

Spring 2017

## Department of Economics Newsletter, v22, Spring 2017

University of Northern Iowa. Department of Economics.

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# NEWSLETTER

Volume 22, Spring 2017

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The big news on campus this year is the departure of UNI president Bill Ruud and the appointment of Dr. Mark Nook as our new president. Ruud left us and took a position as the president of Marietta College in Ohio. Nook was the chancellor at Montana State

University Billings and the senior vice president for Academic and Student Affairs at the University of Wisconsin System from 2011-2014. He also served as provost (2007-09, 2010-11) and interim chancellor (2009-10) at the University of Wisconsin-Stevens Point, and in a variety of roles at Southwest Minnesota State University.

A university president's job is a hard one. Balancing the desires of a large number of stakeholders is a demanding and frequently unrewarding task. Coupling that with legislative appropriations for the funding of the university becoming increasingly scarce makes for a difficult row to hoe. We are wishing the best to President Nook as he leads us in these interesting times.

You may have seen state revenues have not met expectations and we are being required to give back some money received from the state. This was not entirely unanticipated so the impact will not be as great as it could have been. Nonetheless, there will be more belt tightening and we will do everything we can to ensure that does not lead to a decrease in the quality of education.

Enough of that—let's look at the good side! We made some revisions to our major to make some of the emphases more user friendly and streamlined. In our newest emphasis, Applied Economic Analysis, we realized the requirements were confusing and perhaps daunting. This emphasis was designed for students who were also taking a lot of math courses. The combination of math, economics and business makes academic and placement sense for students. To make it more efficient,

we now require the completion of a math major for all students in the program. Thus, while it is narrower it is also more clear and direct for students. We are working closely with the math department to ensure students are aware of the emphasis.

In addition, we made changes to the Quantitative Techniques emphasis of the major by adding and updating the math requirements. This emphasis is geared toward students planning on graduate school after graduation and as those of you who have gone on know these programs are math intensive. Dr. Bryce Kanago, who does a great job advising our graduate school bound students, has carefully researched the escalating requirements of graduate schools and recommended the changes. Thanks Bryce for helping these students!

For the second year in a row we took four students to Poland to present their research as part of our Bi-lateral Seminar. On page 8 Trevor Draisey gives a brief summary of his impression of the visit. As I wrote last year, this is a continuation of a program started in 2003 and financed primarily by the Lawrence Jepsen Memorial Endowed Fund. A great experience for our students. This May, we are planning on going to the University of the Arts in Florence, Italy. Truly a remarkable experience for some lucky—and hard working—students!

As I look back at past Newsletters, I saw in the very first one my opening sentence was a suggestion, "Save this Newsletter! Since it is the inaugural issue, it is destined to be a collector's item." That was in the spring of 1992. Here we are in the spring of 2017 with another one. They have been a lot of fun to do.

I came to UNI in 1973, planning on spending one year here and moving on. But, one year lead to two and then three and then....I like the size of the school, the students are well mannered and diligent, and Cedar Falls is a great community. The CBA has flourished and I think we give our students a strong education and prepare them well for the real world. The Economics Department is strong because we have a solid faculty dedicated to education and research. Above all our department has a collegial atmosphere and works together well.

## CONTACT US

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I became department head in October of 1990, not sure how long that would last either. But, same story. In total, I am in my 44th year here at UNI and enjoyed all of them—to varying degrees of course! It's been a good run, at least for me. I hope for others as well.

Think of this: When I came to UNI, Spiro Agnew was the vice president of the United States, Aerosmith had just released their FIRST album, Secretariat won the triple crown, and Leonid Brezhnev was the leader of the USSR. A long time ago. However, like all things, it's time to end. I have been thinking about retirement for some time and have gone back and forth on it but the time has come.

My last day on campus will be August 1, 2017. I will miss UNI and the over 14,000 students I have had in class. I hope I have been a positive factor in your lives.

I still will make the standing offer for lunch. Hope to see you!



# 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 2016 we were able to help 13 students!



Chris McConahay was awarded the Mahmood Yousefi Scholarship. Chris is from Granger, Iowa and is in the Business Economics emphasis. He is a member of the Economics Club where he has served as the Vice President and President and has

also been an economics tutor and worked within the department since his freshman year. He has accepted a sales position with Cottingham & Butler in Dubuque, Iowa to join their large fleet transportation division.

The oldest scholarship we have, the Leavitt Scholarship, was awarded to Nicholas Sailer from Manchester, Iowa. He is in the General Economics emphasis and has a 3.82 GPA. He is a member of the Economics Club. His plans for after graduation include working at State Farm as a marketing representative with aspirations of becoming an agent.



Alyssa Dixon was the recipient of the Glasener Scholarship. Alyssa is from Cedar Rapids, Iowa, majoring in the Business Economics emphasis with a 3.74 GPA. After graduation, Alyssa plans to work in analysis for a firm in

Dallas, Texas.



Daianera Whitaker received the Emeritus Faculty Scholarship established to honor our retired faculty. From Cedar Falls, she is majoring in the Business Economics emphasis with a 3.54 GPA. Daianera has accepted a position with Keyot (a business

consulting firm) in West Des Moines where she will have Wells Fargo or DuPont Pioneer as client(s).

The annual Maurice Van Nostrand Scholarship was awarded to Kaleb Luse from Eldora. He is in the Business Economics emphasis and has a 3.99 GPA. He is a member of the Economics Club and his plans after graduation are to work



as a Software Engineer at a firm specializing in developing artificial intelligence applications.



Heather Bavidio, from Round Lake, Illinois, has a 3.77 GPA and was awarded the Alumni Scholarship. Heather is in the Applied Economics Analysis emphasis. She plans to obtain a job after graduation.

The Economics Endowment Scholarship was awarded to Jordan Ratz from Hiawatha, Iowa. He has a 3.96 GPA and is majoring in the Quantitative Techniques emphasis. Jordan is still debating between obtaining employment or going on to graduate school after graduation.



The Thomas Amle Scholarship was awarded to Sabrina Santos of Cedar Rapids. Sabrina is in the Business Economics emphasis and has a 3.8 GPA. Sabrina will be working as a Financial Analyst for IBM in Rochester, Minnesota

after graduation.

