

DEPARTMENT OF ECONOMICS

SPRING NEWSLETTER



Vol.5 Spring 2005 Fort Worth, Texas

Prepared by Douglas Butler except as noted!

VOLUME FIVE! (aka Episode V)

Welcome to the 2005 TCU Economics Department Spring newsletter! This marks the mid-decade point for our annual publication, not to mention the 28th year since the release of the very first Star Wars movie. And just like this latest installment of our newsletter, the latest Star Wars film has just been released. Coincidence? Whether or not you believe there's some kind of *force* guiding us here at the newsletter, I hope you enjoy reading this fifth issue, or Episode V, as I like to call it.

This newsletter was originally begun because of the vision of our department chair, John T. Harvey. Half a decade ago he initiated the newsletter as a way to keep our alumni abreast of the goings-on in the economics department at their alma mater. Until this year, Dr. Harvey prepared all of our annual newsletters. However, recent events have called for a change. Last year our previous department chair, Ed McNertney, decided that twelve years was enough time to spend at the top and so he stepped down. (Dr. McNertney also wanted to better focus on developing a new core curriculum for TCU. More on that later!) Dr. Harvey then stepped up to the plate to take

over the chair vacancy. Now that he's so busy with administrative concerns, *besides both teaching and writing a book*, Dr. Harvey wasn't able to prepare this year's newsletter. Rather, he has passed that torch to me.

Caveats and Caveat Emptor: Do not be surprised if my work does not rise to the high standard previously set by Dr. Harvey, but you see, the Force is very strong with him. I can only say that I *tried* my best. Unfortunately, Dr. Harvey has told me again and again that "there is no try—only do or do not."

I wish I could say that you have nothing to lose by reading this issue, since this publication is FREE. However, we economists know there is an opportunity cost to every choice we make. With that sobering thought in mind, I remain optimistic that you will find this year's newsletter 'utterly fantastic!' But to be honest, I think I'd settle for 'tolerable.' If that minimum criterion isn't met, then perhaps next year's issue will have to be entitled "A New Hope". Well, there's only one way to find out. So please sit down, lean back, and kick your feet up...and continue reading!—d.b.

FACULTY NEWS

Doug Butler, Instructor (a.k.a Butler the Younger): This was only my second year at TCU, but it was my first year at TCU with my wife, Pilar. In fact, it was my first year *anywhere* with my wife (as legally defined). That's because we just got married in the spring of 2004...and then again in the summer. Did we marry twice because we found out the first one wasn't legal? No. (not yet, anyway!) Actually, Pilar hails from Mexico, so in order to accommodate all of our friends and family, we had one ceremony here in the states and then another one south of the border. After the *Boda en Mexico*, we moved her things to Tejas. Since then, we've both really been enjoying starting our new lives together in Fort Worth.

As far as school goes, this semester I was busy teaching a new course in Public Finance, along with my usual introductory microeconomics classes. I'm also the faculty advisor for the Economics Club. However, the single biggest story for me this Spring was the successful defense of my dissertation in March. That was the last requirement I had to fulfill in order to get my Ph.D. Finally, when someone asks if there's a doctor in the house, I can say 'yes!'

Since this is an economics department newsletter, I shall dare sneak in a few words about economics! (If my discussion here begins to bore you, simply skip down a bit. Don't worry. There won't be a quiz on any of this!) In the Fall of 2004 I presented a paper at the Southern Economics Association conference in New Orleans. The paper examined whether earmarking a proposed state lottery's funds for education improves the probability of lottery adoption. I think it is an interesting question because the data indicate that education-earmarked

lotteries do not actually enhance state spending on education any more than general fund lotteries. But then why do legislatures even bother earmarking the funds? There seems to be a possibility that legislators earmark lottery funds for education not because they believe it will actually help education, but rather because it will help them gain political support for an otherwise less popular lottery. Of course, this begs the question of why legislators want lottery adoption at all. It may be because lotteries provide more spending money for politicians to use in reaching their various political goals, among which education improvements may play a small role. It turns out that with simple budget manipulation legislators can see to it that only a fraction of lottery revenue is actually spent on education, *whether or not* the lottery funds are earmarked. And they say economics is a dismal science! (*Okay, perhaps it is a little sobering at times.*)

