



NEWSLETTER

Wellesley College Department of Economics

May 2003

Dear Alumnae, Graduating Seniors, Former Faculty, and Friends of Economics at Wellesley,

Welcome to the 2002-03 installment of the Economics Department Newsletter. This has been an eventful year for the department. We have celebrated some significant accomplishments, both of our faculty and our students, and we have welcomed several new faces to both faculty and staff.

First, I want to congratulate **Akila Weerapana** for winning the 2002 Pinanski Teaching Prize. (That's two years in a row for our department!) Akila's students, in their nomination letters, wrote glowingly of his dedication, passion, and role as a mentor. Most telling, however, was one student's summation of her feelings about him: "In short, Akila rocks!" Congratulations to Akila on having been honored in this way. Congratulations are also in order for two other members of the junior faculty. **Courtney Coile** gave birth to her first child, a son, Nathaniel, on May 1st and **Silvia Ardagna** will be getting married (in Italy, with several colleagues in attendance) this July 4th.

Our students have also been recognized for their accomplishments this year. Three of them, Andrea Bell, Amy Brown, and Zlata Hajro (all '03), presented their own research at academic conferences this spring. And we will set a new record this year with *seven* Wellesley graduates entering top-rated economics Ph.D. programs in the fall.

Evelyn Abeles '97, Emily Conover '98, Jaimie Lien '01, Shing-Yi Wang '01, Shweta Jain '03, Elaine Liu '03, and Ioana Petrescu '03 are all headed to graduate school at Johns Hopkins, Berkeley, UC – San Diego, Yale, Boston University, Princeton and Harvard! This brings our total number of students currently pursuing Ph.D.s in top-ranked programs to 18. Incredible!

This year has also been one in which we have welcomed a number of new faces to the department. Three (!) new tenure-track faculty members joined us last fall: **Eric Hilt** (Ph.D., Columbia), **Melissa Kearney** (Ph.D., M.I.T.), and **Patrick McEwan** (Ph.D., Stanford). They have quickly become integral to the life of the department and we are thrilled to have them here. We also welcomed a new administrative assistant, **Nancy Dussault**, who has been tremendous in the position. She and **Pat Sjostedt** are definitely the keys to the smooth functioning of this department.

Finally, we were able to host a number of excellent speakers this year. The Economics Student Association sponsored a lecture in the fall by **Cynthia Glassman**, Wellesley '67, a commissioner at the SEC. This spring we sponsored talks by two of our own faculty. **Brock Blomberg** returned briefly from his position at the Council of Economic Advisors to give us an introduction to the work done by that group; and **Marshall Goldman** introduced his colleagues and students to his newly

published book, *The Piratization of Russia*. Marshall and his wife, **Merle Goldman**, were also responsible for the highlight of the year, the annual Goldman Lecture at which we heard Princeton professor and *New York Times* columnist **Paul Krugman** explain "What Went Wrong."

I look forward to seeing some of you at the Economics Department reception during this year's Reunion Weekend; our reception is scheduled for 3 – 4 p.m. on Saturday, June 7. If you can't join us in person, please take a few minutes to check out the department website at www.wellesley.edu/Economics. In addition, you can send email to the department with news, comments, or questions at econmail@wellesley.edu.

Susan Skeath, Chair

The annual Wellesley College Breakfast at the American Economics Association meetings in Washington, January 4, 2003, was well attended, with alumnae, former faculty, and current faculty sharing news, opinions and gossip about Wellesley and the wider world. Next year's breakfast will be held on Sunday, January 4, 2004 in San Diego.

The Carolyn Shaw Bell Award was created in January 1998 as part of the 25th Anniversary celebration of the founding of CSWEP. Carolyn Shaw Bell, the Katharine Coman Chair Professor Emerita of Wellesley College, was the first Chair of CSWEP. The Carolyn Shaw Bell Award ("Bell Award") is given annually to an individual who has furthered the status of women in the economics profession, through example, achievements, increasing our understanding of how women can advance in the economics profession, or mentoring of others. The 2002 Bell Award winner, announced on January 3, 2003, is Margaret

de Vries, retired IMF economist and historian.