The Robert James Waller Economics Scholarship was split between two deserving recipients. One recipient is Brayden Longnecker. He has a 3.71 GPA and is majoring in the Business Economics Emphasis. Brayden is a member of the Economics Club and serves as Service Director. After graduation, he will attend graduate school at the University of Iowa to pursue a Master's in Health Administration.



The other recipient of the Robert James Waller Economics Scholarship is Arijan Alagic from Waterloo. Arijan is in the Business Economics emphasis and has a 3.95 GPA. His plans for after graduation are to pursue an MBA.



Jordan Beck was awarded an Economics Advancement Award. Jordan is from Grinnell, Iowa. He has a 3.95 GPA and is in the Business Economics emphasis. He has served as a tutor in the Economics Department. After graduation he will be working as an Analytic Consultant for Wells Fargo.



# Scholarship News



Melissa Ament was awarded the Pre-law Scholarship. Melissa is from Gilbertville, Iowa. She has a 3.94 GPA and is in the General Economics emphasis. She is a member of the Economics Club and is serving as President of the Pre-law Club. After graduation she will be attending law school at the University of Nebraska-Lincoln.

## NEW!



Jeff Scudder served as our Alumni-in-Residence in 2012 after graduating from the University of Iowa law school. He has established the Jeff Scudder Endowed Economics Scholarship to recognize a student who has provided service and leadership

to the department. This is an excellent way to give back to the university and we appreciate Jeff's generosity!



Ethan Philo was awarded the Jeff Scudder Economics Scholarship. Ethan is from New Hartford, Iowa. He has a 3.98 GPA and is in the Business Economics emphasis. Ethan serves as a tutor in the Economics Department. Ethan

will remain at UNI after graduation while he finishes his Masters in Accounting.

Contributions to our department scholarships are critical for supporting students as they struggle with increasing costs of higher education. Our alumni and friends have been extremely generous to us over the years and have helped us as we work to improve the quality of the economics program. Below is a list of donations received from January 1, 2016 through December 31, 2016 (apologies for any inadvertent mistakes or omissions).

## 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

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

### \$1,000 +

- Joel Abrahamson
- James & Barbara Hanisch
- Dorothy & Hans Isakson
- Mary Ellen & Richard Matthies
- Janet M. Rives
- Jeffrey Scudder
- Jon & Stacy Shepherd
- David Surdam
- Robert James Waller
- Rachelle Yousefi

### \$500 - \$999.99

- Andrew & Jennifer Behrens
- Matthew T. Cole
- Lisa Jepsen & Mark Parmenter
- Corey & Jennie Lorenzen
- Ronald & Gloria Rolighed

### \$250 - \$499.99

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- David & Carolyn Hakes
- Eric & Alicia Rosburg
- Bulent Uyar

### \$100 to \$249.99

- Carrie & Derek Brown
- Wei-erh & Cassidy Chen
- Sue & Todd Mattison
- John & Helen Pantazis
- Tyler Roe
- Jamie Van Nostrand

### Other

- David & Marci Adams
- Ron & Betty Giddings
- Mark & Lisa Milder
- Kyle & Mallory Rehnstrom
- Michael Russell

## 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!

**GET READY  
FOR BUSINESS**

# Alumni News

**Chen, Wei-erh, '07.** Wei-erh has joined the Davis Brown Law Firm in West Des Moines as an associate in the business division.

**Fischels, Ryan, '15.** Shortly after graduation, Ryan took a position in Alpharetta, Georgia, with Chase as a Personal Banker. In time, he became a Private Client Banker, focusing on families with wealth of ~500k-3m dollars. Ryan reports he resigned from Chase and went to work at Office Depot as a Pricing Analyst which he felt better suited him. He and Cassie adopted a cat (Barney) in 2013 and purchased their first home in November of 2014. Overall Alpharetta is a great town and they love living there. They have spent a lot of time traveling in the U.S. over the years and try to keep in touch with other UNI alumni.

Ryan added, "I'd like to close in thanking all of you. I've met with and had conversation with very wise and very wealthy people. I've never felt inferior, and the critical and logical thinking that you taught helped me feel that way. I can hold a conversation with people that make the world go round, and I actually know what I'm talking about (usually). So, while I'm not drawing graphs and finding intersects, the knowledge I took from each of your classes is carried and depended on, daily. Thank you for that!"

**Hackman, Eric, '12.** Analytic Consultant | Securities Operations & Accounting for Wells Fargo. Eric reports that he bought a house in Eagan about two years ago and got engaged this past December. He has decided to finish his MBA and CFA so he has a busy five years ahead.

**Hartmann, Jerry '76.** Jerry was with Safeco Insurance for 38 years- retired as VP of our Litigation, Financial & Compliance National Operations. He reports, "I opened my own private consulting business as a forensic insurance expert to companies and attorneys. My interest in the financial sector was primarily driven by my time at UNI - specifically Fred Abraham and a few other professors (Gillette- Bumpass and Anderson).

**Huhnerkoch, Bryan, '82.** Bryan is a computer programmer for Mercer. He has been with Mercer almost 28 years and transferred to the Louisville Office 10 years ago. He reports that he is now a grandfather of 3! He is contemplating celebrating his 60th birthday (in 2019) by attempting a full Iron Man triathlon. He still enjoys running. Bryan ran track and cross country at UNI. He is also an avid bicyclist and hiker.

**Johnson, Roger, '79.** Roger works as a Principal Fiscal & Policy Analyst in the State Accounting Enterprise for the State of Iowa.

**Klyn, Nathan, '13.** Nathan has accepted a Data Scientist position in Denver, Colorado. His work involves measuring consumer packaged goods (i.e., Proctor & Gamble, Unilever, etc.) advertising campaigns. More specifically, his role involves decisions on what econometric method to use for each project/campaign.

**Lastine, Justin, '11.** Joshua recently left Lionsgate Television and accepted an Associate Attorney position at Reder & Feig LLP, in Beverly Hills, California where he represents Amazon

Studios television as outside production counsel for their original programming. He also liaise with his firm's entertainment financier clientele and help bring new/exciting projects to their attention.

