

ECONOMICS NEWS

Fall 2015



An artist's rendering of our new lakefront home.

Economics Moving to New Lakefront Building

The Department of Economics is moving! In 2010, the Kellogg School of Management announced plans for a new building designed to facilitate flexibility and collaboration. The building, which sits on the lakefront and is adjacent to the Allen Center, is expected to be finished in late 2016 with plans to move in winter quarter 2017.

The five-story building is one of the most ambitious and exciting facilities on Northwestern's campuses due to its commitment to being "green." Recycled and local materials are being used for construction and a unique building envelope design will reduce energy consumption by more than 45 percent compared to a typical building.

Economics will occupy the 3rd floor of the building with a dedicated classroom space on the first floor. We will have more space for graduate student, staff and visitor offices and will have common spaces that can be used formally and informally by the Economics community.

In addition to the increased space, we look forward to Lake Michigan and downtown Chicago views and the proximity to the Allen Center.

To view additional photos of the building, visit: <http://tinyurl.com/econbldg>

A brief timeline:

November 2010: The Kellogg School of Management announced the location of a new building located on the lakefront and just northeast of and adjacent to the Allen Center.

October 2011: Kuwabara Payne McKenna Blumberg (KPMB) Architects selected.

November 2013: Groundbreaking ceremony attended by President Schapiro and Weinberg College and Kellogg Deans.

December 2015: Furniture selection and building tours are underway.

Winter Quarter 2017: Move in date!

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Four Faculty Join Economics Department



Luigi Bocola

Assistant Professor Luigi Bocola is a macroeconomist who completed his Ph.D. at the University of Pennsylvania. During 2014-15, he was a postdoctoral fellow at the Federal Reserve Bank of Minneapolis. He is currently studying the effects of sovereign default risk on financial intermediation, and is developing tools for the empirical analysis of nonlinear macroeconomic models.



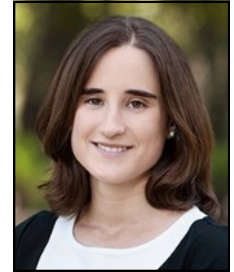
Sara Hernandez

Assistant Professor of Instruction Sara Hernandez recently completed her Ph.D. at the Massachusetts Institute of Technology. Sara specializes in development and labor economics and has studied the feminization of the labor force in developing countries. She teaches Introduction of Microeconomics, Labor Economics and the Economics of Gender.



Marti Mestieri

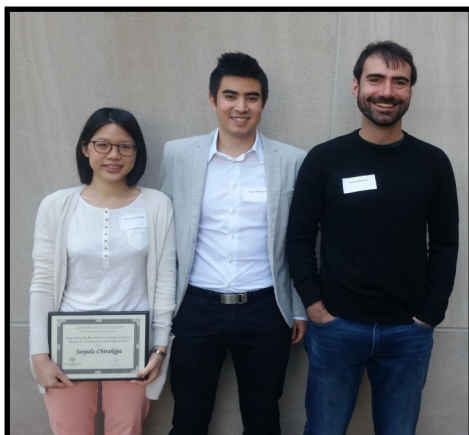
Assistant Professor Marti Mestieri joins the department from the University of Toulouse. He received his Ph.D. from the Massachusetts Institute of Technology in 2011. Marti's research focuses on international trade and economic growth. His research analyzes how technology adoption, human capital acquisition and different trade regimes affect economic growth and income inequality across and within countries.



Mar Reguant

Assistant Professor Mar Reguant received her Ph.D. from the Massachusetts Institute of Technology in 2011 and most recently served as Assistant Professor at Stanford University. Mar's research deals with the economics of energy, with an emphasis on electricity and the pollution associated with electricity generation.

2015 Bies Award and Eisner Fellowship Winners



Bies Winners Pom Chirakijja, Paul Mohnen & Enrico Berkes



Eisner Winners Daniel Fershtman, Mariano Irace & Titan Alon pose with Edith Eisner.

On Sunday, October 11, the department hosted a lunch at the Allen Center and presented the Susan Bies Awards and Robert Eisner Fellowships. The Bies Award is presented to 3rd year Ph.D. students with the top research papers related to analysis of economic policy. The Eisner Fellowship is awarded to graduate students who have distinguished themselves in both teaching and research. Congratulations to our winners!

Faculty Honors, Awards & Grants

David Austen-Smith was appointed to a five year Visiting Research Professorship ("Chaire d'Attractivité") in the IAST at the University of Toulouse, supported by an IDEX-University of Toulouse grant of around 650,000 euros.

