News

Graduate Studies Committee

The Graduate Studies Committee met on Wednesday March 3. Student representatives on the committee are Mike Abito (year 2), David Ovadia (year 2), and Mary Zaki (year 4). Many topics were discussed. Of immediate concern, the student representatives are going to solicit opinions about carrel assignment priorities and other space issues and report back by the end of Spring Quarter (see the related item in the Formal Announcements section).

Summer Funding

This summer will be the third year that The Graduate School (TGS) will be providing summer funding for second through fourth year students. (Funding for the summer at the end of the first year will continue to be based on the student’s admission offer letter.)

TGS has set us a budget constraint of 48 summer fellowships. We have a total of 65 students in years 2 through 4. TGS assumes that a proportion of eligible students will obtain summer Research Assistantship, or will decline the fellowship to obtain work away from Evanston. In the past two years sufficient students have obtained other funding that we were (just) within our budget constraint.

If insufficient people obtain RAships, then we will have to ration our allocated fellowship slots among eligible students, beginning with fourth year students who have indicated that they will be on the job market. Consequently, you can obtain certainty in your summer funding by seeking out RAships. The best way to go about obtaining such a job is to advertise! Prepare a one-page resume introducing yourself to faculty, emphasizing the useful skills (computer experience, etc.) you have. Be sure to include faculty in the KSM departments of MEDS, Finance, and Management and Strategy in your search. Kellogg faculty are often long in research funding and short on students to spend it upon.

To be eligible to apply for a Summer University Fellowship, you must (a) have been eligible for departmental funding for the current academic year, and (b) intend to register next fall quarter. The fellowships limit you to a maximum of 120 hours of paid work inside or outside of NU between June 15 and September 15, and you cannot take more than three weeks of “vacation” or non-research time away from campus (but, it is permissible to be absent from campus to conduct research).

The application form for summer funding can downloaded from our web site, and should be submitted between May 1 and May 15. You will receive an e-mail on May 1 to remind you.

New Faculty

Guido Lorenzoni will join the Department as an Associate Professor in September. He is a macroeconomist, and joins us from the Massachusetts Institute of Technology.

Cynthia Kinnan will also be joining us as an Assistant Professor. She is completing her dissertation at MIT. Her research interests are in development economics. The hiring process for Assistant Professors is still continuing, so there may be additional good news to come.

Visitors

We have two visitors in the final weeks of the Winter Quarter. PhD alumn Philip
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Haile of Yale University will be visiting with the Center for the Study of Industrial Organization for the week of March 8, and theorist Moritz Meyer-ter-Vehn from the University of California, Los Angeles will be here for the week of March 15.

In the Spring Quarter, CSIO welcomes Ariel Pakes of Harvard University for the week of April 12, and Gautam Gowrisankaran from the University of Arizona for the weeks of May 31 and June 7. The Center for Economic Theory has a number of visitors: John Quah from Oxford University will be here from April 19-28, Philipp Kircher also of Oxford University will be here from in the week of May 3, and Bruno Jullien of the Toulouse School of Economics will be here in the week of May 10. The Center for International Economics and Development hosts Salvatore Nistico from the University of Rome for the week of April 19. Sebastain Buhai from Aarhus University will be here as a post-doctoral researcher in labor economics for two years starting in mid April.

Finally, Ernst Fehr of the University of Zurich will be here to present the Spring Department Wide seminars on May 3 and 4 (see listing in the “Events” section).

Placement Report

Professor Aviv Nevo, Director of Graduate Placement, reports that the downturn in the economy has impacted the market for new PhDs. Several academic departments and private employers were off the market and even those that were hiring limited the number of offers. Moreover many institutions were making offers sequentially rather than making multiple offers at the same time.