**Nelson, Joseph, '12.** Senior Business Intelligence Consultant, Sageti USA. He began his career working for an IT consulting firm focused on a project involving information on financial companies resulting from the Dodd-Frank act. He then changed companies and has spent the majority of his career building a data warehouse for a research organization in the Des Moines area. Joey is married and has two children. Additionally, he reports that he coupled his data analytics professional skills with his econometrics project by trying to more accurately predict March Madness results. Needless to say, it has a long way to go!" He also adds, "...the economics program at UNI greatly prepared me for the workforce after graduating. Keep up the great work!"

**Pantazis, John, '03.** John lives in Dieterich, Illinois, and is Vice President, General Counsel and Secretary for Heartland Dental. John graduated from law school at the University of Iowa in 2007. He clerked for a federal appellate judge from 2007-2008; worked at Ropes & Gray LLP in Boston/Chicago in 2008-09 and 2010-2012 and did a one year fellowship at Innocence Project Northwest in Seattle before joining Heartland Dental as General Counsel in 2012. He is married to Helen and they have three daughters ages 8, 5, and 15 months. He enjoys spending time with his family at their hobby farm in Illinois, running, reading, lifting weights, working outdoors and snowboarding.

**Pearson, Jaime, '14.** Jaime has completed graduate school and is working at UI Physicians, Carver College of Medicine, University of Iowa.

**Rank, Chip, '14.** Chip completed his MHA at Iowa and started working at Northwestern Memorial Hospital in Chicago in July.

**Richardson, Rob, '73.** After graduation from UNI, Rob moved to Dallas, Texas to attend graduate school at SMU (M.A. Economics). A career in Finance in the Defense Industry followed culminating as Manager of Pricing for Rockwell International in Richardson, Texas. He currently resides in the country about 30 miles east of Dallas with his wife and five dogs. He is spending his retirement reading, playing the piano, working with computers, and engaging in foreign travel. Rob has placed several of his piano recordings online at shared.com where they are listed under Rob Richardson and can be downloaded for free. While at UNI, Rob played in a trio and they often played in the sunken room of the student union where a grand piano was located. Great memories!

**Tiedemann (Edsill), Melissa, '99.** Melissa lives in Solon, Iowa and was promoted to project principal with Stanley Consultants. She is responsible for business development, client relations and project oversight for industrial environmental clients.

**White, Benjamin, '10.** Benjamin shares that he married Megan (McCallister) at the Windsor Heights Community Center in Windsor Heights, Iowa on March 5, 2016. Congratulations!

# Alumni-in-Residence

## Reflections from Pete Hosch, '00

I was truly humbled when Dr. Abraham asked me to come back to campus in April of 2016 as the Department of Economics Alumni in Residence. Even though the opportunity for past graduates to stop by and catch up with Dr. Abraham was always on the table, a few phone calls over the years was the extent of my communication. Being chosen for this was an honor I never thought I'd be considered for, and the day was an experience I won't soon forget.

The agenda for the day provided me with an opportunity to spend some time talking with Dr. Abraham, which alone made the day rewarding. I can tell you that his passion for the University, the department, and the students has not wavered and will be with him until his final day on the job. I would encourage you stop in and see him before the end of the year, or at least give him a call. You will not regret it.

I had the opportunity to visit with Professor Rosburg and Professor Kanago about the department and recent events. Professor Rosburg is fairly new to the program and Professor Kanago was just joining when I was finishing up, so I did not have the pleasure of taking one of his classes. I can tell you that both are individuals who will help keep the department as strong and dynamic as it has ever been. I also had the pleasure to meet with Dean Wilson. She clearly has a great vision for the College of Business and is a wonderful leader and ambassador for the College and UNI in general.

Along with visiting with some of the staff, I also spoke with two Econometrics classes about my career path at Hy-Vee starting out as an analyst and working into my current role leading the Real Estate department. We talked quite a bit about access to data, and



**2016 Alumni-in-Residence  
Pete Hosch and  
Fred Abraham**

in particular how data analytics have evolved so rapidly, ultimately changing how a great deal of business is done. Dr. Abraham suggested that I try to keep it interesting so I shared some of our 'most intriguing' projects. These included tangling with a Wal-Mart heir, unearthing a 150-year-old burial site, and dealing with the nice folks at the Southwest Power Administration. The groups seemed interested and asked some great questions. I just hope that wasn't due to some encouragement from Dr. Abraham.

Additionally, the Alumni-in-Residence group was asked to participate in a Q&A session for the College of Business. I actually enjoy this type of interaction because it is inherently unpredictable. I would say that the perception and expectations about the workplace and careers in general have definitely evolved since my time at UNI. The questions were all over the board and I'm afraid my responses portrayed me as being anything from a cheerleader to a drill sergeant (my kids confirmed the latter). I had a lot of fun with it and could have continued to answer more questions.

The day also included an event honoring the Purple and Old Gold recipients with awards receptions for numerous student distinctions throughout the College of Business. Kevin McGee was the Purple and Old Gold recipient for the Economics department. He is a very promising young man and a wonderful representative for the department.

Ultimately, it was a fast-paced day that was packed with enjoyable opportunities. I again encourage all of you to go back for a visit. We should all be proud of the quality education we received and I hope you choose to donate to the department to help carry on this legacy for

## Connect With Us

One of the things about college teaching that is a little sad is we many times see so little of our students after they graduate. Most students leave the university and their professors behind them as they begin a new chapter in their lives. In our department especially, we get to know a lot of our students pretty well during their years here. We have small upper-division classes, a variety of programs such as undergraduate research, the European trip, and econ club events that enable us to spend considerable time with our students while they are here.

I do know many students maintain close contact with some of their high school teachers but all too often, the linkages are lost with professors. It may be because post-college life is substantially different than post-high school life. Or perhaps we are seen as less open to contact. I can assure you the latter is definitely not the case.

If you have a chance, take a few minutes and drop a line to professors you remember particularly well or you connected with. It would be nice to list your career path thus far,

things you learned here that helped you and even some things we could be doing to help current students better prepare for life after UNI. And, don't forget personal information: spouse, kids, hobbies, trips, etc. E-mail addresses are on the front page and I can guarantee we will enjoy hearing from you.

—Fred Abraham

<http://www.business.uni.edu/economics>

# Economics Club



**Annual Kick-off fun!**

The Economics Club started off the 2016-2017 school year with our annual kick-off event. The event was a great success as more than 50 students came together for food and fellowship. Students competed in a series of minute to win it games for a chance to win prizes and bragging rights. There were plenty of opportunities for students to socialize with new and existing members.