Ivan Canay was awarded a new NSF grant for the project "Econometric Methods for Models with Clustered Data and Covariate-Adaptive Randomization". He gave an invited lecture at the 11th World Congress of the Econometric Society entitled "Practical and theoretical advances in inference for partially identified models." He continues to serve on the editorial board of the *Econometrics Journal*.

Eddie Dekel's NSF grant was renewed for this academic year. He started his term as first vice president of the Econometric society. He continued to serve as Associate Editor for *Theoretical Economics*.

Matthias Doepke continues to serve as coordinating editor of the *Review of Economic Dynamics*. He holds an NSF grant entitled "Inflation and Redistribution: Research on the Origins and Implications of Money as a Unit of Account." He continues as an associate editor of the *Journal of Economic Growth* and the *Journal of the European Economic Association*.

Robert J. Gordon was keynote speaker at the CEPREMAP Conference, European and American Labor Markets in Crisis, Paris, November 6, 2014. He also served as keynote speaker at the Bank of Canada and European Central Bank, Conference on the Underwhelming Global Post-Crisis Growth Performance, Ottawa, June 8, 2015. He continued to serve on the Economic Advisory Committees of the Bureau of Economic Analysis and the Chicago Fed.

Joel Horowitz was a member of the Scientific organizing committee for the International Workshop on Structured Nonparametric Modeling, Berlin, Germany, June 2015. He continues to be a member of the American Statistical Association's advisory committee to the Energy Information Administration. He was a member of the National Research Council's planning committee on Randomized Clinical Trials. He presented papers at the conference of the Bristol Econometrics Study Group in Bristol, U.K., and the World Congress of the Econometric Society in Montreal.

Seema Jayachandran continues to serve on the Board of Directors of the Abdul Latif Jameel Poverty Action Lab (J-PAL) and the Bureau for Research and Economic Analysis of Development (BREAD). She co-edits the *Journal of Human Resources* and is an associate editor at the *American Economic Review*, *Quarterly Journal of Economics*, and *Journal of Development Economics*.

Cynthia Kinnan was awarded grant from the International Growth Centre for "The Value of Health Insurance: A Field Experiment in India" with co-investigators Gabriella Conti, Kosuke Imai, Anup Malani and Alessandra Voena.

Joel Mokyr was awarded the Balzan prize for economic history by the Balzan Foundation. He was also elected president of the Atlantic Economics Association and will give his Presidential address in Lisbon in May 2016. He continues to serve as chair of the advisory committee of the Institutions, Organizations, and Growth of the Canadian Institute for Advanced Research.

Robert Porter served as First Vice-President of the Econometric Society in 2014, and is serving as President in 2015. He gave the Presidential Address at the World Congress of the Econometric Society in Montreal, Canada in August 2015. He serves on the Board of Directors for Economics Job Market.

Giorgio Primiceri has been appointed to the CEPR Euro Area Business Cycle Dating Committee. He continues to serve as an associate editor of *Econometrica*, the *Journal of Applied Econometrics*, and the *Journal of Monetary Economics*, and the *Journal of the European Economic Association*.

Mar Reguant was awarded a NSF CAREER grant for the project "Empirical Studies of Electricity Markets: The Impact of Renewable Energy" for the period 2015-2020. She continues as a Faculty Research Fellow in the Industrial Organization and Energy and Environmental Economics program of the National Bureau of Economic Research and was appointed to serve as an associate editor of the *Journal of Industrial Economics*.

Ian Savage was awarded the "Herbert O. Whitten Service Award" for his contributions to the national professional organization the Transportation Research Forum. He was also appointed to the Transportation Research Board's standing committee on highway/rail grade crossings.

Marciano Siniscalchi continues to serve as Co-Editor of the *Journal of Economic Theory* for game and decision theory. He also serves as Associate Editor of *Econometrica* and Foreign Editor of the *Review of Economic Studies*. In June 2015 he was invited to present his work on "Sequential Preferences and Sequential Rationality" at the Shanghai Microeconomics Workshop in Shanghai, China.

Alexander Torgovitsky was awarded the NSF grant "Partial Identification of State Dependence" for the period 2015-2018.

