



NORTHWESTERN UNIVERSITY  
Department of Economics

*Annual Alumni Update*

from William P. Rogerson  
Chair

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This is the fifth annual *Update* for the Department of Economics. The department is continuing to grow and improve. Our intense recruiting efforts of last year were rewarded handsomely. At the senior level, we succeeded in attracting Chuck Manski, from the University of Wisconsin, and Mike Winston from Harvard University. Chuck's main field of research is econometrics and Mike conducts research on industrial organization and microeconomic theory. Both are extraordinarily distinguished scholars with exciting research programs and their presence has already been felt around the department. Both are offering graduate courses this fall that are being attended by very large numbers of our graduate students and even some of our faculty. (I am told that faculty members attending Chuck's course have been forced to sit on the floor because there are only enough chairs for the graduate students.) We also hired two new assistant professors, Paula Ramada and Gadi Barlevy. Paula earned her PhD at MIT and works on microeconomic theory; Gadi earned his PhD at Harvard and works on labor economics and macroeconomics. We expect to make a number of equally exciting hires this year as well.

Where will we put all these people? . . . In our new addition, of course! The central administration has decided to build an addition onto Andersen Hall which will provide us with an extra 3,000 square feet in addition to the 13,500 square feet we have at the moment. We are at the early stages of planning the configuration of the addition. The economics department addition will be part of a larger addition that we will share with the Kellogg school. Construction could begin as early as next fall. Among other things, the extra space will provide us with offices for our new faculty, a larger and better-configured seminar room, more graduate student office space, and more space for graduate student computing facilities. Stay tuned for new developments in next year's *Update*.

We started the year off with our annual reception for graduate students, faculty, and their families held in the Louis Room in the Norris University Center. As usual we presented Distinguished Teaching Assistant awards to the top third of last year's teaching assistants. This year's winners were Matthew Magura, Elie Tamer, Cory Capps, Mark Manuszak, Michelle Zaharchuk, Una Okonkwo, Charles Moul, and Jean-Pierre Dubé. Each awardee received a certificate 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.

The graduate student seminar that was implemented last year has proven to be a tremendous success and has become a permanent part of our program. All second- and third-year graduate students are expected to attend, and each student must present two papers in the seminar over the two-year period that he or she attends. The seminar formalizes the long-standing requirement that students write two major-field papers. John Panzar and Ron Braeutigam are supervising the seminar and attend every week. Other relevant faculty attend depending upon the topic. Students and faculty all think that this seminar has helped students to get focussed on doing their own research more quickly.

We have a new Dean of the College of Arts and Sciences this year, Eric Sundquist. He has major plans to improve the quality of the College. We are looking forward to working with him. I have enclosed an article from the *Northwestern Observer* which describes Dean Sundquist's background.

While our scholarly productivity has remained extraordinarily high, our fecundity has dipped a little bit. There were two new children born to our faculty this year (as opposed to last year's four); Daniel Stein Matthews to Steve Matthews and Becky Stein and Jacob Coleman Meyer to Bruce Meyer and Paula Worthington. Rosa Matzkin is expecting a baby early this winter.

### **Faculty Comings and Goings**

As I have already mentioned, we welcome Paula Ramada and Gadi Barlevy as new assistant professors and Chuck Manski and Mike Whinston as new full professors. Chris Udry returned to the department after a year on sabbatical in Africa.

We also have a number of visitors. Rick Flyer from NYU, and Ahmad Seifi from Iran will continue with us until the end of the fall quarter. The wife and husband team of Agar Brugliavini and Guglielmo Weber from, respectively, the Universities of Venice and Padua in Italy, will be with us for the entire academic year. Agar specializes in pensions and taxation, while Guglielmo works on consumer and household behavior. We welcome back former graduate student and award-winning teacher Eric Schulz on a sabbatical from his appointment at Williams College to teach our undergraduates. Anne Hanley, a postdoctoral fellow in the history department, and David Weir, professor at the University of Chicago, will be teaching economic history courses for us this year.

Our best wishes go to Steve Matthews, Becky Stein and their young family on their move to a new life in Philadelphia. Wolfgang Pesendorfer has also departed for Princeton University.