Fortunately, almost all of our students have at least one offer and most have several very good options. Because of the slow rate at which the market was moving many of our students have yet to make their decisions. However, some students have already decided: Muhammad Faress Bhuiyan -Carleton College Pamela Giustinelli - Survey Research Center, University of Michigan Renato Gomes - Université de Toulouse Paul Grieco - Pennsylvania State University Benjamine Handel - University of California, Berkeley Michel Janna-Gandur - Goldman Sachs, New York City Ryan McDevitt - University of Rochester, Business School Ralf Meisenzahl - Federal Reserve Bank Board of Governors, Washington DC Manuel Mueller-Frank - University of Oxford (post-doc) and the two of the Kellogg students on the economics market have accepted positions: Pablo Montagnes - University of Chicago Harris School Mallesh Pai - University of Pennsylvania Students who intend to be on the job market next year, or are just curious about what it entails, are encouraged to attend an orientation on Wednesday May 19 (see in the “Events” section below).

TA Duties in Other Departments

The Department has a policy that any other Departments who desires to hire an Economics student as a Teaching Assistant must discuss this with us first.

This is partly to ensure that only students who are making appropriate progress in their studies are funded, and partly because the Department must ensure that our own faculty and classes receive first priority.

Recently, we received some good news that WCAS will provide us with more TAships to support our growing undergraduate enrollments. This means that we should be able to fund all eligible students as TAs within the Department and the MMSS Program.

The Department wants to make it very clear that it is inappropriate for graduate students to conduct private arrangements to TA for faculty in other departments. If you are approached in this way, direct the faculty member to contact our Associate Chair.

Honors

Congratulations to Jeffrey Ely on his election as a Fellow of the Econometric Society, and to Giorgio Primiceri on being named an Alfred P. Sloan Foundation Research Fellow.

Events

Open Day

The annual Open Day for prospective PhD students will be held on Friday, April 2. Graduate students who would like to assist in welcoming prospective students should contract Mercedes Thomas, or Professor Igal Hendel, the Director of Graduate Admissions. The day will culminate in a reception to which all the graduate students and faculty are invited. The reception will start about 5:30pm and will be held at the John Evans Alumni Center which is at the corner of Clark Street and Sheridan Road.

Bies Lecture

This will be the third year of the annual Susan Bies (PhD, 1972) departmental lecture on economic policy. The lecture will alternate between macro and micro-oriented lectures.

This years speaker will be Jean-Claude Trichet, the President of the European Central Bank. The lecture will be on Tuesday April 27, at 5:00pm in Leverone Auditorium. The lecture will be followed by a reception.

Department Wide Seminar

The next distinguished visitor in our Department-wide seminar series is Professor Ernst Fehr of the University of Zurich. He will be visiting and giving two talks on Monday and Tuesday May 3 and 4. Both talks will be at 3:30pm in AAH 3245. He has worked in many fields including behavioral economics and neuroeconomics.
Second & Third Year Orientation

Professor Elie Tamer, the Director of Graduate Studies, will be holding mandatory meetings for the second and third year students on Wednesday, May 5. He will cover important deadlines, degree requirements, and funding availability. He will also answer your questions. The meetings will be held in Andersen 3245.

Second year students should attend from 5pm to 5:30pm, and third year students from 5:30pm to 6pm.

Job Market Orientation

Students who are thinking about going on the market next year should attend an introductory meeting scheduled for 5:00pm on Wednesday, May 19 in Andersen 3245. Professor Aviv Nevo, the Director of Graduate Placement, will provide an orientation for those considering going on the market in the fall. However, any student in the third year and beyond who is curious about the job market process is welcome.

Schwartz Lecture

The annual lecture series organized by the Kellogg School of Management to honor the late Nancy Schwartz will be at 5:45pm on Wednesday, May 26 in the Tribune Auditorium of the James L. Allen Center (a reception starting at 5pm precedes the lecture). This year’s lecturer is Alvin Roth of Harvard University. Professor Roth’s work is in game theory, market design and experimental economics.

Field Course Meeting

An orientation session for students entering their second year will be held on Monday, September 20 from 1pm to 4pm in Andersen 3245. The session will discuss the 501 requirement, funding criteria, and include presentations on each of the field course sequences that you can take in both the Economics Department and KSM. Prospective second year students who also expect to be Teaching Assistants will need to return to Evanston the previous week for mandatory training (see “Formal Announcements” section).