Burton Weisbrod accepted the invitation to present the keynote address at the national meetings of the Association for Research on Nonprofit Organizations and Voluntary Associations in November 2015. The invitation honors the 40th anniversary of the publication of Weisbrod's 1975 paper, "Toward a Theory of Nonprofit Organizations in a Three-Sector Economy." Weisbrod continues to serve on the IRS Statistics of Income Division's Users Advisory Committee, the Stanford University Center on Philanthropy and Civil Society Advisory Board, the International Advisory Board of the Taub Center for Social Policy Studies in Israel, the International Advisory Committee of the Association for the Study of the Grants Economy, and the International Scientific Committee of the Catholic University of Milan, Italy, Program in Nonprofit Organizations and Social Enterprises: Cultures, Policies, and Management. He also continues to direct the Northwestern University, Institute for Policy Research, Program on Performance Measurement. Weisbrod was an external reviewer for the *JPE* and the National Research Council.

Faculty in the News

Matthias Doepke's research on the economics of parenting was featured in the New York Times, Neue Zürcher Zeitung, Frankfurter Allgemeine, La Repubblica, and many other outlets. Also, his work on redistribution effects of inflation was cited in the New York Times, and a presentation of his paper "Distributional Effects of Monetary Policy" at the Brookings Institution was broadcast on CSPAN and subsequently subject of an interview on Bloomberg TV.

David Figlio, Jonathan Guryan, and Krzysztof Karbownik's research on the effects of neonatal health on cognitive outcomes was publicized widely in the news media, including as the cover story of the New York Times Sunday Review published on October 12, 2014. David Figlio and Morton Schapiro's research on the relative performance of tenure-line and contingent faculty was also discussed in many media outlets, including the New York Times, Wall Street Journal, and the Atlantic.

Seema Jayachandran's research on malnutrition in India was featured in several leading Indian newspapers such as *The Hindu* and *Indian Express* and her research on female entrepreneurship in India was featured in the Harvard Business Review online.

Joel Mokyr was repeatedly interviewed for NPR's *Planet Money*. His work was cited, among others in *The LA Times*, *The Atlantic*, *The Washington Post*, *Forbes*, *The Economist*, *USA Today*, *Exame Magazine* (Brazil).

Ian Savage was invited to testify before the National Transportation Safety Board in March 2015 regarding his research on trespassing fatalities on the railroads. His research on the comparative safety of different methods of transportation became a trending topic on social media in May 2015 following the high-speed derailment of an Amtrak train in Philadelphia. Finally, he contributed to the public policy magazine "Virginia Issues and Answers" that is circulated to public policy makers in the state on the safety of the transportation of Bakken-region crude oil by rail.

Burton Weisbrod was interviewed by reporters from the *Atlanta Constitution* (on assessing the economic impact of higher education in Georgia), the *Boston Globe* (on expansion of universities to other parts of the country), and *Bloomberg News* (on compensation of university investment officers in amounts seemingly unrelated to the earned ROI). His book, *Mission and Money: Understanding the University*, Cambridge University Press, 2008, co-authored with Jeffrey Ballou and Evelyn Asch, has been translated into Chinese, and was published by China's Academy Press in 2015. The book has also been translated into Turkish, and published in July 2015 by the Cambridge University Press.

Joel Mokyr Awarded Prestigious 2015 Balzan Prize



Mokyr accepting his Balzan Prize in Bern, Switzerland

Professor Joel Mokyr was awarded the 2015 International Balzan Prize for his groundbreaking work on the economic history of Europe and roots of technological change.

Mokyr, who has appointments in Northwestern's economics and history departments, was honored during an award ceremony in Bern, Switzerland on November 13.

"I feel a deep gratitude to two of Northwestern's finest research departments, who in their different ways are both wholly committed to scholarship and learning," said Mokyr about receiving the honor. "Without my outstanding colleagues and graduate students in economics and history, I would have never been able to do the work that is now being recognized."

Mokyr works on the economic history of Europe, specializing in the period 1750 to 1914. He is the author of "The Lever of Riches," "The Gifts of Athena," "The Enlightened Economy," and most recently "A Culture of Growth" -- all books that focus on changes in technology and economic growth.

He is concerned with understanding the economic and intellectual roots of technological progress and the growth of useful knowledge in European societies. His research also focuses on the impact that industrialization and economic progress have had on economic welfare.

Half of the prize money will be allocated for research purposes preferably involving young scholars and researchers.

Faculty Publications

Treb Allen (2015), "The Promise of Freedom: Fertility Decisions and the Escape from Slavery," *Review of Economics and Statistics*, 97 (2), 472-484.

Treb Allen (2014), "Information Frictions in Trade," *Econometrica*, 82(6), 2041-2083.

