vee Drugstore in Mount Pleasant, Iowa. He states, "With my recent switch to management in Hy-Vee Inc., this is the first opportunity I've had to work in a team environment. It's pretty exciting, and demanding at times." David is involved in Rotary and his family is active in church and youth ministries. They try to volunteer in the community as much as possible.

David Altman, '84. David lives in LaVista, Nebraska, and is Executive Director of Operations for CSG Systems Inc. He is married to Sharon and they have three children, Molly, Sarah and Nick. In his spare time he enjoys camping and golf.

Chad Belville, '91. Chad is an attorney in Phoenix, Arizona.

Kevin Bracker, '90. Kevin is teaching Finance at Pittsburg State University. At PSU, Finance is part of the Dept. of Economics, Finance and Banking, so he's still keeping touch with his economic roots. Kevin reports, "I just got back from our spring trip to Chicago and while there was remembering a trip from several years ago where Professor Raiklin took us as members of the UNI Economics Club to the same places (although the Chicago Mercantile building no longer has active trading floors and now they are all located at the CBOT). In addition to learning some economics while at UNI, I also learned a lot about being a professor by having some great role models."

Matt Cole, '01. Matt is living in Dublin.

Kevin Hron, '07. After graduating from UNI, Kevin went on to complete a Masters in Economics at Western Illinois. Since completing the program he has been helping a friend with an online business. In his spare time he has been learning to snowboard!

Arthur "Helio" Irigaray, '86. Helio is a professor in Brazil at FGV-EAESP, Fundacao Getulio Vargas in Sao Paulo.

Ryan Koopmans, '04. Ryan is an associate at Gibson, Dunn, & Crutcher in Washington, D.C.

Gregg Lutz, '98. After graduating from UNI, Gregg went on to receive an MBA in Finance from The Ohio State University. He now lives in Chesterfield, Virginia, where he is a Variable Annuity Risk & Hedging Operations Manager in Equity Risk Management for Genworth Financial.

Sam Meier, '08. Sam is a Financial Advisor for Edward Jones in Sterling, Illinois.

Mark Milder, '99. Mark runs his own law firm in Waverly and practices primarily in the areas of criminal defense, family law, and juvenile court. His wife, Lisa, is a UNI Graduate ('00) and they have two daughters, ages 7 and 2.

Mike Paar, '76. Mike has recently left HON and taken a job with Exemplis Corporation (better known as SitOnIt).

Michael Russell, '01. Michael has recently accepted a new position at the University of Minnesota Foundation as their regional development director for the state of California. He will still be based in Minneapolis, but traveling frequently to CA.

Gerald W. Thompson, '58. Gerald went on to receive a Master's Degree in 1962. In 1976, he started an oriental rug business. He currently collects rugs and military objects, mostly WW II. He lives in Shepherdstown, West Virginia.

Josh Mahoney

In 2010, Josh Mahoney, '09, earned the Walter Byers Award, the highest academic honor the NCAA bestows upon a student-athlete.

The award is open to all athletes in all sports in all divisions of play. It includes a post-graduate scholarship worth $48,000 over two years.

Josh also was in contention for the Campbell Trophy. The Campbell Trophy (formerly known as the Draddy Trophy) is one of college football's most sought after and competitive awards, recognizing an individual as the absolute best in the country for his combined academic success, football performance and exemplary community leadership. The award was ultimately awarded to Tim Tebow, but what a group to compete with.

The award comes with a 24-inch, 25-pound bronze trophy and a $25,000 postgraduate scholarship. A total of $300,000 was awarded to Tebow and the other 15 Campbell Trophy finalists, who each claimed $18,000 scholarships for their post-graduate educations.

Josh is currently enrolled in the University of Chicago School of Law, where he was recently awarded the Tony Patino Fellowship. After earning his law degree, Mahoney's goal is to work for an organization that strives for social justice at a national or international level.

Josh with his parents, Joan and John holding the William V. Campbell trophy.

Experience of a Lifetime
By Steve Anderson

My experience at UNI can be summed up by three words; preparedness, respect and friendships.

In the beginning attending college was a means to an end. My initial focus was on securing a piece of paper, "the degree," as a rite of passage into the next phases of life such as career and family. However, something amazing happened my sophomore year when I discovered the joy of learning and I particularly began to love economics.

I found excitement in learning about the free markets, currencies, trade, and the true relationships that supply and demand forge. As a result, my goals started to change and I no longer was in college to get the rubber stamped diploma, but rather to position myself with knowledge and build the capacity to learn. Unbeknownst to me at the time, I was putting in place the building blocks of what would be the start to the adventure of my life. I was in fact becoming prepared to venture out into the business world.

Left to Right: Fred Abraham, Steven Anderson, '88, Farzad Moussavi.

Not much could have prepared me for the phone call I got from my parents one day at the end of my sophomore year. They explained tough economic times hit our household and their financial support in the continuation of my college career was in jeopardy. This was especially difficult to hear when I had found my passion and finally gotten clarity about my future. But my determination was so strong at that point I knew I could find a solution. I certainly had the demand, I just needed to work out the supply part. A good business case would prove the necessity of their investment in my education just as a good business case is needed in the business world. So I put together spreadsheets, graphs and a risk analysis for my parents. I contacted banks, scholarship funds, and private lenders to find the resources to continue at UNI. I presented my plan and committed to work two jobs for my part of the contribution. My parents sacrificed and found a way to continue to support me financially since I was able to show what could be the ultimate benefit. In turn, I also committed my performance would prove it was the right decision. That day I was able to do my finest sales job to that point and within the whole experience, I found the meaning of respect. I saw how razor thin the line is between the right path and the wrong path in life. And I was amazed at how diligently I worked, how much time I devoted to my studies and the vast respect and appreciation I garnered for the opportunity to be educated at an institution of higher learning.