This year the Economics Department's Annual Senior Majors' Farewell and Awards Dinner was held on Tuesday, April 22, 2003 in McAfee Hall with 67 of our 92 majors in attendance. Award winners for 2003 were announced at the dinner.

2003 Economics Department Award Winners

The Peggy Howard Fellowship:
Emily Conover '98
Jaimie Lien '01

Natalie Bolton Faculty Prizes:
Best Thesis Presentation
Zlata Hajro '03
Best 300 - level paper:
Christina Antonopoulos '02
Lana Chau '03
Emily Hahn '03
Susie Min '03
Best 200 - level Paper:
Ann-Marie Conn '04
Margaret Prystowsky '04
Best Econometrics Paper:
Tabinda Khan '03
Ioana Petescu '03
Ayesha Sattar '03

Natalie Bolton Student Prize:
Victoria Nelson '03

Joseph Lambie Economic History Prize:
Chia-Hui (Shelley) Chien '03

Wall Street Journal Award:
Sharon Wong '03

Special Achievement Award:
Erica Bjornsson '03

Each year Wellesley elects a small number of graduating majors to Omicron Delta Epsilon (ODE), the International Economics Honor Society. The four students with the best academic records in economics are designated as chapter officers. This year's

electees were announced at the Senior Dinner.

2002-2003 Members of Omicron Delta Epsilon

Kate Vlachtchenko, President
Sara Graziano, Vice President
Tabinda Khan, Secretary
Sonya Lai, Treasurer
Andrea Bell
Lizabeth Bell
Lauren Blake
Amy Brown
Nina Cheung
Shelley Chien
Annie Chu
Linda DePoto
Jennifer Dilts
Katherine Gottshall
Emily Hahn
Zlata Hajro
Shweta Jain
Aishwarya Lakshmiratan
Jessica LeRoy
Karen Long
Ashley Maurier
Victoria Nelson
Maisie Ng
So-Hyung Park
Ioana Petrescu
Hana Rhee
Ayshea Sattar
Leah Solk
Albina Thakkar
Christina Thrall
Susan Tsai
Caroline West
Sharon Wong
Ilan Wong
Azeta Xhafka
Tina Yang
Seon Yun

**2002-2003 ECONOMICS DEPARTMENT
FACULTY AND THEIR ACTIVITIES**

Silvia Ardagna has had a fantastic third year at Wellesley. She enjoyed teaching

intermediate macroeconomics and international finance again this year and she had fun challenging herself and the students enrolled in the seminar course on economic growth and fiscal policy Silvia taught for the first time in the spring. On the research front, Silvia worked on a new paper "Regulation and Investment" with Alberto Alesina, Giuseppe Nicoletti, and Fabio Schiantarelli and traveled to France and Austria to present work on the effect of fiscal policy on the macroeconomy. Silvia is excited for her wedding in the summer and is looking forward to sharing this special moment with her friends and family. Next year, Silvia is going to be on her junior leave during which she will work on a new research project on the political economy of product and labor market reforms.

Brock Blomberg has been on leave this year, working for the White House at the *Council of Economic Advisors* in the capacity of senior economist for international finance.

Karl E. "Chip" Case has had a busy, productive year. His book, *Principles of Economics*, written with Ray Fair at Yale is going into 7th edition and is used at more than 450 colleges and universities. He just completed a survey of home buyers for a paper on price bubbles to be presented at the *Brookings Panel on Economic Activity* in September. In January, he presented a paper at the AEA meetings on wealth effects with Bob Shiller and John Quigley which was written up in the *Economist*. In May, he spent a week teaching tax policy in Taiwan, and in March he spent a week lecturing in Cuba. In addition to his teaching, Chip is a Visiting Scholar at the Federal Reserve Bank of Boston, he serves on the boards of directors of the Mortgage Guarantee Insurance Corporation (MGIC), Century Bank, and the Lincoln Institute of Land Policy. Chip's real estate research firm, Case Shiller Weiss Inc. was acquired by Fiserv last May, but he remains a Principal. Once again Chip spent a good deal of time on the road giving over 40 talks at other

schools, to real estate groups and to a number of Wellesley clubs. Chips daughter Kristen is teaching and attending graduate school in New York City, and his wife Susie retired as the Director of College Counseling at Milton Academy and started a private counseling practice.