Louis Cain, Joseph Ferrie and Hoyt Bleakley (2015), "Amidst Poverty and Prejudice: Black and Irish Civil War Veterans" in Avner Grief, Lynne Kiesling, and John Nye (eds.), *Institutions, Innovation, and Industrialization: Essays in Economic History and Development*, Princeton: Princeton University Press.

F.A. Bugni, I. A. Canay and X. Shi (2015), "Specification Tests for Partially Identified Models Defined by Moment Inequalities," *Journal of Econometrics*, 185 (1), 259-282.

Elchanan Ben-Porath, Eddie Dekel and Barton Lipman (2014), "Optimal Allocation with Costly Verification," *American Economic Review*, 104 (12), 3779-3813.

Eddie Dekel and Michele Piccione (2014), "The Strategic Disadvantage of Voting Early," *American Economic Journals: Microeconomics*, 6 (4), 162-79.

Matthias Doepke, Moshe Hazan, and Yishay Maoz (2015), "The Baby Boom and World War II: A Macroeconomic Analysis," *Review of Economic Studies*, 82(3), 1031-1073.

Matthias Doepke (2015), "Gary Becker on the Quantity and Quality of Children," *Journal of Demographic Economics*, 81(1), 59-66.

David Figlio, Jonathan Guryan, Krzysztof Karbownik, and Jeffrey Roth (2014), "The Effects of Poor Neonatal Health on Children's Cognitive Development," *American Economic Review*, 104(12), 3921-55.

David Figlio and Cassandra M. D. Hart (2014), "Competitive Effects of Means-Tested School Vouchers," *American Economic Journal: Applied Economics*, 6(1), 133-56.

Robert J. Gordon (2015), "Secular Stagnation: A Supply-Side View," *American Economic Review Papers and Proceedings*, 105 (5), 54-59.

Robert J. Gordon (2015), "The Future of Economic Growth: Slowing to a Crawl," in Gary Saul Morson and Morton Schapiro (eds.), *The Fabulous Future? America and the World in 2040*, Northwestern University Press, 5-21.

Joel Horowitz (2015), "Semiparametric Models," in James D. Wright (ed), *International Encyclopedia of the Social and Behavioral Sciences*, Elsevier.

Joachim Freyberger and Joel Horowitz (2015), "Identification and Shape Restrictions in Nonparametric Instrumental Variables Estimation," *Journal of Econometrics*, 189, 41-53.

Ben Handel, Igal Hendel and Mike Whinston (2015), "Equilibria in Health Exchanges: Adverse Selection vs. Reclassification Risk," *Econometrica*, 83, 1261-1313.

Leemore Dafny, Igal Hendel and Nathan Wilson (2015), "Narrow Networks on the Health Insurance Exchanges: What Do They Look Like and How Do They Affect Pricing? A Case Study of Texas," *American Economic Review*, 105, 110-114.

Seema Jayachandran (2015), "The Roots of Gender Inequality in Developing Countries," *Annual Review of Economics*, 7, 63-88.

Seema Jayachandran (2015), "Does Economic Development Mean Less Discrimination Against Women," *Milken Institute Review*, 36-47.

Abhijit Banerjee, Esther Duflo, Rachel Glennerster and Cynthia Kinnan (2015), "The Miracle of Microfinance? Evidence from a Randomized Evaluation," *American Economic Journal: Applied Economics*, 7(1), 22-53.

Diego Comin and Marti Mestieri (2014), "Technology Diffusion: Measurement, Causes, and Consequences," in *Handbook of Economic Growth*, Elsevier.

Joel Mokyr (2015), "Intellectuals and the Rise of the Modern Economy," *Science*, 349 (6244), 141-42.

Joel Mokyr (2015), "Progress, Useful Knowledge and the Origins of the Industrial Revolution" in Avner Greif, Lynne Kiesling and John V. Nye (eds.), *Institutions, Innovation, and Industrialization*. Princeton: Princeton University Press.

Joel Mokyr, Chris Vickers and Nicolas L. Ziebarth (2015), "Technological Anxiety and the Future of Economic Growth: Is this time different?" *Journal of Economic Perspectives*, 29 (3), 31-50.

Joel Mokyr (2015), "Peer Vries's Great Divergence - a Review Essay." *The Low Countries Journal of Social and Economic History*, 93-104.

Joel Mokyr, *A Culture of Growth: Origins of the Modern Economy*. Princeton University Press, in press, forthcoming, 2016.