I was also amazed at the enduring, valuable friendships that abound during these times in our lives. The environment at UNI was an open door for me to unlock connections I have benefited from in multiple ways. Friendships with my fellow students, roommates, and professors have stood the test of time. The tie that bound us was the outstanding education and experiences we had with UNI and are ties still strong today. These are the people I reached out to for advice and have been asked to share advice. These are the people who aided in shaping me and helped foster the successes I have had the privilege to earn. I have often wondered where I would be today without my UNI experiences. Where would I be if I had given up my sophomore year? Where would I be if I had not had the guidance and encouragement of remarkable professors and friends challenging me to be better, try harder and not give up. In particular, Professors Strein, Rives, Abraham, and Yousefi helped me coupe and excel. I remember my academic advisor Dr. Yousefi; part psychoanalyst, part disciplinarian, part cheerleader, and part friend. I am a living legacy of his great work at the University as his words and actions had a profound effect on me before his passing.

Last year I was asked by Dr. Abraham to participate in the Alumni in Residence Program. I eagerly accepted, besides, turning down any request the Economics Department or the University makes would be difficult on my part. My level of respect for the men and women associated with UNI is extraordinary. When I heard the saying, "Those that cannot do, teach." I knew the person who said it certainly did not go to UNI and have such remarkable experiences with instructors like I did. I commend those willing to give their life's work to teaching, mentoring and showing the way. I believe the education I received at UNI is invaluable and a cornerstone of my life achievement and accordingly it is my duty to give back.

While my participation in last year's endeavor was giving on my part, it was equally a pleasure. Something told me I would get more from my interactions with the current professors, staff, students and other alumni than I would be ever able to return. My hunch was right. I loved being back at UNI and have my son and wife feel a glimpse of my past. I found the conversations about the business world engaging, in particular the ones about the financial markets and the lack of trust in my vocation and my peers who are the keepers of Wall Street. I was impressed by the great thinkers I interacted with in the classrooms. Our students are the future and if those I got to spend time with through the Alumni in Residence Program are any sampling of who we will depend on to lead us in our future, I'm certain the future is bright.

Lastly, my participation in this program also reminded me of how giving back time, resources and experience is a way to make the most rewarding and fruitful difference in other people's lives … just as Dr. Yousefi and others did for me. Now, I would encourage you to ask yourself how you can make a difference for others and the University.

Economics Club

The Economics Club saw a change in faculty advisors during the 2009-10 year. Long-time advisor, Professor Lisa Jepsen, passed the advising torch to Professors David Hakes and David Surdam, proving, perhaps, that it takes two Daves to replace one Jepsen. Professor Jepsen left behind a well-organized club that held many activities during the year. From leisure events such as Poker Night, bowling, and miniature golf to more scholarly events such as the Writing Seminar (hosted by Professors Jepsen, Ken McCormick, and Janet Rives) and the Law/Grad School Information Session (hosted by Professors Jepsen and Bryce Kanago), economics students enjoyed a variety of interruptions to their daily grind. The highlight of the year was, of course, the annual two-day trip to Chicago, Illinois. Students spent a couple of hours touring the Museum of Science and Industry, an evening sampling Chicago's fabled downtown, and witnessing the opening of the Chicago Options Exchange and talking with UNI alum, Joe Engels. Economics Club students also manned information tables at various UNI and CBA functions, including Family Weekend and Major in Minutes.

Poker Tournament Winners, Andrew McCardle, 1st place, and Daniel Stickel, 2nd place.

A note from Ryan

It's hard to believe that my time at UNI is almost over. In my four years at UNI I have had the pleasure of working with great people who helped me become the person I am today. In the second semester of my sophomore year, I took the role of Economics Club President under the direction of Dr. Lisa Jepsen. At that time, the club was growing quickly and continues to today. I was happy to stand in front of a full room this September to make my fall kick-off presentation, explaining to club members new and old, what the club is about, events we do and so forth.

I am glad to say that I am a better leader as a result of the Economics Club. I decided in 2008 that the club should have a polo shirt for their annual trip to Chicago. I was able to work with a local business to find a design and shirt combo, execute the deal, collect the orders and money, and deliver the product. This was a small-scale deal but gave me good insight to working with a local business, accounting, and overall people skills.

Being club president has also given me exposure and chances to learn from College of Business Administration leaders outside the Economics Department. As president, I have the role of attending semimonthly Presidents Council Meetings with other club presidents, Dr. Steve Corbin and Dean Farzad Moussavi. Having open discussions, sometimes heated, about college business from a student's perspective helped me learn about university politics and business-like negotiations. The best part was that Dr. Moussavi used our opinions to help mold his final decisions and arguments for or against actions. It means a lot to me knowing that the head of our college is directly pursuing the interest of its students.

Lastly, the club has given me memories that I will have the rest of my life. Beyond the business was the social aspect. From goofy golfing to the annual Chicago trip, the Economics Club has introduced me to great people who I will always remember and cherish. In January, I will step down from the President position. Keian Holt and Andy Smith are taking over as the new co-Presidents. They are well qualified and have the skills and abilities to continue growing the club and find new and innovative ways to make it better. Please join me in wishing Keian, Andy and all Economics Club executives the best of luck.

Ryan Fischels, President, Economics Club

Economics Club and Chicago Trip Support

Over the years, many of you have probably participated in what we call the Chicago Trip, organized by the econ club. A group of our students travel to Chicago on a chartered bus and stay overnight at a downtown hotel. While there, they visit some of the local cultural sites–museum, art gallery, aquarium–and then spend time at the Chicago Fed, many times visiting with one of their economists. On occasion, we have gone to the Board of Trade, and even a stock exchange as well as other financial institutions. All in all, a really worthwhile experience.

As you can imagine, this is an expensive trip which has become more burdensome for students as tuition has increased and more costly to us as budgets have been cut. We are enormously grateful to alum Steve Anderson, '88, for generously helping to fund this trip. Without his substantial financial support, far fewer students could afford the trip.

And, many thanks to Chad Belville, '91, for contributing generously to the Economics Club. The money has funded club activities as well as helping with the Chicago trip.

As I have been saying, our alums are extremely generous to us. Thanks!