Courtney Coile has had a busy and enjoyable third year in the department. She taught principles of microeconomics, econometrics, and a new (to her) advanced elective, public economics. She particularly enjoyed teaching the latter course because of her research and personal interests in public policy issues like taxes and Social Security. She organized the college-wide Social Science Seminar and several lectures sponsored by the department. Courtney is involved in various professional activities, including serving as the editor of the National Bureau of Economic Research's Bulletin on Aging and Health. On the research front, she submitted several papers on Social Security for publication in economic journals and began work on a new project exploring the effect of property taxes on the moving decisions of older households. She looks forward to working on this and other projects during her sabbatical leave next year, which will be postponed until Spring 2004, as she'll be on parental leave in the fall. Courtney and her husband look forward to the great adventure of parenthood!

Eric Hilt thinks he enjoyed his first year at Wellesley College, but it's been so busy and hectic he can't remember that much of it. He has a vague recollection of teaching Macro (102 and 202), and Finance Theory (323)—it's all a blur at this point—and his clearest memory of these classes is that his students were very clever and engaging, and made teaching fun and rewarding. Eric also seems to remember that he managed to get some research done over the year. He presented papers at several conferences, including the annual conference of the Economic History Association, where his dissertation was one of three finalists for the

Allan Nevins Prize. A summary of his dissertation is coming out in the *Journal of Economic History*, in connection with that prize. His dissertation has also been nominated for Columbia University's Bancroft Award. Eric is continuing his research on the history of corporations in the American economy, and financial contracts employed by early entrepreneurs. He is looking forward to a productive summer, but he's also hoping to get in some much-needed relaxation.

Dan Johnson completed the second half of his sabbatical at Harvard's Center for International Development in the fall semester, with a spring return to Wellesley. He took advantage of his leave to complete several papers on the economics of technological change — addressing the economic impact of recent changes in U.S. patent law, and examining industrial explanations for the geographic distribution of innovation. To continue his research in Brazil while remaining near his infant son, he obtained a grant to send a (very willing) recent alumna to Rio de Janeiro for several weeks in his place. In the spring he is teaching International Trade Theory, along with Macro Principles, and is working hard to complete a chapter on the role of intellectual property rights in agriculture for a forthcoming Handbook of Economics. He has had the blessing of too many conference invitations this spring, including one at the AEA meetings in D.C. and a trip to Acapulco where two students presented their work on joint research projects.

Joe Joyce continues to teach (and enjoy) Principles of Macroeconomics, Financial Markets and International Macroeconomics. He gave presentations at research conferences at the IMF, the NBER and Yale University as well as the Eastern Economics Association Conference. This June he will be a Visiting Scholar at the IMF. Recent papers will appear in the *Journal of International Money and Finance* and the *Journal of Development Studies*. He continues to direct the college's Social

Science Research Summer Program. At home, Caroline (9) and Alison (6) are now finally both enrolled at the same school, which makes mornings a bit less hectic.

Kyle Kauffman spent the fall semester in Cape Town, South Africa. There he was both conducting research and developing internships and study abroad opportunities for Wellesley students. On the research front, Kyle is writing a book on the economic history of South Africa during the Dutch colonial period. He gave a number of talks and lectures at several universities and conferences on his research. In addition, he also led the Wellesley College summer course to South Africa in which Wellesley and Smith College students took university classes and studied many different aspects of South African society. Upon his return to Wellesley in the spring semester, Kyle again taught QR 199 to a large crowd. Next year he is looking forward to developing a new African economic history course.

Melissa Schettini Kearney has thoroughly enjoyed her first year at Wellesley College! She has loved getting to know her new colleagues and has found getting to know students especially rewarding. She taught Intermediate Microeconomics and Economic Analysis of Social Policy. Teaching the class on social policy was especially fun for her — not only does the subject matter have particular appeal to Melissa, but the students were inquisitive and insightful and contributed a good deal to class discussions. On the research front, Melissa is continuing her work in the areas of welfare reform and the economics of gambling. Her paper “Do Incremental Welfare Benefits Affect Fertility Behavior? A Look at the Family Cap” has been accepted for publication in the *Journal of Human Resources*. Her paper “State Lotteries and Consumer Behavior”, which is currently under review at an academic journal, has been written up in a number of media sources, including the *Boston Herald* and the *Christian Science Monitor*. She presented this work in multiple venues

during the year, including the National Tax Association (NTA) annual conference, where she was awarded the NTA Outstanding Dissertation Prize, Honorable Mention. She is working on a new project related to state lotteries — “State Lotteries, Decisions under Uncertainty, and Addiction” — with co-author Jonathan Guryan. She is also working jointly with Larry Katz and David Autor on a project that investigates recent trends in U.S. income and consumption inequality. She is looking forward to moving her research along over the summer and getting ready for another exciting year of teaching!