Teaching

Next Year’s Course Schedule

We are still working on the teaching schedule for next year. The schedule of courses will be posted on our website at the start of Spring Quarter.

This Quarter’s Course Descriptions

The Department has a policy to avoid excessive awarding of incomplete grades. Please see our web site for a complete statement. Report any problems to the Director of Graduate Studies.

Economics 412-2
Economic Theory and Methods
Professor Ely
TTh 1:30-3:30
AAH 3204

The course will survey recent research in behavioral economics. Topics will include: non-standard time preference, memory constraints, other-regarding preferences, self-control problems, and others. Some emphasis will be placed on evolutionary foundations. Readings will be decided on and distributed in class. Students will be required to make one in-class presentation and to write a paper.

Economics 414-3
Economics of Information
Professor Pavan
MW 1:30-3:30
AAH 3204

The course has two parts. The first part covers advanced topics in the theory of mechanism design: dynamic envelope theorems, ratcheting, renegotiation-proofness, type-dependent participation constraints, and competing principals. The second part examines models of coordination under incomplete information with special focus on global games: dynamic coordination, regime change, equilibrium selection, higher order uncertainty, beauty contests, social value of information and coordination.

Evaluation will be based on a final take-home exam.

Economics 416-2
Advanced Macroeconomics
Professor Matsuyama
TTh 11-1
AAH 3245

This is the second quarter course in the two quarter graduate advanced macroeconomics sequence. However, it can be taken independently of the first course taught by Professor Wiederholt. The emphasis of this course will be on economic growth and development. The topics include endogenous technical change (models of innovation, R&D and technology diffusion), structural change, financial frictions, inequality and growth, North-South trade, and international capital flows.

Readings are, in addition to the required text, Daron Acemoglu, Introduction to Modern Economic Growth (Princeton University Press, 2008) selected journal articles and recent working papers. Evaluation is based on attendance, class participation, plus class presentation (if the class is too large to allow each student to give class presentation).

Economics 420-1
American Economic History
Professor Ferrie
MW 5-7
AAH 3204

This course was rescheduled from last Fall Quarter. The time and location may change based on student availability. The course (1) acquaints students with research on long-term factors in the development of the American economy that are overlooked in the contemporary focus of other courses; and (2) familiarizes students with the methods and materials of economic history. Topics include the growth and spread of labor and capital markets, technological
change, long-run macroeconomic developments, the evolution of health and living standards, and the changing role of government. The emphasis will be on students’ participation in discussions and their demonstration of the mastery of the tools of economic history in evaluating the materials presented in class and in completing a significant piece of original research using primary materials.

Evaluation will be based on participation in discussions (20%), four short (6-8 page) papers (40%), and a final paper (40%). There is no textbook for the course. A CD-ROM containing all of the readings will be available on the first day of class.

Economics 440-3
Economics of the Labor Market
Professor Mortensen
MW 9-11 AAH 3204

The goal of the course is to integrate the theory and empirical literatures on wage dispersion and unemployment determination and to use the results to study the effects of labor market policies on both. Models of labor turnover, job flows, unemployment duration and incidence, job creation and destruction, and cross firm productivity dispersion are developed and studied. The empirical focal points of interest are high unemployment in Europe, wage dispersion in the US, and the restructuring process in both. These topics are all studied within the context of a general search and matching labor market equilibrium framework. Empirical content will emphasize studies based on worker unemployment and job duration data and matched worker-employer panel data.

The course is designed for students of labor and macroeconomics. Students of macroeconomics who did not take 440-1 and 2 can register with the permission of the instructor. The course requires a knowledge of dynamic optimization techniques and stochastic process theory at the level of Stokey and Lucas *Recursive Methods in Economic Dynamics* (Harvard University Press, 1989).