–Fred Abraham

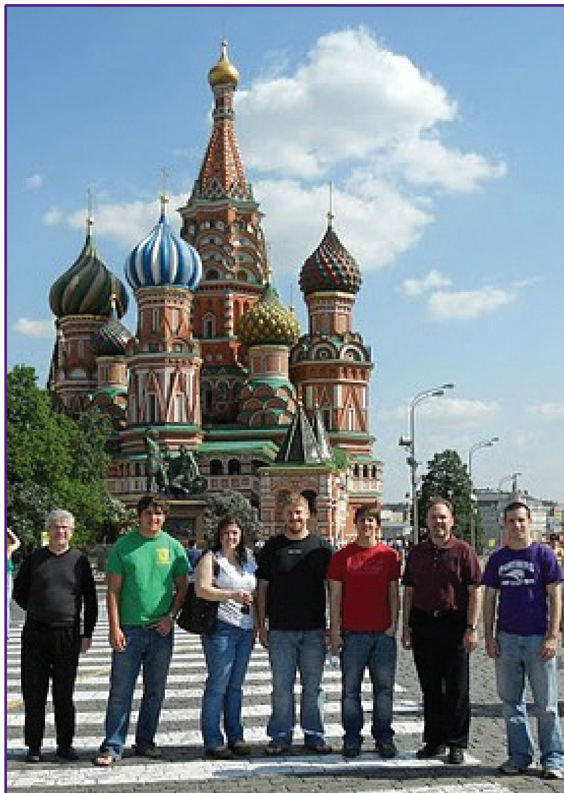
Russia 2010

I did not want to go! Since the inception of the bilateral exchange, first with Moscow State Linguistics University and now with Plekhanov Russian Academy of Economics, Fred had been asking me to take the trip with the students to Moscow, but I had always been able to delay responding long enough to allow some other faculty member to agree to go. This year I once again implemented my tried and true strategy of avoiding Fred in the hall and keeping my door locked and pretending I wasn't in when Fred came knocking. Much to my dismay, there are others who employ this same strategy, and they're better at implementing it than me!

In general, I'm not that keen on traveling, and I try to avoid flying at all costs – I think of myself as the John Madden of economists. It turns out, however, that you can't get to Moscow on a bus. So, as the travel date approached and the plane tickets arrived in my mailbox, I found myself getting nervous. To make matters worse, a volcano erupted in Iceland just prior to our trip, without a doubt to ensure the clogging of my jet's engines as I flew over Europe.

The travel date arrived and we boarded our plane to Chicago on time – so far so good. When we arrived in Chicago, our flight to Germany was delayed by, you guessed it, volcano ash over Europe. We were planning on a three-hour layover in Germany, and our delay in Chicago was scheduled for two hours. We'd be cutting it close in Germany, but then when they made us sit on the tarmac in Chicago for an hour, we had no chance of catching our plane in Germany.

When we finally arrived in Germany, we were pleased to discover that the airline knew we had missed our connecting flight to Moscow and rebooked us. But, here's where things get interesting: The luggage didn't make it. As you can imagine, there were even more snafus and language was a problem once we got to Moscow. One of our students was proudly wearing his UNI t-shirt. As the group was waiting in the luggage claim area in Moscow, a Moscowite approached and said, "UNI – the University of Northern Iowa in Cedar Falls?" When the group responded "Yes!" he went on to explain he had graduated from UNI a few years earlier. Wow, what luck! We never got his name, but he helped us fill out our luggage claim paperwork and paid for a cab to get part of our group to the hotel. I've met UNI alumni in various places across the US but never would have imagined the long arm of UNI would reach all the way to an airport in Moscow, especially when we needed it most!



Left to Right: Faculty member Matt Bunker, Jack Luze, Jennifer Boden, Kalen Hutcheson, Casey Hall, Faculty member Ken Brown, and Sam Krutzfeldt in front of St. Basil's Cathedral.

While in Moscow, we had the opportunity to see a number of amazing sights. The boat trip down the Moscow river was my favorite excursion, and I still laugh every time I think about our 18-year-old female host, who was probably 100 pounds soaking wet, running into the middle of a six-lane road and halting traffic so we could cross and get to the boat on time. Frankly, though, the troubles we encountered and the places we visited aren't what I remember most. More than anything I remember the wonderful people in Moscow, from the strangers in the airport to our hosts at Plekhanov, who went out of their way for a week to make us feel welcome. I can't wait to go see them again next May – wearing my UNI hat and t-shirt of course!

–Ken Brown

Count It!

143	Number of UNI Economics Majors, Fall, 2010
15	High School valedictorians majoring in economics at UNI
26.8	Average ACT of UNI economics majors
2.38	GPA of all UNI economics courses
$49,628	2009 nationwide average starting salary for economics majors

Student Writing

Undergraduate Research Program

The Liberty Bell, N. Gregory Mankiw, and "Paradise by the Dashboard Lights." What do these three things have in common? All were part of the experiences of students who presented their papers at the Eastern Economic Association (EEA) annual meetings in February in Philadelphia, PA. We visited historical sites, including a replica of Benjamin Franklin's print shop, Independence Hall, and the Liberty Bell. Most of the group met Greg Mankiw after he delivered the EEA Presidential address. Students Kalen Hutcheson and A.J. Houseman performed the karaoke version of "Paradise by the Dashboard Lights" (yes, all 8 minutes and 30 seconds of it!) in a competition with students from Elon College.

Left to Right: Ryan Mahaffey, Kalen Hutcheson, Casey Hall, Lisa Jepsen, A.J. Houseman, Kristi Philips, Anthony Schreck, Professor Bryce Kanago and Tom Augspurger.

Seven economics majors received an Undergraduate Research Program (URP) Award for the 2009-10 year from the College of Business Administration (CBA). The program provides a $750 stipend and supports travel if students are selected to present their research at a professional conference. The winning students were Tom Augspurger ('11), Casey Hall ('10), A.J. Houseman ('11), Kalen Hutcheson ('10), Ryan Mahaffey ('11), Kristi Philips ('11), and Anthony Schreck ('10).

Students work on a research topic of their choosing under the guidance of a professor. Students present their research to CBA faculty. "Working on a research project with my professor [Dr. Shahina Amin] inspired me to apply to graduate school where I will have more opportunities for indepth research," said Kristi Philips. "Other highlights of the trip included great bonding with my fellow students and department faculty and hearing the author of my very first economics textbook [Dr. N. Gregory Mankiw] speak!"