Phil Levine was on leave in the fall, but taught in the spring semester. His leave was supported by a grant from the Mellon Foundation to continue his work on faculty housing in expensive real estate markets, which he had begun as chair of the College’s benefits committee. Beyond his work on that project, Phil had a productive year pursuing his own research. He has completed a manuscript on abortion policy, *Rational Choice? Abortion Policy and the Economics of Fertility*, which will be published in early 2004 by Princeton University Press. He and two co-authors also received an award from the National Institute of Child Health and Human Development that will support his sabbatical leaves in the fall of 2003 and the fall of 2004. That project will examine the impact of abortion legalization in the early 1970s on the adult outcomes of children born during that period. It will build on earlier work that he has conducted with the same co-authors which found that the living circumstances of children born during that period improved significantly in response to abortion legalization. Over the course of the year, Phil continued to run the Economic Research Seminar, where several students writing independent studies and honors theses were subject to his weekly harassment about mainly econometric issues. He also taught intermediate microeconomics in the spring semester to a group of eager students with a preference for

chocolate covered gummy bears. He continues to coach Little League and is looking forward to being able to eat again in a kitchen with running water after a major kitchen renovation.

David Lindauer is enjoying his year of sabbatical leave. He has been involved in a number of projects, including two with the World Bank. One, undertaken with Ann Velenchik, investigates growth, poverty and the labor market in Senegal. The other took David to one of the world's smallest countries, Dominica, a 350 square mile, 70 thousand-person nation in the Caribbean. Although small in size, Dominica has big economic problems including a double-digit budget deficit and severe recession. David's report, "Government Pay and Employment in Dominica: Is the Central Government 'Too Big'?", led to a number of policy recommendations which were implemented in January. David also published an essay on the state of development economics, "What's the Big Idea?: The Third Generation of Policies for Economic Growth," co-authored with Lant Pritchett in *Economia* (Fall 2002). David, along with Kyle Kauffman, is looking forward to completing their co-edited volume, a collection of papers presented at the AIDS and South Africa conference held last year at Wellesley. Palgrave-Macmillan will publish the book next winter.

Patrick McEwan truly enjoyed his first year at Wellesley College. Besides running many laps around Lake Waban, he taught courses on microeconomics, the economics of education, and Latin American development. This kept him busy, but he still managed to squeeze in some research. He presented new papers at the Harvard Latin American Studies seminar and the meetings of the American Education Finance Association. His third book, *Making Sense of Research*, was published in March and is being adopted as a textbook in many schools of education. This summer he will wrap up research on the impact of education reforms in Bolivia and Chile. He

will also start new work on the impact of single-sex education in middle schools. If there's any time left, he might even read a novel or two!

Julie Matthaei returned to Wellesley this spring semester, after having been on leave in the fall of 2002. Just before classes started, Julie was able to attend the World Social Forum (www.portoalegre2003.org/) in Porto Alegre, Brazil, which was truly awesome and inspiring (and included a speech by Lula, Brazil's current President). Julie presented a paper there on "Religious Life After Capitalism," as part of a program of sessions entitled "Life After Capitalism" (www.zmag.org/lacsite.htm). Then she returned to teach Feminist Economics, an upper-level seminar, which she had considerably revised. Students saw a movie "Who's Counting" on the significance and invisibility of women's traditional work, interviewed feminist economists about their definitions of feminist economics, had dinner at Cornerstone Co-Housing (www.cornerstonecohousing.org) with some of its founders, and talked with Barbara Brandt, Boston-area organizer of "Take Back Your Time Day" (www.timeday.org). Students in the computer science department worked with Julie and her students to create a course "Feminist Economics" website, which should soon be up and running (look for it!). Next year Julie will be restructuring her 101 and 243 classes, particularly the latter, which is now "Political Economy of Race, Class, and Gender," and will focus on positive progressive movements for economic transformation. Julie was happy to learn about the recent formation of the Radical Student Union at Wellesley, to which she spoke about economics in April. Julie continues to work on her book about individual, economic, and social transformation with Barbara Brandt, now entitled *The Integrative Matrix*.