Michael R. Butler, Associate Professor and Associate Dean of the AddRan College: Dr. Butler (the elder) continues to hone his skills as Associate Dean of Add-Ran. As a testament of this, he has become the go-to information guy for the economics department in our faculty meetings and when we face difficult technical questions from our student advisees. There seems to be nothing he doesn't know about prerequisites, graduation requirements, transfer credit, and the like. It should therefore come as no surprise to the reader that Dr. Butler has been found to have the highest midichlorian count in the entire department! (All apologies to those of you who have not seen Star Wars, and to those of you who have seen it, but can't stand it. My message to you: "Live long and prosper!")

In Spring 2005, Dr. Butler attended the **International Atlantic Economic Society** conference. Last October he flew to Quebec for this organization's Fall conference. This March he traveled to the European conference in London. While there Dr. Butler presented a paper based upon research he has been conducting with fellow TCU economist Steve Quinn. The paper delves into teaching methods and is titled *Introductory Economics: What Makes a Gateway Instead of a Roadblock?* Dr. Butler also served as a discussant on a conference panel.

Dr. Butler is also interested in the economics of sports. Last Spring he taught an entire course on this subject. Of particular interest to Dr. Butler is studying how player salaries and talent impact team performance in Major League Baseball.

Dawn R. Elliott, Associate Professor: Dr. Elliott has been busy this year continuing her research on economic development matters. In Spring 2005 she attended a Geographic Information Systems (GIS) conference in Dallas. Dr. Elliott attended the conference because she is interested in incorporating computer technology in order to better map demographic data. With better data sources, and easier ways to access them, research on economic development will be greatly fostered.

Dr. Elliott's hard work has been earning her recognition among her scholarly peers. She was recently chosen to be Vice-President of the Southeastern Economic Association. Congratulations, Dr. Elliott!

What does Dr. Elliott do when she's not teaching or conducting research? Dr. Elliott says that in her spare time she enjoys

winning the Texas state lottery.

[Correction: Dr. Elliott has indicated to me that she has never actually 'won' the lottery, per se. In fact, she has been too busy to even buy a lottery ticket. However, she says that *if she has time* this summer, she will go ahead and *win* the lottery. Perhaps you are now getting an idea of just how busy Dr. Elliott is!]

Robert F. Garnett, Assistant Professor (prepared by Dr. Garnett):

Dr. Garnett continues to enjoy teaching the History of Economic Thought, Senior Seminar, Research Methods, and Introductory Micro- and Macroeconomics, and is working on a new course, "Liberty and Justice for All: A Philosophical Introduction to Economics."

Last Fall he was invited to participate in a three-day colloquium on "Kenneth Boulding's Image of the Independent Sector" sponsored by the Project for New Philanthropy Studies. He also published a review essay on "Rhetoric and Postmodernism in Economics" in the *Elgar Companion on Economics and Philosophy* and a paper (with Dr. Klopfenstein) on "Critical Thinking as an Interpersonal Experience: Rethinking Introductory Courses Across the Disciplines" in the interdisciplinary teaching journal, *Inquiry*.

Right now, Dr. Garnett is revising a paper for the *Review of Political Economy* on "Paradigms and Pluralism in Heterodox Economics" (which he'll present in London this summer at an international conference on "Pluralism in Economics"), working with Dr. Harvey to finish an edited volume on *Future Directions for Heterodox Economics*, and working with Dr. McNertney on a paper, "Using a Computer Simulation Model

to Help Students ‘Think Like Economists’ in Intermediate Macroeconomics.”

He is also the Associate Editor of the University of Michigan Press’s new book series, *Advances in Heterodox Economics*, and is finishing his second year on the Executive Committee of the TCU Faculty Senate.

In his spare time, Dr. Garnett enjoys playing basketball and ping pong with his 11 year-old son, Ben, as well as running. Last Thanksgiving, he won first place in his age group in a 5K Turkey Trot with a new “over 40” personal best time of 19:18!