The Pre-Law and Economics Clubs once again took on the task of manning a water stop at the Park to Park half marathon. Runners were very appreciative and many complimented us on our festive efforts!

Dr. Amin was a huge help in organizing an internship panel in October. Seven students discussed their internship experiences and provided valuable advice. Participants worked in a wide range of companies and each had a unique experience to share.



**Poker night!**



**Park to Park water stop**

In October, we held a discussion on Hollywood's portrayal of businesspeople. Dr. McCormick and Dr. Surdam led the discussion and highlighted the history of Hollywood's portrayal of business people, including several examples from recent years. Students were encouraged to ask questions and share their viewpoints on the portrayal of businesspeople from their perspective. We look forward to holding more panel discussions like this in the future.

In November, club members spent an evening playing poker and socializing with faculty and peers. Students enjoyed pizza and put their Texas Hold'em skills to the test against fellow club members. It was a great way for students to relax before finals and just have fun!

visit the Federal Reserve, followed by a panel discussion with six Chicago-based alumni hosted at Ernst & Young's Chicago office. Students will learn about our alumni's post-graduate experiences during the panel and informally network with alumni over lunch. This is our third alumni panel and fourth alumni lunch in Chicago. Every year we learn something different from our alumni. If you are an alumni in the Chicago or Minneapolis area and interested in participating in future club visits, please contact Professor Rosburg!



**The Economics Club at the Fed in Chicago**

In late March, we will go on our annual trip to Chicago. Students will visit Shedd Aquarium and then will have the rest of the night to shop and explore the city. The next morning we



**Internship Panel**

In April, we are partnering with UNI's Women in Business chapter to host an Economics of the Pay Gap panel discussion. Economics faculty will discuss the economics behind the male-female wage gap. We look forward to co-hosting this new event while educating students on the pay gap and dispelling common misconceptions.

Throughout all of these events, students had opportunities to develop personally and professionally. The Economics Club has a good mix of educational events that allow students to interact with peers, professors, and alumni in a social setting. We would like to thank everyone who has helped make this year a success.

*Hanna Kerr, Co-President, Economics Club*

*Chris McConahay, Co-President, Economics Club*

## Undergraduate Research Program

In late February of 2016 I took Kevin McGee and Mitchell Beckman to present their undergraduate research projects at the Eastern Economics Conference in Washington, D. C. This was my ninth year travelling with students to present research. In most years the Conference has been in Boston or New York. So, the trip to Washington was a change of pace.

After we checked into the hotel on Thursday night we went in search of somewhere to eat and found an inexpensive but very good Indian restaurant. When we first took students to present, Professor Jepsen and I started a tradition of introducing and in a few cases re-introducing students to Asian food, almost always Thai. This year a nearby Dunkin Donuts and McDonalds were also sources of quick sustenance.

Neither Kevin nor Mitchell presented on Friday which was the first day of the conference. However we attended three other sessions that each had about five student presentations. One was on Labor Economics, one on Immigration, and the other on Behavioral Economics. Afterward around 2:30 we went to the Smithsonian National Zoo which was only a few blocks from our hotel. Some of the exhibits were closed because it was still winter, but we still got to see the Pandas, (which one of Kevin's Math Professors had insisted he bring back a picture of), great apes, small mammals, and sea lions. We were some of the last visitors out and so were followed for the last twenty minutes by a police car.

That night there was a reception hosted by *Issues in Political Economy* an undergraduate journal published by Elon College. Students from Elon and Mary Washington University organize the undergraduate



Mitchell Beckman and Kevin McGee sightseeing in Washington, D.C.

sessions at the conference. Kevin and Mitchell enjoyed talking with students from colleges and universities located primarily in the eastern U.S.

On Friday Kevin presented a paper on the demand for attendance at NFL games and Mitchell presented his results on GPA and hours worked. Both Mitchell and his advisor Professor Alam had to take training on research with human subjects in order to use the data.

Kevin and Mitchell made outstanding presentations and got good feedback from students and professors who attended. Both also were assigned another student's research to comment on and ask questions about. Each did

a nice job in this role as discussants. I also presented a paper that a student and I had worked on. It looked at the relation between college player statistics and the NBA rookie performance of second round draft picks.

When I finished we got on the Metro and rode to near the White House. From there we visited the World War II Memorial, the Korean War Memorial (which gets little publicity but is haunting for its portrayal of young soldiers frozen in a moment of weariness and fear), the Lincoln Memorial, and the Vietnam War Memorial.

In April Kevin and Mitchell presented their results to the CBA and were later rewarded with a pizza supper in recognition of their efforts and the good impressions they created for themselves and the department.

—Bryce Kanago



Essay Winner, Luke Neuhaus and Fred Abraham

## Lawrence M. Jepsen International Economics Essay Contest

This year Luke Neuhaus's paper was selected as the winner of the Economics Essay Contest. His paper, *The Environmental Value-Added Tax: A New Approach to Environmental Reform*, described how a value-added tax, common in the industrialized world, can be adjusted to reflect the environmental impact of various commodities. He addressed the difficulties in implementing, the potential benefits, and possible drawbacks of enacting such a tax.

He received a monetary award from the Lawrence Jepsen fund as well as a certificate for his achievement. Congratulations!



# Poland 2016

After classes dismissed in Spring 2016, three of my classmates and I had the opportunity to participate in the UNI Economics Department's international exchange program with the University of Economics in Katowice, Poland. Over the course of our weeklong stay in Poland, we travelled between Krakow and Katowice to take in the sights and experience the culture. This was my first time leaving the United States, so every experience taught me something new.

The first stop on our trip was the beautiful city of Krakow. Our first full day in Krakow, we toured Wawel Castle, where Kings of Poland were crowned for hundred of years. The castle's history and architecture date back as far as the 14th century, and every piece of art had a rich history to share.

From Krakow, we traveled to Katowice where we presented our research and listened to the presentations by Polish students at the University of Economics. It was an honor to share our hard work with

other students who seemed eager to learn more about our research topics. I was impressed by the Polish students' English speaking skills and learned that English is one of the primary skills that Polish employers look for in new employees.