Becky Blank has been nominated by President Clinton to the Council of Economic Advisors. She has already left for Washington and will be gone for two years. Alberto Trejos has taken leave to spend a year in his native Costa Rica.

### **Appointments, Honors, Awards and Grants**

JOSEPH ALTONJI has assumed the acting directorship of the Institute for Policy Research for the 1997-98 academic year.

REBECCA M. BLANK and Joseph Altonji were jointly awarded a grant from the Russell Sage Foundation to produce a paper summarizing the role of race and gender in the labor markets for the forthcoming *Handbook in Labor Economics*. Last spring she was nominated as President-Elect of the Midwest Economics Association, and she was reappointed to a second term on the Board of Editors of the *American Economic Review*.

RON BRAEUTIGAM is President of EARIE, the European Association for Research in Industrial Economics, for a two-year term beginning this September. Ron has also received two awards for teaching. He has been appointed Charles Deering McCormick Professor of Teaching Excellence. There are ten such endowed chairs university-wide, held on a rotating basis for a three-year term. His term will be from 1997-2000. With this award, he was also appointed Fellow of the Searle Center for Teaching Excellence. In addition, Ron was elected to the Associated Student Government Faculty Honor Roll for 1997.

LARRY CHRISTIANO has been awarded a three-year NSF grant for the period 1997-2000 and has been appointed to the NSF Economics Panel. He continues to serve as the associate editor for *Macroeconomic Dynamics*, *Journal of Economic Dynamics and Control*, *Review of Economic Dynamics*, and the *Journal of Business and Economic Statistics*.

EDDIE DEKEL was appointed as an associate editor of *Econometrica*, and continues to serve as associate editor of the *Journal of Economic Theory* and *Games and Economic Behavior*. His NSF award for "Endogenous Experimentation Rates, Dynamics in Non-Partition Models, and Competition in Herd\Cascade Models" was renewed.

IAN DOMOWITZ has been appointed to the Editorial Advisory Board of the *International Finance*. He was selected to testify in front of the Senate Committee on the U.S. Judiciary and in hearings of the national Bankruptcy Review Commission, on the topic of consumer bankruptcy. He served as program chair for sessions on Financial Economics at the Econometric Society Winter Meetings.

JOE FERRIE was promoted to the rank of associate professor with tenure in our department. He was awarded a supplement to his NSF research grant entitled "Immigrant and Native Mobility in Historical Perspective: Economic Progress in the U.S., 1840-1990." His book entitled *Yankees Now: Immigrants in the Antebellum U.S., 1840-60* has been published by

Oxford University Press and he has been appointed to the editorial board of the *Journal of Economic History*.

ROBERT GORDON was elected as a Fellow of the American Academy of Arts and Sciences.

KEVIN HASKER, a graduate student in our department, has been awarded an Alfred P. Sloan dissertation fellowship for 1997/98.

ROSA MATZKIN has been reappointed for another three-year term as associate editor of the *Journal of Econometrics*.

JOEL MOKYR spent part of the spring of 1977 as a visiting Professor of Economics at the University of Tel Aviv and part of the summer as a scholar-in-residence at the Institute for Economic Performance in the Long Run at Washington University in St. Louis. He was appointed as a member of the Advisory Committee, Economic Growth and Policy Program of the Canadian Institute for Advanced Research. He continues to serve as the senior editor of the *Journal of Economic History* and is editor-in-chief of the *Oxford Encyclopedia of Economic History* and of the Princeton University Press series entitled the *Economic History of the Western World*.

DALE T. MORTENSEN continues as President of the Society for Economic Dynamics. He also continues his duties as the Director of Mathematical Methods in The Social Science Program here at Northwestern.

NICOLA PERSICO, a graduate of our PhD program last year and now an assistant professor at Penn, was a participant in the 1997 *Review of Economic Studies* European tour by new PhDs.

ROB PORTER was elected as a Fellow of the American Academy of Arts and Sciences and was elected to the Council of the Econometric Society. He received an NSF grant for "Empirical Studies of Bidding and Entry." He continues to serve as Foreign Editor of the *Review of Economic Studies* and editor of the *Rand Journal of Economics*.

BILL ROGERSON continues to serve as coeditor of *Defence and Peace Economics* and on the editorial board of the *Review of Accounting Studies*.