[Editor’s note: I haven’t had a chance to verify it with Dr. Garnett, but I heard that he made the Kessel Run in under 12 parsecs. Another personal best time!]

John T. Harvey, Professor (prepared by Dr. Harvey): My first year as chair was very enjoyable. I had heard horror stories from other departments and was a little worried, but it turns out that those departments are just full of jerks! We, quite seriously, have a group of great folks who are strongly committed to achieving our departmental objectives. I am very lucky to be working with them.

In terms of my research, I found I was able to still keep active as chair. I had two articles appear in print and had two more accepted (one each for the *Journal of Post Keynesian Economics* and the *Journal of Economic Issues*—both on exchange rates). Meanwhile, Dr. Garnett and I continue to work on our volume from the conference our association (the International Confederation of Associations for Pluralism in Economics) hosted a couple of years ago. And my book on exchange rates proceeds. That’s been a lot more work

that I thought it would be, but I’m really liking how it is turning out. Bold prediction: this time next year it will be done!

In the classroom, I started a brand-new course last spring: Macroeconomic Studies. It’s the class I always wanted to take in college in that it starts by covering all the theory, then goes over the data and sees how the theory fits the facts. We actually talk about the real world and when recessions and expansions occurred and what caused them—how revolutionary! I’m teaching it again right now and it’s really fun.

Finally, I mentioned last year that our family was off to Disney World that summer to celebrate by daughters’ 10th birthday. We spent three days and when we had to leave there were tears and tantrums. My wife convinced me, however, that we could go again some time, and that at any rate people were staring at me.

Kristin Klopfenstein, Assistant Professor (prepared by Dr.

Klopfenstein): Dr. Klopfenstein produced a whole new person this past year—his name is Dillon James, and he was born November 8, 2004. Last summer, in between morning-, afternoon- and night-sickness, she ate a lot of Papa Johns pizza and slept. This spring, between teaching Econometrics and getting spit-up on, she is getting back into her research with the Texas Schools Project and developing a new and improved Labor Economics course for the fall. Her article “The Advanced Placement Expansion of the 1990s: How Did Traditionally Underserved Students Fare?” was published in the *Education Policy Analysis Archives* in December, while “Beyond Test Scores: The Impact of Black Teacher Role Models on Rigorous Math-Taking” will come out in the July issue of *Contemporary Economic*

Policy. Dr. Klopfenstein was promoted to associate professor with tenure in April and looks forward to a productive and active summer writing papers and riding her horse.

John Lovett, Instructor: Dr. Lovett has been very busy, as usual. For instance, despite having become lodged in a great debate over whether William Shatner's version of the song "Common People" is better than the original, he has somehow found time to teach two new experimental courses. One course covers US Economic History up to 1866. The other is entitled *The Rise of the Modern Age*. It covers economic developments in the US after the Clone War...uh, I mean, the *Civil War*.

Dr. Lovett recently submitted a paper for publication. His paper analyzes people's price and quantity choices using online experiments. He also attended a conference in Fullerton, California back in October. The conference brought together individuals interested in improving their teaching skills in college economics courses.

Dr. Lovett organized our Spring Student Appreciation pizza party and it was quite well-attended. Because so many students kept showing up, we had to order out for more pizza midway through the event!

Annual Tree Report!!! Regular readers of this newsletter already know of Dr. Lovett's increasingly green thumb. They also know that his Dawn Redwoods are his foliage of greatest concern. Well, I'm happy to let you know that *all* of his trees are doing well. The latest news? He recently transplanted the Schumard Oak! It's now closer to the house, of course. Wow! But that's not all. Dr. Lovett says that his children are *ahead of his trees!* He poignantly describes the trees as "big and dumb" while pointing out that the children are "small and smart." (Only

positive statements were reported about his wife, Julie.)

You faithful readers will note that as of Episode IV of the newsletter the Lovett's only had one child, their adorable curly haired daughter, Amanda. I'm happy to inform you that since late last Spring they have been joined by their new daughter, Sarah Marie Lovett, who is equally adorable, but has much less hair. Welcome to the newsletter, Sarah!