After returning to Krakow, we spent a day touring the Auschwitz-Birkenau Memorial. This was easily one of the most powerful experiences of my life. It was truly humbling to stand in the place where millions of people suffered the worst atrocities of modern times.

The trip to Poland is a perfect example of how UNI, and specifically the UNI Economics Department, offers students much more than an education; it offers students opportunities for unrivaled life experiences. Without the amazing faculty and staff at UNI, these experiences would not be possible.

*-Trevor Draisey*



Lunch at Restauracja Pod Prosiakiem



Maczuga Herkulesa is a tall (30 meters) limestone monadnock situated in Ojców National Park near the Castle of Pieskowa Skała



We climbed 70 narrow, wooden steps up the bell tower to see the Royal Sigismund Bell in Wawel Cathedral. The bell weighs 13 ton and requires 12 bell-ringers to swing it. Everyone wants to touch the bell as it is told that the wish you make while touching it will come true.



Fred's retirement scheme:  
A hotdog in a tube! Coming soon to  
a convenience store near you!



Yes, they have McDonald's  
in Poland!

# Homecoming Open House



As you might remember I am always trying new ideas. Unfortunately a lot of them don't turn out very well. But here's one that did. This year, right after the homecoming parade, we had an open house for all econ alumni and their guests and families. We also invited our current majors. People could stop by, have some pizza and snacks and stay as long or as short as they wanted. It was great to see folks we haven't seen since graduation. Here are some pictures from the day. We will be doing this again this fall so if you are coming to homecoming be sure to join us. You might even plan to connect with former classmates!



# Internships and Co-ops

Problem solving, critical thinking, analytical skills, and research/writing skills are four major components that employers seek from graduates, and guess what? Our majors have all these skills and many more! That is why the Economics majors in 2016 had 100 percent success in their First Destination Goal according to the UNI Career Services Report, 2016. Three years in a row! We, the faculty of the Economics department, take great pride in developing these skills in our students. But today's employers want more – that is when internships/co-ops become important! Internships/co-ops have become the new interview process.

This year our students have interned in places such as Greater Cedar Valley Alliance and Chambers, Allen Hospital in Waterloo, John Deere Drivetrain in Waterloo, Yantis and Associates in Waterloo, HON in Muscatine, Business Concierge Program, Center for Business Growth and Innovation in Cedar Falls, Principal Financial in Des Moines, Lockheed Martin in Pennsylvania to name a few!

I am already hearing great news from graduating seniors about their job offers such as Wells Fargo in Des Moines, Cottingham and Butler in Dubuque, IBM in Rochester, Minnesota. And more good news keeps coming!

Every fall we organize a reception for the returning interns. Students share their experiences with faculty and Economics Club members. It is very rewarding for faculty as returning students often mention how the critical thinking and problem solving skills they learn in their Economics classes helped them excel in their internships. It also makes me very happy to see that our returning interns offer to assist other students who want to secure an internship. That said, our students still need help in securing internships and jobs. I humbly ask any alums who are in need of an intern or a graduate to reach out to me. You will not be disappointed.

–Shahina Amin



L to R: Sabrina Santos, Isaac Kruse, Chris McConahay, Daianera Whitaker, Andrew Opsal, Jordan Beck

Interns sharing their internship experiences with Economics faculty members in Fall 2016.



## Faculty Recognition



**David Surdam** was awarded the the James F. Lubker Faculty Research Award. The award was created and is supported by the academic deans to honor Dr. Jim Lubker, Professor of Communication Sciences and Disorders (1995 - 2009), Dean of the College of Humanities and Fine Arts (1995 - 2005), and Interim Executive Vice President and Provost (2005 - 2009). This award is an annual cash prize recognizing a UNI faculty member for “excellence in research and scholarship.”



**Shahina Amin** received the College of Business Administration Distinguished Service Award. This award is given annually to a CBA faculty member who demonstrates a significant amount of service to the department, college, university, and discipline. Shahina devotes a considerable amount of time at all levels but was recognized especially for the work she has done for our department's internship and placement program

This year, a relatively new award, the College of Business Administration's award for significant impact was given to **Bulent Uyar**. While working on a research project in the early 1990's using a statistical analysis program called SAS, he discovered an error in the program that substantially altered results. He published an article explaining the problem and soon after, SAS sent a corrective message to its users and also modified its regression package accordingly. Today, SAS is used by thousands of researchers worldwide.

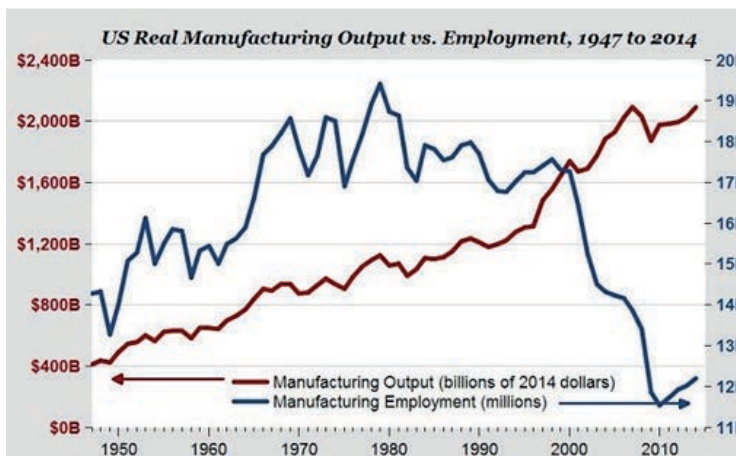


## U.S. Jobs



One of the most vocal issues in the last election cycle was about the loss of US manufacturing jobs. Some politicians claimed that other countries, especially China, were stealing American jobs. A commonly heard complaint is that the US does not produce anything anymore because of cheap imports from low wage countries. Candidates from both parties were against the TPP. This strong sentiment against trade resonated well with many Americans.

Here are some of the relevant facts we need to evaluate the situation.



After the Second World War there was a steady increase in employment in the manufacturing sector in the US with some short run ups and downs. Employment peaked in 1979 when around 19.5 million people were employed in this sector. After that employment started to decline steadily. The fall in employment saw its sharpest decline in around 2000 with an increase in the number of people in manufacturing right after the Great Recession (see graph). Employment is on the rise since then but only around 12 million people work in the manufacturing sector today. As a fraction of total employment, employment in this sector peaked in the early 40s but fell over the years. Its share now is less than 10%. The US is not alone in this regard. This decline is a worldwide phenomenon. On the other side of the story, is the expansion of the service sector. This sector now employs more than 80% of all private sector jobs in the US. Globally, service accounts for around 70% of world output.