Economics 450-3
Industrial Organization and Prices
Professors Hendel and Whinston
MW 9-11 AAH 3245

The first part of the course will cover papers in several areas: 1) empirics of contracts, and 2) estimation of dynamic IO models. The former will cover empirical attempts at testing contract theories, including hidden information as well as incentive models. The latter covers dynamic estimation methods and their application to IO.

The second part of the course will cover issues related to antitrust (e.g., merger policy and vertical contracting issues), and depending upon time, may also cover issues related to intellectual property, network effects, and/or strategic precommitment.

Economics 481-3
Econometrics
Professor Tamer
TTh 9-11 AAH 3204

This course will focus mainly on inferential questions in various micro-econometric models of current interest. It will start with a review of semiparametric methods and models that are widely used. Then, it will focus on recent developments in the identification of treatment effects models, nonparametric instrumental regressions models, various nonlinear panel data model, and models of discrete games.

Evaluation will be based on a set of homework problems and an oral presentation. A reading list with links to the papers used will be provided the first day of class.

Economics 482-3
Economic History
Professors Hendel and Whinston
TTh 9-11 AAH 3204

This course will focus mainly on axiomatic theories of individual decision making under risk and uncertainty. The topics include 1) utility and preference, 2) classic theories of decision making under risk and uncertainty, 3) model of ambiguity, 4) intertemporal choice theory, and 5) models of unforeseen contingencies/preference for/against flexibility.

Evaluation will be by problem sets, class presentation, and participation in class discussion. The required text is David Kreps *Notes on the Theory of Choice* (Westview Press, 1988).
This course is an introduction to the modern tools of political economy and positive political theory. The first half of the class will discuss the theory of preferences aggregation (Arrow impossibility theorem and its variants), voting models (median and representative voter theorems, McKelvey’s Chaos theorem, binary agendas and their solution sets, etc...) and their economic application (redistribution, public good provision, distributive politics). The second part will study election models under various assumptions about the policy space (dimensionality), the preferences of candidates (policy/office motivated), the information structure (aggregate uncertainty, asymmetric information) and the commitment power of candidates (pre versus post election politics).

Evaluation will be by a mid-term examination, a take-home problem set and an open book, in-class final examination. The text book is Austen-Smith and Banks *Political Competition: Theory and Applications* (Harvard University Press, 2006) is a good complement for the second part of the course.

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**MECS 468-2**
 Selected Topics in Economic Theory  
Professor Sandroni  
W 2-5  
LEV 561

*The time and location may change based on student availability.* Students will be presented with research ideas and are expected to develop them during the course. The objective here is to give some first-hand experience on original research and so facilitate the transition from student to researcher. The course will rely heavily on student presentations of papers that are potentially useful for the development of new projects. The research themes and projects will be decided according to the interests of the class. The initial proposed projects (just ideas that should be modified to fit students’ interest) are on cheap talk and evidence, reputation, non-Bayesian updating and networks, rational inattention, decisions with medical conditions, option pricing and the testing experts literature, psychology and economics, strategic voting and power structures, experimental work and economics, ethics and economics theory, law and economics.

**MECS 468-2**
 Selected Topics in Economic Theory  
Professor Sandroni  
W 2-5  
LEV 561

*The time and location may change based on student availability.* Students will be presented with research ideas and are expected to develop them during the course. The objective here is to give some first-hand experience on original research and so facilitate the transition from student to researcher. The course will rely heavily on student presentations of papers that are potentially useful for the development of new projects. The research themes and projects will be decided according to the interests of the class. The initial proposed projects (just ideas that should be modified to fit students’ interest) are on cheap talk and evidence, reputation, non-Bayesian updating and networks, rational inattention, decisions with medical conditions, option pricing and the testing experts literature, psychology and economics, strategic voting and power structures, experimental work and economics, ethics and economics theory, law and economics.

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implications of aggregate investment opportunities; dynamics of firm financing and financial constraints; capital reallocation and restructuring; and the measurement and valuation of organization capital.

Evaluation will be based on a research proposal, referee report, and (if time permits) a presentation.

