



NORTHWESTERN UNIVERSITY
Department of Economics

Annual Update for Alums

from William P. Rogerson
Chair

November 21, 1996

This is the fourth annual Update for the Department of Economics. A big change this year (for me at least) is that we have a new chairman-- me. Bob Gordon has stepped down after four years at the helm, and we are all grateful for the energy and enthusiasm he has devoted to managing the department's affairs. Bob led our migration to temporary quarters in downtown Evanston and back again, successfully fought off repeated attempts by other universities to "raid" our faculty, and presided over a period when the stature of our department and its graduate program continued to increase.

We started the year off with our annual reception for graduate students, faculty, and their families held in the Atrium connecting Andersen and Leverone halls. As usual we presented Distinguished Teaching Assistant awards to the top third of last year's teaching assistants. This year's winners were Cory Capps, Dev Handa, James Hornsten, Dan Levy, Matthew Magura, Mark Manuszak, Elie Tamer, and Thomas Yu. Each awardee received a plaque and a one-year subscription to Econometrica. More importantly, the awards give our best teachers formal recognition of their talents that we hope will help them on the job market.

There are some changes underway in the graduate program. We have extended funding through TA-ships into the fourth year of the program. It is now the case that students entering candidacy by the beginning of their fourth year will receive funding in their fourth year. This gives students a better incentive to form their committee and begin their thesis research, and also guarantees that they will have time in their fourth year to conduct their research. We hope to eventually extend funding into the fifth year, in recognition of the fact that most students now take five years to earn a Ph.D. We have also begun a weekly seminar devoted solely to graduate student presentations. All second and third year graduate students are expected to attend, and each student is expected to present at least two papers in the seminar over the two-year period that he or she attends. John Panzar and Ian Savage supervise the seminar and attend every week. Other relevant faculty attend depending upon the topic. Students and faculty all think that this seminar will help people to get focussed on doing their own research more quickly.

Another exciting new development is the establishment of the Northwestern University/University of Chicago Joint Center for Poverty Research. This center was created through a \$7.5 million award from the Department of Health and Human Services to establish a national center for basic research on issues relating to poverty and the effect of policies on low-income families. Becky Blank is the director of the center.

We are currently in the midst of a very exciting program of senior recruiting. The department has voted offers to Anne Case (Princeton), Angus Deaton (Princeton), David Levine (UCLA), Ariel Pakes (Yale), and Mike Whinston (Harvard). We will also be recruiting aggressively in the junior market. If we succeed in attracting these people, our next problem will be finding someplace to put them. I'm looking forward to having to deal with this anticipated space crisis. The idea currently being floated around is to build a sixth floor onto Andersen! Wait for next year's update to see how everything plays out.

We are all very sad that our graduate secretary, Delilah Gray, has left us because she is moving to Tennessee. For those of you who predate Delilah, Delilah has become everyone's second mother and best friend since arriving here five years ago and we will all miss her terribly. We had a lovely good-bye party for her in mid-November right before she left and a lot of tears were shed. The graduate students gave her every possible type of Northwestern memorabilia imaginable (and many that weren't imaginable, at least to me, e.g., NU pasta) and also gave her some United Airline gift certificates so she can come back and visit us.

We've been a fecund lot this year. Becky Blank, Chris Taber, Alberto Trejos, and Chris Udry all have new additions to their families. Steve Matthews and Becky Stein are (jointly) expecting a baby soon in the new year.

Faculty Comings and Goings

We welcome Jeff Ely to the department as a new assistant professor. Jeff's research is in industrial organization and microeconomic theory. He conducted his doctoral research at UC Berkeley.

We also have two visitors from the University of Chicago. It is a well-recognized empirical regularity in the economics profession that all of Lars Hansen's best students eventually end up at Northwestern. This year Lars has decided to join them. He will be visiting for the year. Nemmers prize winner Tom Sargent will be here in the spring. The Nemmers prize of \$100,000 was established in 1994 by a gift to the university by Erwin Plein Nemmers and is given every other year to an outstanding economist who has not yet won the Nobel Prize. It is intended as an award of high prestige and visibility to economists of the highest rank who are in the age cohort midway between the Clark Medal and the Nobel Prize. Tom Sargent is the second winner of the prize. The first winner was Peter Diamond from MIT.

Our best wishes go to Phill Swagel and Judy Hellerstein as they move to Washington, D.C., and to James Montgomery and his family as they start a new life in London. Kyle Bagwell has departed for Columbia University, and we also say goodbye to Ennio Stacchetti as he returns to the University of Michigan.