Joel Mokyr and Avner Greif, "Institutions and Economic History: A Critique of Professor McCloskey," *Journal of Institutional Economics*, forthcoming, 2016.

Domenico Giannone, Michele Lenza, and Giorgio Primiceri (2015), "Prior Selection for Vector Autoregressions," *Review of Economics and Statistics*, 97(2), 412-435.

Alejandro Justiniano, Giorgio Primiceri, and Andrea Tambalotti (2015), "Household Leveraging and Deleveraging," *Review of Economic Dynamics*, 18(2), 3-20.

Natalia Fabra and Mar Reguant (2014), "Pass-through of Emissions Costs in Electricity Markets," *American Economic Review*, 104(9), 2872-2899.

Mar Reguant (2014), "Complementary Bidding Mechanisms and Startup Costs in Electricity Markets," *Review of Economic Studies*, 81(4), 1708-1742.

Gary Saul Morson and Morton Schapiro, eds. (2015), *The Fabulous Future? America and the World in 2040*, Northwestern University Press.

David N. Figlio, Morton O. Schapiro and Kevin B. Soter (2015), "Are Tenure Track Professors Better Teachers?" *Review of Economics and Statistics*, 715-724.

Alexander Torgovitsky (2015), "Identification of Nonseparable Models Using Instruments with Small Support," *Econometrica*, 83 (3), 1185-1197.

**Contributors to the Department of
Economics from September 2014
to August 2015**

Yawer Ahmed Amin
Weifang An
John R. Applegate
Christopher J. Babel
Donald & Nancy Barry
Richard & Jane Bechtel
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Malinda S. Campbell
Robert & Margery Coen
Louis R. Compton
Michael J. Crosswell
George G. Daly
Lauren Drossner Blair
Robert & Mary Eisner Eccles
Augustin Kwasi & Helen Fosu
Kevin Harrison Gerner
Shawn & Julie Glanville
James & Corinne Glassman
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Jacqueline Hall
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Bruce D. Meyer
Perry & Paula Moody
Kirk Michael Moore
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Sebastian Douglas Otto-Meyer
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Joseph M. Perry
Dorothy Ann Petersen
Jonathan Powers

Paul O. Rehmet
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James & Bonnie Rock
Jim & Kathryn Roth
Steven D. Rubin
Ken Samuels
Gregory D. Schaffer
Zachary Kevin Schmidt
Joseph Henry Seeley
Mike Shi
Kenneth R. Smith
Mitchell Scott Soiefer
Atanas Velichkov Stoyanov
Katherine Esther Strair
Amit Swaroop
William Frederick Swee
Patrick & Renee Thacker
Lloyd B. Thomas
Quang H. Vuong
Robert B. Wallace
Jiahe Wei
Paula R. Worthington
Fan Zhang
Tian Zhu
Thomas J Zlatoper

Thank you for your contributions.

The continued interest and generosity of our alumni is a key element that helps us maintain and improve one of the premier graduate economics programs in the world. Your assistance plays a crucial role in helping our current crop of graduate students - your successors - achieve their full potential as researchers and teachers. We hope that you will help us preserve and extend the important tradition of which you are a part, and want to remind you that gifts specifically earmarked for the Economics department come directly to us, and will be used wholly for the benefit of our students, and to strengthen our program. Regardless of the amount, your gift will have a positive impact on Economics. We encourage you to make a gift online at <https://www.give-northwestern.org/donate>. To support us, please enter "Department of Economics" or "WCAS Eisner Econ Fund" in the My Designation field. You may also phone in a contribution at 800-222-5603.