Susan Skeath (van Mulbregt) has survived yet another year as Chair of the department. This year she managed to finish two papers

on antidumping with her co-author Tom Prusa at Rutgers and to start some preliminary work on a project investigating bidder behavior in real estate auctions. She taught Industrial Organization and Games of Strategy again this year but is looking forward to returning to Intermediate Micro in the fall. She is also slowly coming to terms with the facts that she will soon be celebrating her 10th wedding anniversary and her 40th birthday, and that her children are now 8 (Emily) and 6 (Pierce).

Corri Taylor enjoyed her fifth year teaching in the Economics Department and her second year directing the College's Quantitative Reasoning Program. Corri taught introductory microeconomics in both the fall and spring terms for the Economics Department. For the QR Program, she taught the "basic skills" QR course in the fall and has worked with professors in other disciplines to help create four new "QR overlay courses" to be offered next year. In her own new QR overlay course, Statistical Analysis of Education Issues, students will develop statistical skills as they examine topics such as the effects of school tracking, the importance of school and family resources in educational achievement, and the economic returns to education. Last summer, Corri was a leader in redesigning the College's summer bridge program and taught in this new credit-bearing program called "Pathways." In this intensive, two-week summer program, a select group of incoming first-year students learned how to use the Internet as a research tool and were guided in integrating critical analysis, quantitative reasoning, and writing as they researched "The Digital Divide." Corri is looking forward to teaching Pathways students again in the summer of 2003. Corri was also quite busy this year with her service on a number of college-wide committees, most notably the Student Life Advisory Committee. Working closely with the Dean of Students, student leaders, and members of the Student Life Division gave Corri a greater appreciation for all the individuals and programs that help students

outside of the classroom so that they can succeed in our classrooms.

Ann Velenchik is enjoying her combination of part-time teaching and part-time staying at home with her kids (Nathaniel is almost 6 and Rebecca is 2). This year she taught a particularly stimulating group of students in her Economic Development seminar. They were even able, for the first time ever, to convince her to grant the whole class an extension on an assignment! She is writing a chapter for a new volume on the use of active learning techniques in the Economics classroom (thanks to all of you who were guinea pigs for those experiments!), starting joint work with David Lindauer on the economic issues confronting very small economies, and continuing her return to the study of migration, the topic of her long-ago doctoral dissertation.

Akila Weerapana has been on leave this year. He has spent most of the year working on his research in Philadelphia, taking advantage of the (rare) opportunity to live in the same city as his significant other. Akila has been working on several research projects: inflation targeting in developing countries, trade frictions and exchange rate fluctuations, lending biases of the IMF and the impact of AIDS on exchange rate fluctuations in South Africa. Although Akila was disappointed to find that a year on leave passes much faster than a year at Wellesley, he is looking forward to returning to his colleagues and students. With three new colleagues in the department and three classes of 'new' students awaiting him, Akila expects that next year will be like starting work at Wellesley again for the first time. He hopes it will be just as enjoyable.

Ann Dryden Witte added new material on criminal justice systems around the world to her law and economics course. Students evaluate both the efficiency and equity of a criminal justice system of their choice. As a group, they discuss and compare their countries' systems and draw conclusions regarding overarching themes and

differences across nations in what is criminal and how the criminal justice system operates. In the econometrics course, Ann introduced new material on how to use panel data to control for "unobservables." Ann has continued her work on social welfare policy and childcare under US Department of Health and Human Services grants. This year Ann and her colleagues presented a paper on the impact of expanding eligibility for child care subsidies and increasing provider reimbursement rates on welfare use, earnings and child care subsidy use at a number of national conferences. Perhaps the most important finding of this paper is that these policy changes increased the probability that low-income, single parents would work and leave cash assistance. The paper is available under "What's New" on the projects web site: www.wellesley.edu/Economics/partner.