"The trip to Philadelphia was a good introduction to what a business trip is like," said Casey Hall. "It was a lot of fun getting to know students from other schools and also getting to know my peers at UNI better. We had fun, but I am still proud of what we accomplished. It was interesting to listen to others students' research. It was also a good experience to see how our undergraduate research compares to students from other schools around the country."

Lawrence M. Jepson International Economics Essay Contest

Left to Right - Ken Brown, Josh Lastine, Anthony Schreck, and Tom Augspurger.

The Lawrence M. Jepson International Economics Essay contest was established to encourage students to think seriously about the international economy. As the world continues to integrate, it becomes ever more important to understand our economic relationship with the rest of the world.

This year three papers were awarded prizes. Anthony Schreck took the top honors with his paper, "English Proficiency and Immigrant Earnings in the United States" in which he investigates the affect of English as a second language on individual earnings in the United States. The second prize went to Josh Lastine for his paper entitled, "International Overpopulation and Economic Policy." In his paper, Josh examines how "economists view procreation, the environmental repercussions of unchecked population growth, and how the government can regulate population, both indirectly and directly." Tom Augspurger earned the third prize for his untitled essay on monetary policy in the European Union. In his essay, Tom provides an introduction to international monetary regimes and then applies this theoretical concept to the European Union, focusing primarily on the divergence between the stronger economies of Germany and France and the weaker economies of Spain and Greece.

Each of the winners received a monetary award from the Lawrence Jepson fund as well as a certificate for their achievement. Congratulations to Anthony, Josh, and Tom!

When will Employment Recover?

The NBER business cycle dating committee declared that the recession ended in June 2009. However, the unemployment rate peaked at 10.1% in October and is currently at 9.6% well above the average rate of about 4.6% during 2007. How long might it take for unemployment to fall to 5.7%, its average over the last 63 years?

It took more than two years for the unemployment rate to grow to its peak. It might take as long or longer for it to return towards its pre-recession levels. There are currently about 14.8 million people who are unemployed. Given the current labor force is about 153 million, to have an unemployment rate of 5.7% the number of people unemployed would need to fall to about 8.7 million. That means 6.1 million people would need to find jobs. It also takes about 150,000 new jobs per month to keep pace with population growth. So supposing that the number of people employed were to rise by 350,000 per month, it would take about 2 and a half years to return to 5.7%. Such sustained increases in employment are not typical, for example in 1996, a year with fairly high employment growth, the average increase in employment was about 230,000 a month.

The percentage of the employed losing their jobs rose at the start of recession and then began falling about half way through. The percentage of unemployed finding jobs each month fell from about 60% to its current value of about 25%. So, unemployment remains high because of a lack of hiring. The low job finding rate is consistent with the percentage of those who have been unemployed for a long time. The median duration of unemployment has risen from about 8 weeks prior to the recession to about 20 weeks. The percentage of those unemployed who have been unemployed for 27 weeks or more is about 40%.

The low job finding rate likely reflects uncertainty about future economic conditions, firms raising hours of current employees before hiring new ones, and a mismatch between the skills employers are looking for and those of workers who lost jobs in finance, construction, and manufacturing. This shift in demand for workers means that unemployment could remain high for a long time as a number of the unemployed will need to find jobs in other industries. Eventually new types of jobs may be created that the unemployed can fill. A similar kind of sectoral shock in the recession of 2001 seems to help explain the "jobless recovery" that followed.

Those who are unemployed a long time suffer financial distress but also emotional stress and a loss of skills and experience. The emotional stress and the loss of skills and experience make it harder to find work which may prolong the time until the economy returns towards a more typical rate of unemployment.

–Bryce Kanago

Economic Lessons

One of the more discouraging things I've encountered lately is the breathtaking lack of understanding of economics by so many people. The latest recession is a good example. There is no question it was severe. Not only did we not have growth in real GDP from 2007-2009, output actually fell over that period by almost 3%. That's a long, hard recession, lasting 18 months. The NBER, who has the responsibility for dating peaks and troughs in the business cycle, declared June 2009 as the trough or end of the current recession. And therein lies some confusion.

I tire of people criticizing that statement as if we have no concept of the real world. We are told unemployment remains stubbornly high, business investment is lagging and not enough new jobs are created. How can we possibly believe the recession is over when there is such widespread economic hardship? The answer is we apparently don't do a very good job explaining the terms.

As you recall from your Principles of Macroeconomics class, a recession describes the decline in the economy, usually measured by real GDP or rising unemployment. To state a recession has ended does NOT mean good times have returned. It just means we have stopped falling. Sadly, high unemployment can persist for a long time. For example, in 1979, unemployment stood at 5.6% and began to rise. We entered a recession in 1981 and unemployment peaked at 10.8% in 1982. The recession was declared over in November, 1982 by the NBER even though unemployment was still at 10.8%. It wasn't until April of 1988 the unemployment rate once again fell to 5.6%, nine years later! Took a long time for the good times to return but that recession had been over for years.

By the way, another lesson from the experience of the 80's is how long it takes to return to good times. In the early spring of 2009, the Obama administration and Congress put together a $787 billion stimulus package entirely consistent with Keynesian expansionary fiscal policy. We are now hearing complaints that the package isn't working fast enough and that it was the wrong thing to do. While Keynesian economics may not be embraced by the entire economics profession, right now it may be the best we have. Indeed, some economists think without the stimulus package, unemployment might have risen to 15%. The point is the real world doesn't respond as quickly as the graphs on my chalkboard. The economy is not a hummingbird that quickly changes direction but rather a charging elephant that takes a long time to stop and change direction. It would be wise for us to remember that.

–Fred Abraham

Commentaries From Faculty

Competitive balance in Sports: Break up the Yankees?

Professional sports leagues worry about competitive imbalance between teams, where some teams perennially challenge for championships, while other teams flounder eternally. Economists, too, ponder the causes and effects of competitive imbalance.

I suspect that the question would be of less interest if there was no New York Yankees baseball team. Since the Yankees acquired Babe Ruth, the team has been the "gold standard" of professional team sports. Cries of "Break up the Yankees!" reverberate throughout the past ninety years. Interestingly, few fans scream to break up the Boston Celtics or Los Angeles Lakers. These two franchises have won half of the National Basketball Association titles. The National Football League features teams that are temporarily dominant—the Browns, Packers, Steelers, and Patriots—but few that dominate for prolonged periods. The two New York teams—the Giants and the Jets—do not win an inordinate share of championships, nor do their New York neighbors in basketball and hockey: the Knicks, Nets, and Rangers. In fact, the New York Knicks have won but two championships in their 64 seasons in the league with a few other championship series appearances.