Not all service sector jobs are low paying jobs. In fact, according to a recent study by the Institute of Economic Education, although the US lost 7 million high paying jobs in the manufacturing sector between 1997 and 2016, it gained 53 million jobs in the service sector. Out of these 53 million, 33 million jobs were higher paying compared to the lost manufacturing jobs.

In terms of production, manufacturing is thriving. The economy is producing more goods than ever. The numbers are astounding. According to the Bureau of Labor Statistics (BLS) data, last year the US produced more than \$2 trillion worth of manufactured goods (adjusted for inflation). To put this in perspective, over the last 70

years, manufactured output increased more than five fold. However, it produces more with fewer workers and that is why there is this glaring discrepancy between manufacturing output and the number of people employed in this sector. How productive are US workers? Labor productivity increased eightfold from 1950 to 2011. It doubled between 1997 and 2011. This dramatic improvement in productivity is driven by technological innovation and automation. A recent study by Michael Hicks and Srikant Devaraj (2015) concludes that “Had we kept 2000- levels of productivity and applied them to 2010- levels of production, we would have required 20.9 million manufacturing workers. Instead, we employed only 12.1 million.” This increase in labor productivity is one of the main reasons for losing jobs in the manufacturing sector. Workers are getting much better in producing goods.

What role does international trade play in all of this? Traditional economic theories make some significant verifiable predictions about trade. First, long ago, Adam Smith and David Ricardo very eloquently demonstrated that trade is not a zero sum game. Trade benefits all the countries involved in it. These benefits are fueled by the concept of comparative advantage.

If countries specialize in producing goods where the opportunity cost of producing the good is lowest and trade with one another then the economic welfare of both countries will increase. Comparative advantage is a dynamic concept. It changes overtime because of changes in technology, availability of resources, and consumers’ taste and preferences. With trade, prices decrease, quality of the products increase, and choices available to the consumers increase.

Secondly, although countries involved in trade benefits from trade overall, there are distributional consequences within the country. The US is a relatively high-skill labor abundant country. A standard economic theory suggests that, with trade, high-skill workers will gain and low skill workers will lose. In principle, the gainers could compensate the losers and still be better off. In the short run, the government needs to get involved to make sure that there is enough incentive for workers to learn new skills that are in demand in the market and that their losses are minimized by redistributive efforts. Thus, some of the loss of manufacturing jobs, especially for low-skill workers could be attributed to international trade. But, trade also creates jobs through increased exports. Not only that, on average these export sector jobs enjoy a wage premium of about 18% compared to the rest of the economy. Here is an example: NAFTA was enacted in the early 1990s. Although the US was losing jobs after peaking in 1979, employment in the manufacturing sector actually increased significantly since NAFTA started and continued this increasing trend until the early 1990s. For the policy makers the important thing to note is that the job losses are concentrated but the benefits from trade are diffused to all consumers.

How much of the decline in manufacturing job losses are due to international trade? How much is due to productivity growth? In their article, Hicks and Devaraj finds that growth in productivity is responsible for almost 88% of job losses in the US in recent years (2000-2010) and the rest is due to trade with other countries. Ocemoglu, Dorn, Hanso, and Price (2014) drew similar conclusions for the period 1999-2013.

*continued on page 12*

# More from Faculty

## U.S. Jobs (continued)

for the period 1999-2013.

So, where are these manufacturing jobs going? Most jobs are not actually moving from the US to other countries, they are simply disappearing from the planet due to technological progress and automation. Two MIT researchers, Erik Brynjolfsson and Andrew McAfee (2014) in their book, *The Second Machine Age*, eloquently summarize the situation:

Technological progress is going to leave behind some people, perhaps even a lot of people, as it races ahead. As we'll demonstrate, there's never been a better time to be a worker with special skills or the right education, because these people can use technology to create and capture value. However, there's never been a worse time to be a worker with only 'ordinary' skills and abilities to offer, because computers, robots, and other digital technologies are acquiring these skills and abilities at an extraordinary rate.

—Imam Alam

## Land Valuation



Fred asked me to tell you about the expert witness work I've been doing for the past few years. This work all started a few years ago when I was contacted by an attorney from a law firm in New York City who was impressed by some of my publications on real estate valuation. It turns out that a couple of courts had cited one of these articles in their decisions. So, Bryan (not his real name) from NYC wanted to know if I would be willing to work as a rebuttal expert witness in a large

case involving residential mortgage backed securities (RMBS). You might have heard or read about these cases in which the plaintiff(s) (initially the federal government, later a large bank) was suing one or more large banks for allegedly selling RMBS backed by mortgages secured by houses that were not as valuable as the defendant bank(s) claimed. So, a key issue at question in these cases was the market value of the houses at the time the mortgages were originated.

Anyway, back to not-his-real-name Bryan. (Due to confidentiality agreements, I cannot reveal his real name.) He wanted me to review and critique the work of the plaintiff's expert who estimated the retrospective market values of a few thousand of these houses using an automated valuation model (AVM) that he built specifically for the case. I would be one of a team of four rebuttal experts reviewing and critiquing the AVM. I felt in rarified company; one expert was a well-known Harvard econometrics professor, another was the owner of a large real estate appraisal firm in Houston, and one was the president of a Los Angeles corporation that specializes in evaluating commercial AVMs. I enlisted the assistance of my colleague and co-author, Dr. Mark Ecker, from the UNI mathematics department. With the support of others, all of us produced rebuttal expert witness reports (mine was about 50 pages long).

The AVM I critiqued consisted of a multiple-regression of the selling price of houses on a number of explanatory variables. (Remember your econometrics course?) It was loosely based on something called hedonic price theory. My efforts were focused on testing whether the regression violated any of the assumptions (collinearity, heterogeneity, outliers, spatial correlations, etc.) underlying all multiple-regression

models. I also tested whether or not the AVM violated the requirements of hedonic price theory. My rebuttal report must have struck a nerve, because the plaintiff's expert changed his AVM (in the next case I worked on) in response to many of my findings.