Northwestern Team Takes Top Spot at Regional College Federal Reserve Challenge



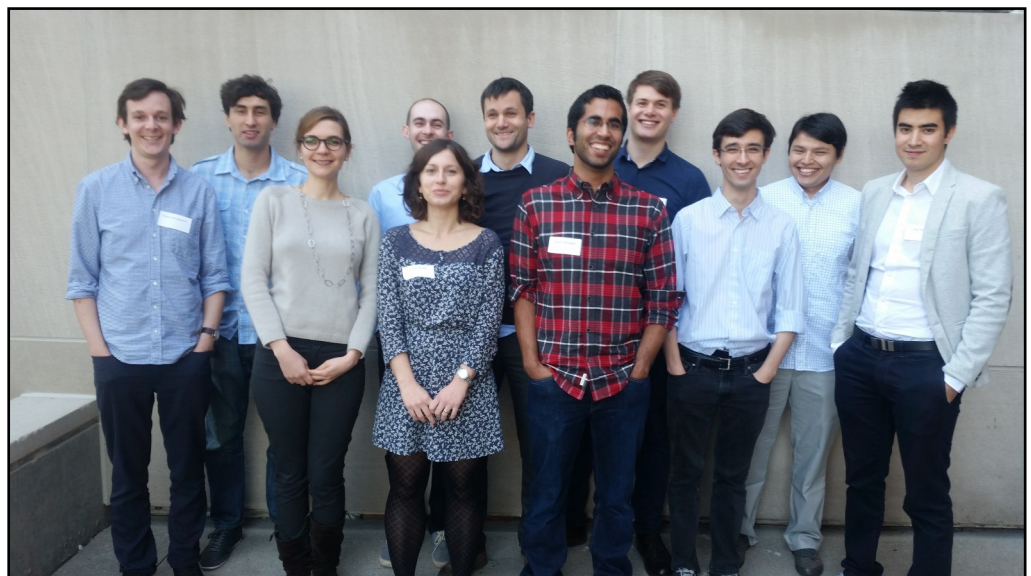
Evans, Herron, Wu, Oh, Angell, Chinchilla & Witte at the Federal Reserve Bank of Chicago

On November 18, Northwestern University won the Regional College Federal Reserve Challenge at the Federal Reserve Bank of Chicago over top schools from around the Midwest. The competition involved two rounds, where in each the team had to present a discussion about the state of the economy and propose Federal Reserve responses to it, and then respond to questions from a panel of Federal Reserve economists. The team traveled to Washington, D.C. on December 1 where they earned an Honorable Mention in the national tournament.

The team is coached and advised by **Mark Witte**, Professor of Instruction and Director of Undergraduate Studies. The student team is comprised of **Olyvia Chinchilla**, **Burkett Evans**, **Zachary Herron**, **Spencer Oh** and **Edwin Wu**. The team's presentation and data were prepared with the help of research assistants **Megan Angell**, **Pranav Dhingra**, **Jered Everson**, **Saloni Singhvi**, and **Jae Ho Yang**.

Distinguished Teaching Assistants Honored

The Department's Distinguished Teaching Assistant Awards for 2014-15 were presented in October. The winners are: **Titan Alon**, **Arjada Bardhi**, **Germán Bet**, **Luca Bittarello**, **Gideon Bornstein**, **Matias Escudero**, **Andreas Kropf**, **Chiara Maggi**, **Alexey Makarin**, **Paul Mohnen**, **Aniket Panjwani**, **Christopher Romeo**, **Felipe Shalders**, **Yi Sun**, **Max Tabord-Meehan** and **Nicholas Vreugdenhil**. These awards are given to the top third of our Teaching Assistants, based on student and faculty evaluations.



Back row: Bet, Tabord-Meehan, Kropf, Makarin, Escudero, Mohnen
Front row: Vreugdenhil, Maggi, Bardhi, Panjwani, Bittarello



Dear Alumni,

As fall quarter wraps up, we are reminded of how much activity happens in just 10 weeks! We welcomed 20 new graduate students and 4 new faculty members, hosted 46 seminars and helped prepare 17 graduate students for the job market.

We honored top graduate student teaching assistants and the Bies award and Eisner fellowship winners at our October reception at the Allen Center.

We also just recently learned that three of our faculty members were chosen for the Faculty Honor Roll award organized by the Associated Student Government. Congratulations to James Hornsten, Lee Lockwood and Eric Schulz. Students nominate professors that go above and beyond expectations, and the winners are selected from the nominations list as faculty members who are truly exceptional.

A faculty committee led by Bill Rogerson has dedicated a tremendous amount of time and effort in the planning of our new building. We are certainly excited to move to our new lakefront space in about a year's time. We hope you will visit us once we are settled in at our Economics new home.

A special note of gratitude to those of you who donated to Economics in the past year. Your contributions help us support initiatives that have an immediate impact on the educational experience of our students. Thank you!

Best regards,

Igal Hendel, Professor and Chair

Northwestern University Department of Economics

Stay in Touch

Do you have a new email address? Were you recently promoted or given an award? **Please keep us informed of news and events in your professional and personal life.** You can update your information on the Economics website by navigating to the Graduate > Alumni tab.

Save the Date!

The Department of Economics will host an alumni reception at the American Economics Association meeting in San Francisco. The reception will be held on Sunday, January 3 from 6-8 pm in the Yerba Buena Salon 13 at the Marriott Marquis.

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