The National Football League is often touted as having the "best" competitive balance in all of professional team sports. Pundits and fans often cite the league's generous revenue-sharing plan, whereby home teams share forty percent of the gate receipts with the visiting team. The fine print, however, whittles down this generosity: Teams get to keep a percentage off the top for stadium rental (even if they own the stadium) and the league gets its cut. For much of the league's history, the effective revenue-sharing proportion was one-third. The National Basketball Association and National Hockey League do not share gate receipts with visiting teams, although national television money is usually split evenly.

Major League Baseball's revenue-sharing plan usually shared between one-seventh and one-sixth of home gate receipts with the visiting team, although baseball changed its revenue-sharing plan in the mid-1990s. Teams now place their revenue-share receipts into a common pool. All teams receive an equal share from the pool, unlike past plans where teams received revenue based on their ability to draw on the road.

Although the purpose of gate sharing may be to help teams in smaller cities compete for good players in order to remain competitive, the historical evidence is mixed concerning whether existing plans were effective in achieving this purpose. Since the New York Yankees drew so well on the road during the 1950s and 1960s, the American League's revenue-sharing plan had the bizarre effect of making the Yanks net beneficiaries from the plan. In 1962, the team received more from their road shares than they paid out; in fact, the net gain was enough to pay the salaries of the team's three biggest stars Mickey Mantle, Roger Maris, and Whitey Ford. The Yankees' rivals were, in essence, not only losing to the New Yorkers but subsidizing them.

Owners of professional sports teams may not desire the "Robin Hood" effect of some gate-sharing plans, whereby revenue is shifted from the rich to the poor. Owners of teams in large cities often worried about the moral hazard aspect of revenue sharing. Owners of teams in small cities might simply pocket their subsidy without improving their teams. In effect, the owners of strong teams mimicked politicians who worry about the moral hazard potential inherent in some anti-poverty programs: Can you subsidize without demoralizing?

I suspect the National Football League's vaunted competitive balance may be in large part due to its policy of rigging its schedule. Teams play sixteen games per season, but two of those games are designed to match weak teams against weak teams. Teams finishing fourth (last) in their divisions automatically get two games with other fourth-place teams in other divisions the following season, while teams finishing first in their divisions get two games with other first-place teams. The league has manipulated the schedule to foster competitive balance since the 1940s. Fans don't seem to mind the inequities in scheduling.

No one, not even sports economists, knows what would constitute optimal competitive balance. Few sports economists seem interested in venues where real competitive imbalance lurks, such as collegiate athletics. Then again, there are just enough "UNI Beats University of Kansas" stories to allay any such hand-wringing.

–David Surdam

Baseball Divisional Series Appearances (1995-2010)

American League						National League					
East		Central		West		East		Central		West	
Yankees	15	Indians	7	Angels	6	Braves	12	Cardinals	8	Dodgers	6
Red Sox	9	Twins	6	A's	5	Phillies	4	Astros	6	Giants	5
Orioles	2	White Sox	3	Mariners	4	Mets	3	Cubs	4	Padres	4
Rays	2	Tigers	1	Rangers	4	Marlins	2	Reds	2	D-Backs	4
Blue Jays	0	Royals	0			Nationals	0	Brewers	1	Rockies	3
								Pirates	0		
	28		17		19		21		21		22

Commentaries From Faculty

A Brief Analysis of the Financial Crisis

Enough time has passed since the beginning of the 2007-2008 financial crisis that we can now see more clearly what may have caused it.

There is a growing acceptance among the economics profession that financial crises are always and everywhere preceded by financial innovation or deregulation which causes excessive leverage. Leverage is created when the buyer of an asset uses borrowed money to supplement existing funds for investment purposes. For example, when the buyer of a home puts 10% down and borrows the rest, the homeowner has a leverage ratio (value of assets/ equity) of ten. When a buyer is highly leveraged, a small percentage increase in the price of the asset increases equity by a much greater percentage. However, a small percentage decrease in the price also decreases equity by a much greater percentage. If leverage increases continuously in an economy, it can create an excessive demand for the assets purchased with the borrowed funds, driving their prices upward to an unsustainable level. When the bubble pops and prices begin to fall, many borrowers lose their equity and are forced to sell their assets, causing asset prices to fall farther and many borrowers and lenders become insolvent. That is, there is simply not enough collateral at the new lower prices of assets to make all lenders whole. The financial crisis peaks when surviving lenders are unable to judge the riskiness of borrowers so that lending nearly stops and economic activity contracts severely.

What events precipitated the increase in aggregate leverage in the U.S. economy during the most recent decade? Three events stand out: low mortgage rates after the 1999 recession, the expansion of mortgage-backed securities, and the expansion of credit-default swaps.

The Fed responded to the 1999 recession in the generally accepted manner by lowering interest rates and increasing the money supply in an attempt to stimulate borrowing and spending. In retrospect, however, many economists have argued that the Fed kept interest rates too low for too long. The very low interest rates stimulated excessive demand for housing and began to drive housing prices upward. As home prices surged, banks became willing to lend to riskier borrowers with lower down payments because the rising value of the collateral appeared to protect the bank in the case of default. Banks were lending against the expected value of the asset rather than the borrower's ability to repay the loan.

The use of mortgage-backed securities accelerated in the mid 1990s. As a result, it became more common for banks and savings and loans to originate mortgages and then sell them to government agencies (Fannie Mae or Freddy Mac). These government agencies bundle mortgages and sell securities backed by the mortgages to the ultimate lenders – long-term savers, pension funds, insurance companies, and banks. When the originator of the loan doesn't hold the loan to maturity, it has less incentive to lend to high quality borrowers. In addition, there was political pressure in the middle 1990s to allow non-conforming loans, termed sub-prime loans because the borrowers are high risk and provide even lower down-payments, into the government mortgage-backed security system so that home ownership would be possible for a broader cross section of the population. By 2007, two thirds of the mortgages were bundled to support mortgage-backed securities, causing a flood of lending into the housing market, increasing leverage and driving housing prices up further.