Economics 501 Seminar

Third Year Students

The seminar will meet on Mondays and Wednesdays during the Spring Quarter at 11am in the Lecture Room (Andersen 3245). There will be one presentation and the seminar will last for fifty minutes including the question-and-answer period. Full practical details for the seminar are posted on our web site.

The schedule for the Spring Quarter was distributed in last September’s newsletter. Pareto-improving exchanges are permissible, but should be coordinated with Professor Pavan.

Second Year Students

Second year students should start to work on their first 501 paper which must be submitted for faculty approval by July 31. This paper will then be presented in the Fall. The second paper will be presented next Spring.

The presentation order for 501 papers has always been determined by a random number generator, and is conducted independently for the Fall and Spring. Here is the order for next year. The actual assignment to people to dates and times will be announced in the September Graduate Connection:

Fall Quarter
Chicu, Mark
Onishi, Ken
Espin, Jose
Marsh, Ryan
de Oliveira, Henrique
Szydłowski, Arkadiusz
Michelozzi, Lorenzo
Miller, David
Peivandi, Ahmad
Ogawa, Scott
Johannsen, Benjamin

Spring Quarter
Miller, David
Teixeira Ferreira, Thiago
Ogawa, Scott
Szydłowski, Arkadiusz
Roy, Agnieszka
de Oliveira, Henrique
Michelozzi, Lorenzo
Abito, Mike
Eisenhuth, Roland
Ogawa, Scott
Marsh, Ryan
Lund, Christian
Onishi, Ken
Pires, Tiago
Maalouf, Charles
Freyberger, Hans
Gunden, Matt
Chicu, Mark
Johannsen, Benjamin
Masten, Matthew
Peivandi, Ahmad

Second year students may wish to attend some of this spring’s seminars in order to get some idea of expectations for 501 papers.

2010-11 Quarter Dates
Fall: Tues Sept 21 - Fri Dec 10
Winter: Mon Jan 3 - Fri March 18
Spring: Mon March 28 - Fri June 10

Formal Announcements

Funding Guidelines

The Department has formal rules for the allocation of funding for students in years two through six. This document is posted on our web site. Please read this document as the Department strictly enforces these funding criteria.

The cut off date for meeting the requirements for funding is July 31. In summary, funding requirements are:

Second Year: Passed two or more prelims at the June sitting and have passed the TSE test. (Details on rules for those who pass zero or one prelim in June are posted on the web site.)

Third Year: Completed all prelims, and submitted an approved 501 paper.

Fourth Year: Dissertation prospectus (includes completing course work and two 501 papers)

Fifth and Sixth Year: Committee chair certifies that you will be on the job market. (Funding is a combination of University Fellowships and TAships.)

Preliminary Examinations

The Department has rules on the number of times that students are allowed to take prelim examinations, and the conditions for such retaking. These affect whether some second and third year students will be allowed to continue in the program. The rules are posted on our web site. Please make sure that you are familiar with them.

One important implication is that each time the examinations are offered counts as an “attempt” irrespective of whether you attend. All first year students should make sure they are available to attend the September sitting, should that be necessary.

Dates for future prelim examinations have been set. The ordering of the three examinations will rotate each year. For the coming summer, the dates are:

Spring 2010 Sitting
Wed June 16 Microeconomics
Wed June 23 Macroeconomics
Wed June 30 Econometrics
All examinations will be held 1PM - 4PM.

Fall 2010 Sitting
Tues Aug 31 Microeconomics
Wed Sept 1 Macroeconomics
Thur Sept 2 Econometrics
All examinations will be held 1PM - 4PM. Note: examinations are before Labor Day.

**Dissertation Prospectus**

Third year students should have been thinking about preparing for their dissertation prospectus, which marks the end of the taught course part of their studies, and the formation of a dissertation committee. Please familiarize yourself with the administrative procedures for the thesis prospectus, which are posted on our web page in the section on goals for second and third year students.