Bryan (not his real name) from NYC and the bank he represented were very pleased with these rebuttal reports. Bryan told us that we were the best team of experts he had ever worked with. Apparently, the bank-client was able to settle their case for many millions of dollars less than what plaintiffs wanted, largely, according to them, due to our rebuttal reports.

Well, apparently, word got out to other law firms about the quality of the rebuttal reports our team produced. Soon, I received inquiries about working on similar cases producing similar rebuttal reports. So, we went about "getting the team back together" to work as rebuttal expert witnesses on some similar cases. The more we did, the more calls I got. Interestingly, the plaintiff's expert witness continues to "improve" his AVM in response to my critiques. Fortunately, I became affiliated with a firm in Chicago that specializes in supporting (handling billings, crunching numbers, cite checking reports, etc.) expert witnesses, otherwise, I could never have taken on all of the work that came my way. I passed-up work on a few cases because I was just too busy.

Today, my expert work continues. In several cases, I am waiting to be deposed by the plaintiff's lawyers, while I am waiting for the plaintiff's expert witnesses reports in a couple of other cases. I would not be doing any of this work if it were not for my research and publications in real estate valuation. Plus, my students enjoy my "war stories" about my experiences as an expert witness.

So, you see, sometimes the research and publications of faculty have an impact in the "real world" beyond academia. In addition, at least in my case, my students also benefit from my "real world" work. And, I am not alone. Other faculty in the department and college have similar impact stories they could share with you.

—Hans Isakson

# Faculty Interview

## An interview with Bryce Kanago

Professor Bryce Kanago earned his BA degree from Wayne State College in 1978 and his PhD in economics in 1988 from the University of Iowa. He joined the UNI Economics Department in 2000. While at UNI he has received awards for teaching, service and advising. He has also served as chair of the CBA's faculty. Here is an "Elevator Interview" with him.

### How did you wind up at UNI?

I came here for a year as a visiting professor in 1999 and was hired the next year. At least that made travel for an on-campus interview convenient.

### You're an Iowa native, didn't you want to get away from the snow and cold?

There are those days when I'd still like to get away from the cold and snow. On the other hand, I had a job offer from a university in Texas once and I couldn't imagine being so far away from the Midwest and family, missing out on four seasons, and seldom having the freezing temperatures that frees us from insects and allergens for a time.

### What are the best things about the UNI Economics Department?

That's easy. The students and the professors. The professors are collegial and dedicated to providing students with a high-quality education. Economics students are usually friendly, thoughtful and hard working.

### What is your favorite class to teach?

Economics. I've taught a lot of different classes including Economic History, Growth Economics, Mathematical Economics, and Econometrics. All of them offer the opportunity to help students better understand the world and become better thinkers.

### What's your most interesting classroom memory?

One winter day while walking in I took a shortcut and tripped and sprained my ankle. I made it to class anyway. I had on cheap hiking boots and my ankle was uncomfortable so I taught in my socks.

### Have students changed in your 17 years here?

I don't think they have changed that much. They listen to different music, have better cell phones, and grew up in different times, but they face the same joys and trials of being young adults. The biggest change is that it seems like more have jobs or longer hours. Not long after I came here, tuition started to rise at a sustained pace and I think many work partly out of necessity.



### Describe the research publication that makes you most proud.

A paper titled "On Measuring the Effects of Inflation Uncertainty on Real GNP Growth." Uncertainty about the level of inflation causes firms and people to try to protect themselves from unexpectedly high inflation. These actions tend to reduce economic activity. Previous research showed that an increase in inflation uncertainty had a permanent effect on output growth. Using recently developed econometric methods, we showed that the effect on output growth was temporary and were also able to measure how much it changed output. I take a great deal of pride in my advisees who did undergraduate research papers. Many of them found interesting and useful results.

I'd also like to think my work writing test questions for instructors using Mankiw's *Principles of Economics* text has made the world a tiny bit better off by saving some professors time writing exams so they can focus on teaching and by saving students from awful, unfair, and needlessly frustrating questions.

### Who is the most insightful economist of our time?

Ask me again in 20 years when we can see whose ideas have withstood the test of time. The vast majority of economists have made at most modest contributions as they build upon the fundamentals. Kudos to George Akerlof for his work on asymmetric information, to Richard Thaler for his work on behavioral economics and making it available to the public, to Esther Duffalo for her social experiments to reduce worldwide poverty, and to the late Robert Solow for putting together a model of economic growth. They've not only increased our understanding of the world, they've made it a better, or least more efficient, place.

### If you could change anything in your career, what would it be?

It's easy to look back and imagine what one might have done differently and where it might have lead, but it's generally not productive to spend much time doing so. The past can't be changed and we can only speculate at where we might have ended up by having taken a different turn at some time in the past.

Past decisions are a little like sunk costs. You handle the consequences, learn from them, and then move on.

I'd like to think that I might have gotten more done if I'd been more focused, finished things that I had started, and not gone chasing after new ideas. However, I'd have missed some great opportunities to learn and to help others.

# Thanks!!!

As I mentioned in my message on the front page, this will be my last year at UNI. It has been a great time primarily because of all the people I worked with as well as students and alumni. I have been blessed with great colleagues who love teaching as much as I do and also recognized the importance of being research active while providing service to the school and discipline. Nothing makes a person feel at home as much as being surrounded by people who share your values. By the numbers, I have had over 75 different colleagues in the economics department!

Our students are hardworking and polite. They know the value of a good education and while they occasionally feel as if we're too hard on them, they always come through. One of the great things about my job is the fun I get from visiting with them and especially those "light bulb moments" when a difficult concept is suddenly clearly understood. Pretty gratifying for a professor and I so appreciate it.

Another thing that has been extremely rewarding is the generosity of our alumni. I am so grateful for their help. When I became department head we had one endowed scholarship. Today we have ten. Whether individually funded and named or part of some of our group funded scholarships, our alumni have seen the importance of financial support in these tight budget times and have responded tremendously. Long after I'm gone, students will benefit from the kind hearted support of people they never met but who cared about them.

Looking back in my 44 years at UNI, I have served under 8 presidents,

8 provosts, and 11 different deans. The UNI administrators I have known may have each had their own unique style but the one thing they all have had in common is a genuine desire to make UNI better and a drive to help students. I am extremely thankful for such enlightened leadership on campus.