The prize for most adventurous faculty member goes this year to Chris Udry who is taking his entire family (including his newborn baby daughter, Sophia) with him to Ghana for the year, where he is conducting research.

Appointments, Honors, Awards and Grants

REBECCA M. BLANK was appointed the Director of the newly established Northwestern University/University of Chicago Joint Center for Poverty Research. This center was created through a \$7.5 million award from the Department of Health and Human Services to establish a national center for basic research on issues relating to poverty and the effect of policies on low-income families. Blank was also appointed to the Technical Advisory Committee of the Urban's Institute's Fiscal Federalism Project, which will be studying the impact of welfare reform in a selected set of communities. She has also become a member of the Technical Review Committee for the National Longitudinal Survey of Youth.

RON BRAEUTIGAM has been chosen as the President-Elect of EARIE, the European Association for Research in Industrial Economics. He will assume office for a two-year term at the annual meetings next September at the University of Leuven, Belgium. Ron has also been elected to the 1996 Faculty Honor Roll of the Associated Student Government.

LARRY CHRISTIANO has been awarded a three year NSF grant for the period 1997-2000 and has been appointed to the NSF Economics Panel.

PAUL DEVEREUX, a graduate student in our department, has been awarded an Alfred P. Sloan dissertation fellowship for 1996/97.

BOB EISNER continues to out-publish everyone else on the faculty. He has recently been awarded an honorary doctorate by the Universite Pierre Mendes France of Grenoble.

JEFF ELY was one of seven of this year's Ph.D.'s to be selected for the Review of Economic Studies Tour, a two week seminar tour of four cities in Europe.

HILARIE LIEB was one of three faculty members at Northwestern to be made an honorary member of the Golden Key National Honor Society this year.

LESLIE MARX, a graduate alum now at the University of Rochester, represented the United States in fencing at the Atlanta Olympic Games. She was featured in a story in Time magazine on July 22.

KIMINORI MATSUYAMA was awarded the 1996 Nakahara Prize by the Japanese Association of Economic Theory and Econometrics.

BRUCE MEYER was promoted to Professor of Economics at Northwestern and was awarded the Household International Research Professorship for a two year term beginning January 1, 1997. He was also elected as a new member of the National Academy of Social Insurance and has joined the editorial board of The Canadian Journal of Economics.

JOEL MOKYR was elected as a Fellow of the American Academy of Arts and Sciences. Joel has also been elected to the Associated Student Government Honor Roll for 1995/96. He was invited to present the John Hicks lecture at Oxford University in May 1996 and the Samuel Schrage Memorial Lecture in the History of Science and Technology at the University of Illinois in October 1996, and was the Chief Lecturer at the International Summer Institute in Economic History held at Terme Montecatini, Italy, in June 1996.

DALE T. MORTENSEN continues as President of the Society for Economic Dynamics and Control, which has just shortened its name to the Society for Economic Dynamics. He also continues his duties as the Director of Mathematical Methods in The Social Science Program here at Northwestern. His current project entitled "Recursive Competitive Search Equilibrium: Labor Market Applications" was funded for a second year by the National Science Foundation in July.

ROB PORTER was appointed as Foreign Editor of the Review of Economic Studies.

STAN REITER was elected as a Fellow of the American Academy of Arts and Sciences.

BILL ROGERSON became co-editor of Defence and Peace Economics and joined the editorial board of the Review of Accounting Studies.

IAN SAVAGE was awarded a grant by the federal Department of Transportation to conduct a cost-benefit analysis of transit subsidies. He was also elected to be a council member of Transportation Research Forum for the period 1996-8, and a member of their strategic planning sub-committee.

ALAN M. TAYLOR was awarded a travel grant by the National Science Foundation, Division of Social Behavioral and Economic Research, for a period of three years to support his research on "Argentina and the Great Depression: A New Economic History," with Gerardo Della Paolera of the Universidad Torcuato Di Tella in Buenos Aires. He was appointed to the Board of Directors of EH.NET, an internet group in economic history.

GAUTHAM TRIPATHI, a graduate student in our department, has been awarded an Alfred P. Sloan dissertation fellowship for 1996/97.

BURTON A. WEISBROD was asked to chair a committee for the Robert Wood Johnson Foundation, evaluating their Scholars in Health Policy Research program. Pursuant to this task, he conducted interviews with Scholars and faculty at Yale, the University of Michigan, and the University of California at Berkeley.

MARK WITTE has been elected to the Associated Student Government Honor Roll for 1995/96.