**TA Periods in Residence**

Each quarter that you are a TA, you are expected to be in Evanston on weekdays from the first day of classes until the Monday after examinations end (which is the day that grades are filed). Absences during this period require permission of the instructor. In the past people have left early and arrived back late, in some cases without informing the instructor. The Department will not tolerate this. You must arrange your vacation airline flights so as to be able to fulfill your duties. Failure to do so will be grounds for rescinding your TAship. For the remainder of this year the dates for which you must be in attendance are:

- **Winter**: until Mon March 22
- **Spring**: Mon March 29 - Mon June 14

**Attention Next Year’s TAs**

If you expect to be a TA next fall you need to be aware of the following arrangements:

**TA Preference Forms** The forms that allow TAs to indicate their preferences for classes will be placed in your mailbox in the main office about September 8. They will also be available on-line for anyone who is away from Evanston. Completed forms have to be returned by September 15. Unfortunately, the allocation can only be announced late on Friday, September 17 because we do not know enrollment in 201 and 202 until enrollment closes that afternoon. Classes start the following Tuesday.

**New TA Training** The University runs a full-day training session for new TAs. It will be held on Tuesday, September 14 from 9:00am to 5:30pm, which is during the week before classes start. The Department regards your attendance as mandatory. If you believe that you will be serving as a TA for the first time next year, please arrange your schedules so that you are available in Evanston on that date.

**Next Holiday Season** All TAs will have to be in Evanston until Monday lunchtime on December 13 to complete grading duties. If you are making holiday travel arrangements, please ensure that you remain in Evanston until this date. In addition you will need to be back in Evanston by Sunday night, January 2 for the start of winter classes.

**Office Allocations**

The Department has a severe shortage of carrel space. We have carrel accommodations for 58 graduate students, yet this year there were 94 funding-eligible students in years two through six seeking accommodations. Therefore, some rationing and sharing has been necessary. The Department has asked for additional carrel space in the design of the new Kellogg building. However, that will be many years away. Last fall we approached The Graduate School to request additional space in the former Seabury-Western complex. However, it would appear that the University’s intentions for that site are oriented toward undergraduates.

At the Graduate Studies Committee meeting on March 3, the student representatives agreed to consult with other students on what might be done, and a priorities ranking for allocating space. They will report back by the end of Spring Quarter.

Based on these new priorities, the space allocation for next year will be announced about Labor Day, and people move in and out between then and the start of classes.

If you are leaving us this summer, please return your keys to the Graduate Secretary when you depart, and leave us a forwarding address.

**Graduate School Deadlines**

- **April 2** for submitting the Application for a Degree to permit you to participate in the June Commencement ceremony and receive your diploma.
- **May 7** for submission of completed dissertation and all supporting materials to the Graduate School to receive a Ph.D. degree in June.
- **May 14** for submitting Master’s Candidate Certification for students expecting a Master’s degree in June.

**Commencement Arrangements**

Commencement will be held on Friday evening June 18 at Ryan Field. Late in April students expecting to graduate in June will receive information regarding ordering academic costume and information about Commencement, including ticket information.

The Graduate School also organizes a “hooding ceremony” at lunchtime on that Friday in Cahn Auditorium, where your PhD advisor will present you with your degree. If you are expecting to graduate this June, now is the time to ensure that your advisor is available and willing to attend. If he or she is unavailable then you should ask for one of your other committee members to substitute.

**Funding Opportunities**

**Funding Web Page**

The web page listing non-departmental sources of funding has been updated. You can connect to it from the page giving information for current graduate students. There is also information on how to obtain funds for research expenses and attending conferences. The maximum one-time research grant is $3,000, and there is funding for one conference a year that covers up to a maximum of $700. Full details of the application procedures and
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links to application forms are on the funding web page.

Notes

Personal Copy Accounts

Graduate students can obtain a personal account on our copy machines. You will be billed at the end of each month at 6¢ a copy. To obtain an account please send an e-mail to the Associate Chair <ipsavage@northwestern.edu> with your name and a 5-digit number to be used as your personal access code (the number must not start with a 0).

Next Graduate Connection

Volume 16, number 1 will be published after Labor Day in the week of Sept. 6.