In the late 1990s, a new product termed a "credit-default swap" became popular. In effect, it allowed an investor to insure securities against default. However, because this product was not regulated as insurance, the sellers of the "insurance" were not required to hold reserves against the possibility that the insured event occurred. As a result, Wall Street firms that sold credit-default swaps were unable to pay off the losses when firms defaulted on insured securities. In addition, because this product was not regulated as insurance, people did not need to have an insurable interest before buying the product. That is, they did not need to even own the securities on which they were buying "insurance." Anyone could bet on the probability that a security would default, and use borrowed money to do it. By 2007, $60 trillion of "insurance" with very few reserves had been sold against $5 trillion in securities. This magnified an already leveraged system many fold.

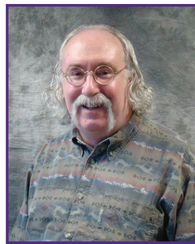
When the housing price bubble popped, many home owners were unable or unwilling to pay their mortgages, mortgage-backed securities defaulted, and Wall Street firms that insured the mortgage-backed securities failed. At present, congress and the president have created a fiscal stimulus package, the Fed has reduced interest rates to near zero with more monetary expansion to come, and housing prices and employment appear to have stabilized. While everyone is hopeful for a quick economic recovery, most economists expect relatively slow growth for the foreseeable future as firms and households repair their balance sheets from a long period of over-leveraging.

–Dave Hakes

Major Themes in Economics

Over the years, some of you may have published articles in Major Themes in Economics aka Draftings in Economics. The link, www.cba.uni.edu/economics/Themes can take you to the recent issues. This is a great publication but expensive. We wish to thank Ron Rolighed for a generous contribution again this year which covered ALL of the costs of production. In tight budget times, help like this makes an enormous difference in what we can do for our students. Once again, our alumni have come through for us with great support. Thanks Ron!

Faculty Awards



Dr. Ken McCormick was awarded the Faculty Service Award for his work representing the College on a taskforce that provided a comprehensive evaluation of every academic program in the University, a monumental task and the first of its kind in the history of UNI.

In addition, Ken oversees the writing and production of Major Themes in Economics (which is finanaced by a generous contribution from Ron Rolighed, '89) and the end product is superb. Excerpts are available on our website. Ken frequently volunteers to serve in a variety of ways and never says no when asked!

Dr. Lisa Jepsen received the CBA Alumni Distinguished Teaching Award. In her years here at UNI, Lisa Jepsen has developed into one of the finest teachers in the CBA if not the entire university. Her classes are spirited and lively and she delivers lectures with enthusiasm. Students appreciate her dedication and commitment to teaching and show this by giving her some of the highest student assessment scores in the CBA. Lisa has also received the prestigious Class of 1943 Teaching Award which is awarded annually to one professor on campus. Further, as an untenured assistant professor, she was awarded the University Book and Supply Outstanding Teaching Award in recognition of the fine job she does teaching.

Ken Brown goes to Washington....

I began working with VGM Group, Inc. in Waterloo, IA back in 2003. Among the many things VGM is involved in, they work with more than 2,000 independent providers of durable medical equipment (DME) across the country. DME providers primarily supply Medicare patients with home healthcare items such as power wheelchairs, oxygen, walkers, etc.

Traditionally, DME providers have been paid by Medicare for the products they supply based on a fee schedule. Medicare was concerned that the prices they were paying for various products were too high. So, as part of the Medicare Modernization Act, DME providers are going to be asked to bid a price they're willing to accept for delivery of a product. Medicare's hope is that this process will result in a fee schedule that pays market prices. This bidding process has become known as "Competitive Bidding for DME."

Now, how could any economist be opposed to "Competitive Bidding" that determines market prices? Well, laying out the details of the competitive bidding process is beyond the scope of this short article. Suffice it say that this bidding process is not designed to find the market price but, in fact, a below-market price. Effectively, this below-market price will be a price ceiling. As we know from basic principles, a price ceiling will result in a shortage in the market and an eventual decline in the quality of products and services provided in the market. A shortage of products and/or the delivery of low-quality products in this market is a bad thing. Home healthcare is a much less expensive alternative to extended hospital stays and frequent emergency room visits.

I recently had the opportunity to travel to Washington D.C. with VGM to meet with the Director of Medicare, as well as with a number of senators and representatives. While I was there I made a few observations.

First, I was quite taken aback by the attitude of the bureaucrats we met with. I expected a collegial discussion of the merits of competitive bidding and the negative impact it will have on the DME market nationwide. Perhaps I wouldn't be able to change any minds, but I thought we'd at least have a civil discussion. Instead, the bureaucrats we met with were resistant to listening to anything we had to say about the likely consequences of competitive bidding. They had the attitude that they had developed this program and that it was perfect in every way and that, even if we were right, they were the ones in charge and they were moving ahead regardless of any forecast of future problems. I guess I'm not used to folks being so closed-minded.

Second, it sounds obvious when I say it, but the politicians we met with were really only interested in politics. Prior to meeting with the politicians we had the opportunity to have dinner with a couple of political consultants. They warned us that the new political survival strategy in Washington is to do nothing, i.e., that politicians have a better chance of getting reelected by sitting on the sidelines rather than standing up for various issues. In this case, the politicians we met with were in agreement with our concerns about competitive bidding and clearly understood the direction this market is headed. Yet, all the politicians were interested in discussing was who we'd already met with, what was their stance, etc. None was willing to take the ball and run with it.

Finally, after I got back home to Cedar Falls, I realized that besides the politicians and the bureaucrats we met with, everyone in Washington I saw was under 30 years old. It made me realize that I'd better continue to work hard on doing a good job teaching economics here at UNI because, very shortly, these kids are going to graduate and be running the country. I hope our graduates leave here with a basic understanding of economics that seemed to be lacking in Washington, as well as the willingness to stand up for causes they believe in rather than waiting for others to take the lead.

–Ken Brown

Faculty Notes

Fred Abraham is in his 38th year at UNI. Interesting since when he came he only planned on spending one year! He claims he couldn't find his way out of town without a GPS!

