Major Themes in Economics

Volume 14 Article 2

Spring 2012

Introduction

Ken McCormick
University of Northern Iowa, kenneth.mccormick@uni.edu

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Welcome to Volume 14 of *Major Themes in Economics*. All papers in *Major Themes* are written by senior economics majors at the University of Northern Iowa. Complete funding for this issue was provided by a generous contribution from Ron Rolighed, '89, a past author whose article appeared in 1989 in a previous incarnation of *Major Themes*.

Local economic development specialists are always looking for ways to bring jobs to their areas. One approach that has recently gained prominence is based on Richard Florida's creative capital theory. **Zach Fairlie** tests the creative capital theory with a regression model and panel data from 370 Metropolitan Statistical Areas over a 12-year period. He finds little evidence to support Florida's ideas.

Iowa fared better than most other states in the recent recession. Yet within Iowa, there was considerable variation in how each county performed. **Joslyn Sailer** uses a regression model to investigate the reasons for the differences. Counties that did better than average tended to have larger farm, retail trade, and real estate sectors; they also had larger percentages of both 15 to 19 year olds and Social Security recipients. Counties that fared worse than average typically relied more heavily on government employment.

Economists have studied the determinants of the wealth of nations for centuries. A relatively new area of inquiry goes one step further to look at the determinants of the happiness of nations. **Julie Lang** uses three different measures of national happiness to build three regression models. All three models suggest that plentiful precipitation contributes to happiness. Two models imply that low corruption, a high Human Development Index, and low unemployment also matter. One model finds a positive relationship between national happiness and a more equal income distribution.

It has become increasingly common for firms with excess cash to buy their own shares of stock rather than use the funds to pay dividends. In theory, the only reason firms should do so is because they believe that their stock is undervalued. **Jordan Voss** examines the literature on the topic and discovers that the reality is a good deal more complex. He concludes that managerial incentives are an important determinant of stock repurchases.

Why do married men, on average, make more money than single men? **Aaron Strike** looks at the literature and considers three possible explanations: marriage makes men more productive; marriage allows men to spend more time in the labor market; and men who earn above-average wages possess certain characteristics that make them more attractive in the marriage market.

Ken McCormick
Professor of Economics