Edward M. McNertney, Associate Professor and Chair:

Last year Dr. McNertney stepped down as department chair, an office he had filled for us for twelve years. He is now able to better focus his energy on TCU's new core curriculum. Dr. McNertney has served as chairman of the Core Implementation Committee and he recently took on a new position as Coordinator of the TCU Core Curriculum. Over the last few years, Dr. McNertney has been working hard to help develop the new core. His efforts now are focused on implementing it. He has even been developing a new website to help faculty adapt to the curriculum changes. You can check it out at: <http://www.core.econ.tcu>

The target date for the actual implementation of the new core is this Fall. Dr. McNertney is excited to say that everything is going according to schedule!

Dr. McNertney also continues to serve as the editor for the **Southwestern Economic Review**. He is happy to announce the publication of the March 2005 issue. In addition, he notes that the recent conference *Proceedings* issue is now complete.

Dr. McNertney is also working with other TCU faculty members to develop methods to more accurately assess whether our

students are indeed learning what we are trying to teach them. I'm sure there will be more to report on this in next Spring's newsletter.

Lest we forget, Dr. McNertney teaches intermediate macroeconomics! And, as if all those activities are not enough, he somehow finds time to do research. Remember the paper Dr. Garnett said they are working on together?

I sometimes ask Dr. McNertney how he is able to do so much. He always smiles and says "it's just like shootin' Womp rats back on Tatoonine." (Those are some *unlucky* rats!)

Stephen F. Quinn, Associate

Professor: Dr. Quinn's big news this year was the birth of his second son, John. John is a handsome lad who has been keeping his parents quite busy, ensuring that they do not get lazy! Dr. Quinn and his wife, Shelley, are excited that their older son, Pete, now has a playmate. Looking forward four to five years, Dr. Quinn likes to speculate about what creative plans his sons will hatch for the home furniture, especially the china cabinet. Taking things one step at a time, Dr. Quinn admits that he has not yet begun to fathom the joys he will experience when both boys begin driving.

Looking forward to the much nearer future, Dr. Quinn is scheduled to attend the **Cliometrics Society** conference in Lake Tahoe, California in June. The **Cliometrics Society** is an organization formed to foster techniques to analyze and better understand economic history. In that vein, Dr. Quinn, through his connections to both cliometrics and Phi Beta Kappa, helped to bring eminent economic historian Stanley Engerman to speak at TCU's Spring 2005 Convocation. Dr. Engerman is a prolific researcher who

has co-written books with Nobel prize-winning economist Robert Fogel!

Future Goals: Dr. Quinn's obsession with history has led him to set a rather high goal. He says he'd like to serve as President of the Bank of England from 1694-1710. He is quick to admit that reality seems to be a rather large obstacle to the fulfillment of this dream, but he says his "momma didn't raise no quitter."

[Editor's note: Okay, I admit that Dr. Quinn has never *actually* said any of that stuff about being the 18th century president of the Bank of England. But come now people, who hasn't had that fantasy?!!]

New Hire:

The Department of Economics expanded by one this year. We have found that there has been a general shift over the past five to ten years toward more internationally-oriented classes. I assume that this has been not only because students in all majors have a greater interest, but Business has added an "international emphasis" and we have our major in International Economics. So, we set out to find someone who could bolster our offerings in that area. In particular, we wanted a professor who could teach a course specific to some region of the world (Europe, Asia, or Africa—we should have Latin America covered when we get our chaired position in a few years). Who'd we get? Kiril Tochkov of the State University of New York at Binghamton! Dr. Tochkov is an expert on China (and lined up to teach a class for us on Asian Economies next fall) and, by all accounts, an outstanding classroom teacher. We were very lucky to get him and look forward to welcoming him to Texas!

Barbara Goodman, Administrative

Assistant: Besides helping to keep me in line and providing support for all of us in the department, Barbara makes our office much more livable by adding a touch of home. She's a steady source of plants, flowers, and candy. She even sets up and decorates a Christmas tree! Barbara also makes sure that our birthdays are observed and that delicious

cakes are part of the celebration.