Working with researchers at Abt Associates, Manpower Development Research Corporation (MDRC) and the National Center for Children in Poverty, Columbia University, Ann has been developing a set of random assignment experiments designed to improve US early care and education policy. At this point, the project has two experimental sites and will expand to four sites. In Illinois, the project will estimate the impact of expanding eligibility for childcare subsidies. In Florida, the project will look at the impact of different language curriculums on school readiness. Ann continues to swim and do Tai Chi. During the fall, she audited an Asian music course and has become a great fan of the Erhu and Kayagum. She recommends Byungki Hwang's Spring Snow CD. She continues to explore modern chamber music and to read modern fiction. Her favorite readings this year were Ian McEwan's Atonement and Cormac McCarthy's Border Trilogy.

FACULTY EMERITI

Marshall I. Goldman Although Marshall taught his last class in the spring 2002, he worked with a senior this year as she wrote

an independent study paper comparing consumption in the USSR and post Soviet Russia. Most of his time however was spent on completing his book "The Piratization of Russia" and then promoting it. That included speaking to about 5 or 6 Wellesley College Clubs in just the spring semester. This not only helps the book but it is a good way to see former students. This spring also included attendance at a conference in Turin, Italy organized by Mikhael Gorbachev and also preliminary work on his next project "*Success and Failure in Investing in Russia: What are the Secrets?*"

ALUMNAE NEWS

1947:

Roberta S. Greenwood is an archaeologist still working as president of Greenwood and Assoc.; a corporation dedicated to all aspects of cultural consulting.

1955:

Virginia Dean Abernethy is professor emeritus at the Vanderbilt University School of Medicine.

1959:

Marnie Wagstaff Mueller has recently been appointed to two corporate boards: Boston Mutual Life Insurance Co., and CIGNA Mutual Fund Board.

1961:

Lynn Kraemer Goldfarb continues to run her own consulting firm. She does most of her work in the utility industry and with a resurgence of interest in energy efficiency she has been very busy.

1967:

Cynthia Aaron Glassman was appointed by President Bush to be a Commissioner at the Securities and Exchange Commission.

1981:

Sherry Edwards is a Senior Economist in the Monetary and Reserve Analysis Section in the Division of Monetary Affairs at the Federal Reserve Board.

1982:

Leslie E. Papke is a Professor of Economics at Michigan State University.

Pamm McNeil Farley is co-President of the Wellesley on Long Island Club and working at a law firm in NYC.

1983:

Lynn Blais is a Professor and Associate Dean at the University of Texas Law School.

1984:

Anne Kalin is living in Krakow Poland. She obtained her MBA from Wharton in '91. She owns two VC funded companies: LYNKA Promotional Products and Avalon Sportswear.

1995:

Elena Ranguelova completed her Ph.D. in Economics at Harvard and is at Lehman Brothers in New York City.

1996:

Stephanie Leong and her husband had a daughter, Victoria, on April 24th, 2003.

1996:

Mei Hu and **Su Lin Ong** are at Harvard Business School.

1997

Erika Camacho has just completed her Ph.D. in Applied Math at Cornell University. Next year, Erika will be in a postdoctoral position in Los Alamos working with Carlos Castillo-Chavez.

1999:

Lesley Bunim is at Oaktree Capital Management, LLC in New York City.

2000:

Cynthia Yang is a Senior Specialist at Merrill Lynch Investment Managers in Institutional Sales. She is also a Chartered Financial Analyst Level II candidate.

2001:

Laura Hochla has been awarded a Fulbright Fellowship for her research on the economics of education in Spain for next year.

Laura (Klein) Kaplan is working in Miami for Citibank Latin America running the Latin American Regional Bank and covering the subsidiaries of our Global Relationship banking clients in the Region.

Milena Mereva joined **Kat Jew** '92, **Stephanie Leong** '96, **Maryna Marynchenko** '00, **Abby Emison** '02, and **Jin Min Chung** '02 at Analysis Group/Economics.

Olga Shurchkov is finishing her first year in graduate school in Economics at M.I.T.

2002:

Anna Johnson is at Solomon Brothers, Smith Barney in New York City.

Ding Wu is finishing her first year in graduate school in Economics at M.I.T.