Imam Alam continues to teach two sections of Business Statistics, and International Economics. He is currently doing research on child labor and discrimination in the child labor market. In his spare time he loves to look at the heavens through a telescope.

Shahina Amin reports: I enjoyed doing research during my Professional Development Assignment (PDA) this Fall. I was awarded PDA last Fall, but postponed taking it at that time due to the department's budget crunch. I researched on child labor in Bangladesh during this time. Although I missed teaching during this time, but being able to focus on research was very helpful. One research of mine with (Janet Rives and Imam Alam) is forthcoming in the Journal of Economics. I help our majors getting Cooperative Education/Internship. This is a new responsibility and I am enjoying it a lot. I get to talk to the potential employers as well as interact with interested students on a one-on-one basis. I would really appreciate help from our alums regarding finding internship positions for our students. Please contact me if you have any opportunities.

Bev Barber had a busy year at work as well as at home. She has now surpassed F. in the number of grandchildren with seven (4 new ones in the past year!) Babysitting and gardening keep her busy, along with keeping the office running smoothly and keeping Fred on task!

Ken Brown reports: This past summer I traveled with a group of students to Russia, and after they returned to Iowa, I stayed behind in Moscow and taught a short graduate course in managerial economics. Unfortunately, due to the volcano eruption in Iceland and the ash over Europe, we had a tough time getting to Moscow. We missed a flight in Germany by one hour and it ended up costing us more than two days of our scheduled trip. I'm hoping for a less eventful trip to Moscow next summer with a new group of students.

David Hakes continues to teach Principles of Macroeconomics and Money and Banking. Revising the study guides that accompany the textbooks he uses in his classes absorbs much of his time. He continues to do research in the area of macroeconomics and monetary theory. In response to seeing the back cover of the last issue of the Newsletter where all of the pets of the economics faculty are displayed, he got a black lab puppy this past spring. Now he can attend Lisa Jepsen's annual dog party with pride.

Hans Isakson worked on his golf game this past summer to no avail. The consummate optimist, he now refers to his golf game as his "vitamin D therapy." He spent time traveling to visit family and friends in Wisconsin, Missouri, and Texas. His oldest grandson is a freshman at the University of Missouri.

Lisa Jepsen continues to teach microeconomics and applied electives. Her current research involves working with a few students to submit their undergraduate research papers to professional economics journals. She ran her first 10K race in September. She, a few former students, and a few soon-to-be alums (Nan Jungjaturapit, Kristi Philips, Ashley Hermansen Johnson, and possibly Alicia Irons Rosburg) plan to run a race in Madison, Wisconsin next spring.

Bryce Kanago tells us: I continue to advise a growing number of students on preparing for and applying to graduate programs. In the struggle to keep weeds and insects and crabgrass from overtaking the lawn, I am on the losing side.

Chris Lukasiewicz reports: Everything is going well. I'm very happy to be a full time instructor for the UNI College of Business Economics Department. This fall has been a blur of activity. I've been busy teaching four sections of Introduction to Decision Techniques with 240 students and in charge of the College of Business Scholarship Program. Each of these tasks is rewarding but I'm already looking forward to Thanksgiving, Christmas, and Spring breaks.

The Freshman Scholarship Day on November 15th went very well and I'd like to personally thank all those faculty members that made it such a huge success. The quality of students that attended the program was phenomenal and I'm looking forward to awarding the students with some monetary incentive when they attend UNI next Fall. What a great job, I get to give away the college's money to deserving students.

I'm also happy to report that my wife has been accepted to the graduate program in the Speech Communication Department here at UNI and is enjoying getting back to school. I've just got to figure out how to become a better cook since she doesn't have time to be the Iron Chef around the kitchen anymore.

continued on page 14

Faculty Notes

Continued from page 13

Ken McCormick tells us: I am excited about this year's seminar class. If you want to read along, a list the books we are using can be found on page 15.

I am especially excited about "The Black Swan" by Nassim Nicholas Taleb. It is a provocative book. At its core it is a work of epistemology, i.e. a study of the nature of knowledge. A mistaken understanding of what constitutes knowledge can easily lead to bad decisions. And for those of you who suffered through statistics and econometrics courses, Taleb suggests that you might have been better off without them.

After more than 38,000 HKs, Shadowspawn has hung up his daggers. His final victim was a druid who thought he was going to harvest some Ice Thorn. Hehehehe. Stealth FTW. FOR THE HORDE.

David Surdam had two books accepted for publication. One has been published by McFarland Press, "The Ball Game Biz: An Introduction to the Economics of Professional Team Sports." The other book on baseball during the Great Depression will be published by the University of Nebraska Press this coming Spring.

Bulent Uyar. Bulent and Katherine Uyar took two weeks this summer and drove out to Arizona. They enjoyed the trip very much. They visited a number of different sites including Mesa Verde. They spent almost five hours hiking there and were very happy that it was on their itinerary. He is teaching the same courses, and is working on two research projects. He is still thinking of retiring at some point.

From Our Emeritus Faculty

Charles Gillette is enjoying retirement and walks a lot for exercise but does not chase a white ball while doing it. He still is in the Milwaukee area and enjoys sending time with his grandchildren.

Barb Mardis reports: I don't have much profound to report on 2010, though we did do some travelling (my favorite part of retirement). I spent 2 weeks in Mexico early in the year; then 3 weeks hiking in Colorado over the summer. We came home to about 12" of water in the basement from the devastating rain we had locally in early July. Definitely not fun.

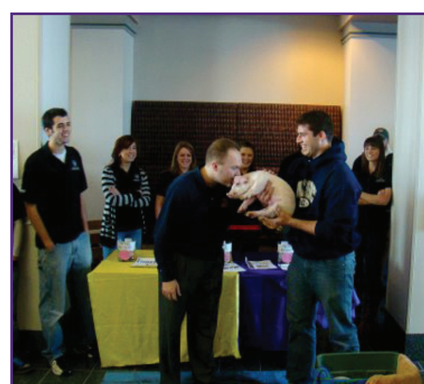
After that was cleaned up, the new furnace installed and the garden harvested, we headed east and spent some time on the Jersey Shore (no, not like the TV show!), in Shenandoah National Park and then visiting family in North Carolina.