Barbara and her husband, John, have put their country home up for sale (are any of you interested?) and they have plans to move to Granbury as soon as their new home is built.



TCU economics majors and minors solving world problems...while having a tasty snack!

“FILLER MATERIAL”

This is the part of the newsletter where Dr. Harvey used to include photos of the economics faculty members and even family members. This year I've chosen to include a few photos of our students and, in so doing, talk about the TCU Economics Club a bit. The first photo (above) shows our previous club president, Becca Brei, speaking to club members. (Becca will be studying in Germany next year. Aufwiedersehen!) The second photo (somewhere below) presents our new president, Sandy Castellanos, and the club Treasurer, Josh Long. See how happy they are? It must be because they discovered economics! (Someone told me the free pizza didn't hurt their mood, either.)

Perhaps I should say a few words about Economics Club activities, too. Club members are becoming a valuable aid to the department, partly as promoters of the economics major. This year several club members volunteered their time at TCU's Fall Career Fair. Shortly thereafter, club members again offered their assistance when the university sent a film crew to our department to shoot a promotional video. The video promotes TCU generally by offering prospective students a look at each department on campus. Student involvement in such endeavors is invaluable. After all, prospective students don't just listen to what the teachers and administrators have to say about how great TCU is. For some strange

reason, they sometimes want to hear what actual TCU students have to say. A hearty THANKS to all of you who helped out!

At this point you may be thinking the following: “It seems that you guys created the Economics Club so you’d have a free labor pool to use to promote your school and major?” To this I convincingly respond: “It isn’t what it looks like!” Seriously, though, the real purpose of the Econ Club is to help the students. It’s their organization, after all.



Josh Long and Sandy Castellanos.

One way the econ club has served students is by exposing them to greater knowledge of career options. To wit, (I always wanted to use ‘to wit’ but until now didn’t have the guts) in Fall 2004 the club sponsored a speaker who works for an energy trading firm in Houston. The speaker was a relatively recent graduate of college (2 years) and had a degree in economics. He explained what his company does and the specific role he plays, particularly addressing the relevance of his economics background in helping him secure the position.

In Spring 2005 the club sponsored a similar presentation by two of TCU’s own economics majors: Kishan Nadarajah and Kabir Sawhney. (Read all about their future plans later in the newsletter!) They are both graduating this semester and have been deep in the job interview process. They were kind enough to speak to our younger majors

about the job market, interviewing, and the value of an economics degree. We had a good turnout for their talk, indicating that students are indeed benefiting from such club-sponsored events. (Someone told me they also benefited from the free pizza!) All joking aside, several students told me the presentation was very informative and helpful. Thanks go out to Kabir and Kishan!

[Along these lines, back in Fall 2003 the Econ Club sponsored a well-attended talk by a George Mason law school student. The speaker discussed the growing incorporation of economic theory by judges into their courtroom decisions. I heard many positive comments from students regarding the presentation.]

Future Goals: One of the Economics Club’s main goals for the future is to think up fund-raising ideas so that we can have a budget to work with. Hopefully, that will enable us to attract guest speakers and engage in activities that create student interest.



Lety and Pilar, disguising their enthusiasm

What in Hoth is that last photo doing in here? I guess I just couldn’t resist the precedent set by Dr. Harvey. Hence, I’ve included a family photo. It’s my wife and her sister, Lety, in Mexico at their first communion. Look how excited they are. Muy bueno!

OUR BRILLIANT STUDENTS

Again, as always, our students are making us proud! We had four summa cum laude graduates, one magna, and two cum laude, seven new members of the economics honor society, one major inducted into Mortar Board, thirteen majors on scholarships, and twelve seniors with GPA's at 3.5 or above.

This Spring the Economics department paid for an advertisement in the TCU newspaper, *The Skiff*, honoring our top seniors.

Breaking News from May 17, 2005: Sandra Doan, a December 2004 graduate majoring both in economics and piano, has been awarded a Fullbright Scholarship. She will study music in Budapest, Hungary. Sandra graduated with a perfect 4.0 grade point average. She was recently selected the top scholar from among all members of the TCU chapter of Phi Beta Kappa. She was also (not surprisingly) the Economics Department Senior Scholar. Congratulations, Sandra!