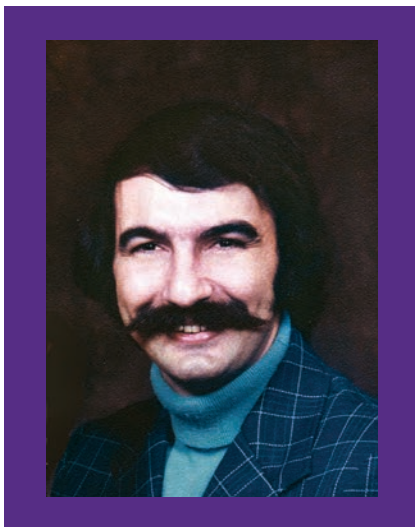
As anyone in my position will readily attest, the job would be impossible without the aid of an excellent secretary. I'm thankful and lucky to have had nine—all really great. They have all been hardworking and displayed fine initiative. I always knew they would keep me on the right path no matter what I forgot or overlooked. What a great feeling!

I could go on but I'm running out of space. I'm grateful for the aid of my friends in the community, business acquaintances, and staff all across campus. My life at UNI would have been much less pleasant if they had not "had my back!"

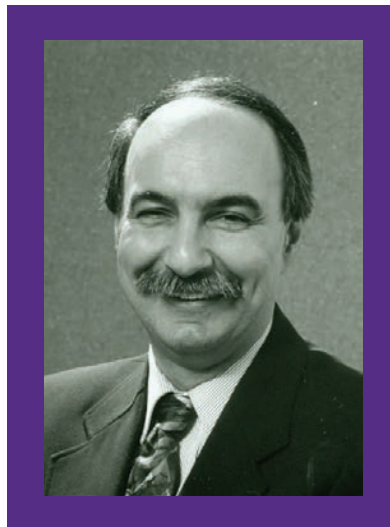
One more person I must thank is my lovely wife Robin. She is always there for me and as much as anyone helps me to see the right thing to do and the right path to take. No one could do for me what she does.

So, thanks everyone. I've had a great time and I appreciate all your help and guidance. I hope your life is as lucky as mine has been!

—Fred Abraham



1973



1997



2016

# *Economists Through the Years...*



1979



1988



1991



1995



1999



2000



2008



2016



# The Personal Side of Faculty



**Fred Abraham.** Fred has been busy with community service work with the Cedar Falls Lions Club and also as Commissioner of the Iowa Baseball League. He even finds time to occasionally see his grandchildren!

**Imam Alam.** Our son left home for college last year.

I had a completely torn tendon on my shoulder while playing soccer and had a rotator cuff surgery in March. Here is a little advice: avoid this like the plague. I started participating in our friendly soccer games in summer. We also visited beautiful Vancouver in Canada for a few days.



**Shahina Amin.** The big thing that happened to me was I became an empty nester! My only child is off to college! It is quite an adjustment and is not an easy one! I made my yearly visit to Bangladesh. My father, who is 94, is slowing down but still in good spirits. His weekly calls always make me feel all refreshed and energized! I also became a great aunt! Made a few trips to Lawrence, Kansas to see the baby and the mother.

We went to beautiful Vancouver to meet up with my sister who was there for a conference!

**David Hakes.** The last few years I have begun to practice for retirement. I stopped teaching classes in the summer and started cycling more. I still ride a conventional road bike, but I can see a recumbent tricycle with a flag in my (hopefully distant) future. I also spend more time at Clear Lake where I have boated since I was a child. In short, I now identify more with Wally than with Dilbert. Is that wrong?



**Hans Isakson.** I have decided to retire from teaching at the end of this academic year, and I am looking forward to having more time to work on my golf game. The College has graciously agreed to allow me to use my office for a year while I continue my expert witness work. I hope to get in some leisure travel this summer.

**Lisa Jepsen.** Mark and I enjoy snowshoeing and kayaking. I am very much a novice on a paddle board. We've added two kittens to our family, George and Gracie.

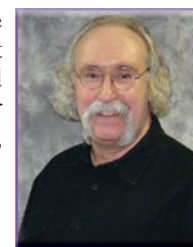


**Bryce Kanago.** I ran a 5K prediction race where runners had to predict their time and then wear no watches and have no headphones during the race. My time guess was close but not close enough to win a prize. The post race burritos were very good though. As a homeowner I continue to learn more about what can go wrong with houses we replaced our water heater and I learned more about fixing toilets and sump pumps.



**Chris Lukasiewicz.** Last summer I took over as the President of the Northeast Iowa Chapter of the Military Officer's Association of America. I'm still filling those duties. Last count I have 7 grandchildren and another on the way. Some of what I do in my spare time is spend time with the grand kids. Additionally, I'm trying to get in as many fishing and hunting adventures over the course of the year that I can. When I'm not fishing, hunting, or taking care of grandchildren, I'm usually tying flies, golfing or bicycling.

**Ken McCormick.** I have stopped watching the news on TV because I can't find a station that is even remotely objective. I wish America would listen to the old Buffalo Springfield song, "For What It's Worth." The song includes the lyric, "Nobody's right if everybody's wrong."



**Alicia Rosburg.** Life is exciting for the Rosburg household. Our daughter, Olivia, is now 2½ and an endless source of energy. She also received a double-dose of stubborn; her grandparents find this payback amusing. Since we didn't think our lives were crazy enough, my husband (Eric) and I decided it was time to have a second child. We are very excited to have baby boy Rosburg join our clan in May. While our dog, Wrigley, is not thrilled about the new addition, she is still relishing the

Cubs' World Series Championship - GO CUBS GO!

**David Surdam.** David continues to battle for basketball justice on the courts of UNI and Eugene, Oregon. Sometimes he teams up with Professors Kanago and Lukasiewicz in keeping basketball safe for the "old school" style.



**Bulent Uyar.** Upon the invitation of friends he had not seen for more than thirty years, Bulent visited Redondo Beach and San Pedro, CA, during Thanksgiving Break. While there, he had great food, did a lot of sightseeing, saw the Pacific Ocean for the first time, and visited the Getty Museum. The highlight of the trip was seeing some very good friends again after so many years.