IAN SAVAGE has been awarded a grant by the federal Department of Transportation to study the economics of transportation safety regulation.

JAMIE SCHUPP, an economics honors undergraduate, received the prize for the best undergraduate paper at the 1996 Transportation Research Forum. Jamie's research was supervised by Ian Savage.

ALAN M. TAYLOR is on leave from Northwestern for the current academic year, having been appointed a 1997-98 National Fellow at the Hoover Institution, Stanford University. He has received the sixth annual award of the Sanwa Monograph on International Economics and Financial Markets jointly with Maurice Obstfeld of Berkeley. Their book, *Global Capital Markets: Growth and Integration*, will be published in the series Japan-U.S. Center Sanwa Monographs on International Financial Markets and is under contract with Cambridge University Press.

BURTON A. WEISBROD, who had previously been elected a Fellow of the American Association for the Advancement of Science (AAAS), was elected to the Governing Council of its Social Sciences Section. He was also made a Visiting Scholar of the Phi Beta Kappa Society for the academic year 1998-99, during which time he will visit and give talks at a number of colleges around the country. Weisbrod was also given the Lifetime Distinguished Service Award by the Association for Research on Nonprofit Organizations and Voluntary Associations (ARNOVA) for his research on the nonprofit sector. The manuscript for his book *To Profit or Not to Profit: The Commercial Transformation of the Nonprofit Sector*, has been accepted for publication by Cambridge University Press. Aided by grants from the Andrew Mellon Foundation, he organized the overall project, commissioned papers for it, worked with authors to integrate the papers around a single theoretic core, and authored or coauthored 8 of the 16 chapters in the book. He continues to serve on the editorial boards of *Public Finance Quarterly*, *Quarterly Review of Economics and Business*, *Nonprofit and Voluntary Sector Quarterly*, *Voluntas*, and the *Journal of Clinical Outcomes Management*.

# Distinguished UCLA scholar will become dean of College in July

Eric J. Sundquist, professor of English and chair of the department at the University of California, Los Angeles, has been named dean of the College of Arts and Sciences at Northwestern University, according to an announcement by University President Henry S. Bienen.

Sundquist will also hold a professorship in the department of English and a joint appointment in the department of African American Studies. The appointments will become effective July, 1997.

Sundquist, 44, will succeed Neena B. Schwartz, who will relinquish her responsibilities as acting Dean to return to teaching and research at the College of Arts and Sciences.

"Eric Sundquist is internationally recognized as one of the leading scholars of American literature," Bienen said. "He brings to the deanship substantial leadership in all facets of academic life."

Sundquist earlier this year received the UCLA College of Letters and Science Faculty Award, which recognizes extraordinary achievement in teaching, research and service to the university.

"His colleagues at UCLA are unanimous in their praise of Sundquist's service to the university," said Northwestern Provost Lawrence B. Dumas. "We are delighted that he will bring his considerable talents

to Northwestern."

Sundquist's most recent book, "To Wake the Nations: Race in the Making of American Literature" (Harvard University Press, 1993), received both the James Russell Lowell Prize by the Modern Language Association, awarded for the best book published during the year, and the Christian Gauss Award by Phi Beta Kappa, awarded for the best book in the humanities.

He serves as general editor of the Cambridge University Press Studies in American Literature and Culture and as a member of the executive council of the Modern Language Association and the National Council of the American Studies Association.

He is the author or co-author of five books and the editor of seven books, including "Oxford W.E.B. Du Bois Reader" (Oxford University Press, 1996). A prolific writer he also is the author of two dozen articles, including his latest, "Red, White, Black and Blue: The Color of American Modernism," which recently appeared in *Transition*.

Sundquist joined the faculty of UCLA in 1989 and was named chair of the department of English in 1994. He served as director of the UCLA American Studies Program and during 1992-93 he held the Gertrude Conaway Professorship of English at Vanderbilt

University. Earlier Sundquist taught at the University of California, Berkeley, where he rose from assistant professor to full professor in six years. Before that he taught at Johns Hopkins University for two years.

He received a bachelor's degree from the University of Kansas in 1974, where he was elected Phi Beta Kappa, and his master's and Ph.D. from Johns Hopkins University in 1976 and 1978, respectively.