Current Students: Plans

We are often asked, "What can you do with an economics major?" Lots of different stuff! Here's what our current crop of graduates (and soon-to-be-graduates) has in mind:

Melinda Armstrong: Melinda's headed to law school in the Fall but she is currently entertaining ideas of going on a church missionary trip to Africa this summer.

Scott Baldree: Scott is not yet sure of his work plans. He says he's pretty flexible as long as he gets a job in which he can apply

his analytical skills. He'll be looking for something in the Dallas-Fort Worth area. Good luck, Scott!

Ariane Farnell: Ariane has accepted a position as a business analyst with an insurance company in North Richland Hills, Texas.

Jarrod Hinton: In June Jarrod will enter a Walgreens training program. Afterward, he will become a function manager at the Waxahachie distribution center. He says he's excited to get started in his job.

Patrick Jennings: Patrick will enter a doctoral program in economics at Vanderbilt University. Although he's remaining in school, he'll be getting paid to do so because Vanderbilt has offered him a scholarship!

Adam Kelfer: Adam graduates this summer and then heads to California. There he will begin work on a masters degree in economics at Claremont graduate school.

Kishan Nadarajah: While Kishan was earning his BA in Economics, he decided he might as well go ahead and pick up a BBA in Finance AND Accounting. What's he going to do with all this knowledge? This summer Kishaun will start working for KPMG in Fort Worth. He expects to combine all of his skills in helping out with their hedge fund operations.

Kabir Sawhney: Kabir plans to take a job as an Investment Banking Analyst at one of the Big Five investment banks: Morgan, Lehman Brothers, Citigroup, Merrill Lynch, or Goldman-Sachs. He's been quite busy this Spring interviewing and hopes to secure a position soon.

Bobby Tanev: This summer Bobby will intern with the New York investment banking firm Bear Stearns. He's hoping to get a full-time position with them after he graduates in December.

Jay Zeidman: Jay will relax this summer. Then he plans to move to Washington, D.C. where he is hoping to work in the Congressional Budget Office.

Dan Webb: Dan will move to Washington, D.C. and begin a graduate program in Third World Health Development at Georgetown University.

Michael Boldt: Michael enjoys economics and was, in fact, double majoring in philosophy and economics. Sadly, (for us econ professors) he has decided to go ahead and graduate this Spring in philosophy, even though he's 3 classes short of getting his economics degree. As a result, he'll get a minor in economics. Why is Michael in such a hurry to graduate? Because he's been accepted to Harvard Law School and starts in the Fall! Perhaps we can find it in our hearts to forgive him.

Tiger Woods: Tiger says he plans to continue winning the Masters golf tournament. We're all pulling for him! (Note: I've learned that Tiger Woods never actually attended TCU nor does he have a college degree. However, he *was* an economics major at Stanford University. Apparently, he would have earned his economics degree *if* he had not left Stanford to make millions of dollars playing golf. Now that's a guy who understands opportunity cost!

Econ Dept Alumni Scholarship Fund

We are delighted to announce that George Henderson, TCU Economics Class of 1969, is spearheading a drive to raise funds for a scholarship to be awarded annually to an economics major. If you would like to contribute then please contact Kathy Limmer at k.limmer@tcu.edu or (817)257-6187.

Many thanks to Mr. Henderson for his hard work and Horned Frog pride!

Earlier Editions of this Newsletter

Check out the complete set of TCU Economics Department Newsletters! We have all issues available at this web address:

<http://www.econ.tcu.edu/harvey/workppr/working.html>

At that site you can also take a gander at some of the current research interests of our faculty. Just look at the *Working Papers* section. At the least, you can use it to fight insomnia!

By the way, are you beginning to fall asleep yet reading our newsletter? If so, then this is a good time to close out this year's issue. Thanks for taking time to read our publication. See you next year! By the way, you don't have to wait until next year to learn more about what's happening at the TCU Economics department. Please feel free to call or visit us anytime you get the hankerin'. Until then, may the force be with you!

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The editorial staff wishes you well!