Currently I am in rehearsals for a Christmas play. I have found that I enjoy the whole process of working as part of a team on putting together a show, but I'm quite happy to have small parts, with few lines to memorize!

Janet Rives tells us: I continue to split my time between Cedar Falls and Tucson, enjoying both places very much. There is lots of golf and gardening and time with friends in both places as well as a chance to be around relatives when I'm in Tucson. I enjoy participating in a a poetry group in Iowa and a book club in Tucson where I also take literature classes. I'm finally giving my right brain some attention! I enjoyed a quick trip to Paris this summer where I saw a special show of Monet's work from around the world. Next month I will be volunteering at the Accenture Match Play Tournament for the fourth year. They seem to appreciate my talents in making photocopies and in clipping articles from the newspaper. Never underestimate where a degree in economics will lead you.

Chuck Strein says: We are about the same. Doing well. Love the north woods except in the dead of winter. We've spent the last three winters in Arizona, in the Apache Junction area. But, this year we're spending the winter in Central Florida, and are quite excited about exploring the area, especially the Keys.

Clean Fun



Pi Sigma Epsilon set up jars in the Hall of Flags for students to vote for their favorite professor by putting money in the jars. The professor with the most money got to kiss a pig! We're proud to announce that Dr. Ken Brown won first place!

The money raised was used to sponsor a needy family last Christmas. Clean fun for a good cause and Ken was a good sport!

Pi Sigma Epsilon is a student organization within the College of Business Administration at the University of Northern Iowa. It is a national professional fraternity for students of any major who want to pursue marketing, sales management, and personal selling careers. To learn more about PSE visit www.uni.edu/studentorgs/pse/.

Studies in Economics

In keeping with the Department's theme of "a small school experience in a big school environment," we are again offering a seminar course. Students will read several books and discuss them in class and there will be no lecture. The reading list is below:

Predictably Irrational by Dan Ariely - ISBN 978-0-06-185454-5

The Company of Strangers: A Natural History of Economic Life by Paul Seabright - ISBN 978-0-691-12452-0

Fault Lines by Raghuram Rajan - ISBN 978-0-691-14683-6

The Black Swan by Nassim Nicholas Taleb - ISBN 978-0-8129-7381-5

The Theory of the Leisure Class by Thorstein Veblen - ISBN 978-1557428288

The course was offered last year as well and students loved it. I have high expectations this year.

–Ken McCormick

New Faculty

We are pleased to announce Chris Lukasiewicz has joined our faculty on a term basis. He will be teaching Introduction to Decision Techniques and some Business Statistics. In addition, he is in charge of the College of Business Administration's scholarship program which awards over $260,000 annually.

Chris is a retired Lt. Col from the US Army with an MS in Operation Analysis from Naval Postgraduate School and was in charge of the UNI ROTC program prior to joining us. He and his wife, Annie, have four children, two grandchildren and another on the way! Chris is an excellent hire for us and we welcome him to our department!

Applied Economic Analysis

We have never viewed our curriculum as stagnant. Rather, we continually seek newer and better ways to serve our students, frequently trying new courses or even new emphases in the major. Our new emphasis, starting this fall, is called Applied Economics Analysis. It is designed to offer students who have taken a lot of math courses some economics and business to go along with it.

It's a long major but we have designed it so math majors can complete it in four years and graduate with a double major. In addition to the economics involved, it requires courses from four other departments: Mathematics, Accounting, Finance, and Management. This multi-disciplinary approach is encouraged by the university and we are convinced this emphasis will be extremely useful for a targeted group of students. We think the Actuarial Science students will be especially drawn to it since they are so interested in taking courses in our college. We already have 11 students enrolled. What a great combination: Economics and Mathematics!

UNI Economics Department: Connections

I hope you have visited the new link from the department's home page called Connections, **www.cba.uni.edu/economics/connections**. The page has a lot of links to a variety of interesting and informative sites from photos of student life to our Facebook page to the Linkedin group to resources dealing with the economy.

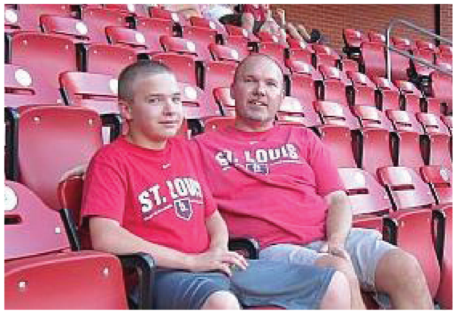
One really nice feature of the page is the series of links to interviews with students. We videoed recent and previous students and graduates about a host of topics describing their experiences while at UNI and in the Economics department. If you have a few minutes, check some of the stories out. I think you'll be impressed with how well the students express themselves as well as how satisfied they are with their UNI education. We work so hard to create an excellent learning environment and it's nice to occasionally hear that students appreciate our efforts.

What Economists do in their free time

Imam Alam

Imam at the Midwest Soccer Tournament in Minneapolis.

Ken Brown



Ken and his son, Mitchell, are fans of the St. Louis Cardinals and attend games as often as they can.

Lisa Jepsen

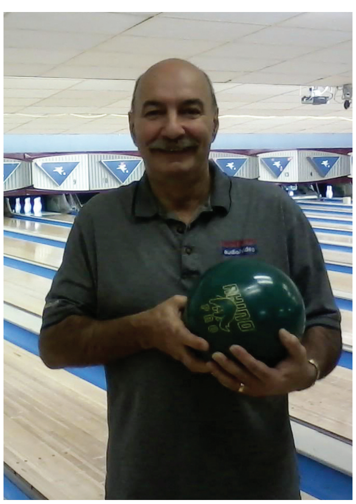
This is a pre-race photo of Lisa with UNI alum, Nan Jungjaturapit and current student, Kristi Philips from the 2009 Park To Park race. Lisa recently participated in her first 10K run.

Dave Hakes

Chris Lukasiewicz

David Hakes (far left) and Chris Lukasiewicz (far right) participate in RAGBRAI.

Fred Abraham



Fred has bowled in a league for 33 years. His average is a secret!

Ken McCormick

Ken Farming at Zul'Farrak in the World of Warcraft