

**NORTHWESTERN UNIVERSITY**  
**Department of Economics**

**Chair's Annual Update**

Date: November, 2004

To: Graduate Alumni and Alumnae

From: Robert Porter, Chair

I am writing to provide you with an update about the state of the department, and to thank you for your continued support and interest. I have succeeded Marty Eichenbaum as Department Chair. As will be apparent from this update, Marty accomplished a lot in his last year.

As you are no doubt aware, the past year was financially challenging for many universities. Northwestern was no exception. The University nevertheless made unprecedented commitments to improve the quality of our department. I hope that you are pleased by the support that the University has given us. In return, the department asks for your support to help make us an even more exciting place to study economics and do research. Your insights on how we can accomplish this goal will be deeply appreciated.

Last year witnessed an unprecedented success in faculty recruiting, with nine new people joining us this September. We have hired four tenured professors. **Jeffrey Ely** has returned to the department after a year at Boston University. Jeff is a theorist who previously spent seven years in the department. **Igal Hendel** previously taught at Princeton and, most recently, the University of Wisconsin in Madison. Igal specializes in industrial organization. **Aviv Nevo** is also interested in industrial organization. Aviv joins us from the University of California at Berkeley. Some of you may remember that Aviv visited the department in the 2000-01 academic year. **Elie Tamer** is an econometrician and a 1999 graduate of our PhD program. Elie had been teaching at Princeton University.

We also hired three assistant professors. **Francisco (Paco) Buera** recently received his PhD from the University of Chicago. His interests include macroeconomics and international and development economics. **Giorgio Primaceri** obtained his PhD from Princeton. His research spans issues in macroeconomics and time series econometrics. **Andrew Sweeting** is a graduate of MIT. He works on issues industrial organization.

Finally, we hired two people with outstanding teaching qualifications as members of our lecturer faculty. **Hassan Arvin-Rad** is an econometrician with teaching experience at Florida International University and Wayne State. He received his PhD from the University of Pennsylvania. **Lillian Kamal** recently received her PhD from West Virginia University. She is interested in macroeconomics, international and development economics.

This year, we will also have an impressive set of visitors. The Nemmers prize in economics will be awarded to **Ariel Rubinstein** of Tel Aviv University, and Ariel will visit the department in the spring. We will also host a conference in honor of Ariel in May.

The department will have a number of other visitors this year. **Espen Moen** of the Norwegian School of Management will visit for the entire year; his interests include labor economics. In the fall quarter, **David McAdams** (MIT) and **Julie Mortimer** (Harvard) will visit the Center for the Study of Industrial Organization. **Volker Nocke** (Penn) will visit the CSIO in the winter and spring quarters. **Joe Hotz**, a labor economist from UCLA, will also visit in the winter and spring quarters.

Other faculty changes include **Bruce Meyer** and **Paula Worthington** moving to the Harris School at the University of Chicago. Bruce and Paula both have longstanding connections with our department, going back to Bruce's days as an undergraduate and Paula's in our PhD program. They will be greatly missed.

At the end of this academic year, **Leon Moses** and **Marcus Alexis** will both retire. Leon began teaching at Northwestern in 1959, and Marcus in 1970. In addition to outstanding careers as scholars, Leon and Marcus served the department and Northwestern in a variety of roles, including Department Chair (both Leon and Marcus) and Director of the Transportation Center (Leon). It is difficult to overstate their contributions.

Last year we initiated a new series of two week visits by distinguished faculty in the areas of econometrics, theory, macroeconomics, applied micro and economic history. In addition to presenting papers in regular seminars, each visitor delivered a series of lectures to our grad students. This series will continue this year.

Our entering graduate class consists of 26 new students, not all of whom intend to work in industrial organization. The first year students come from a wide variety of countries, thereby maintaining the international flavor of our program.

Congratulations to **Guido Menzio** and **Joerg Stoye** on winning the NU Graduate School Dissertation Year Fellowships; and to **David Lucca** for winning a similar award offered by WCAS. The Department's Robert Eisner Fellowship has been awarded to **Adam Rosen**.

Once again our students did very well on the job market. Even though overall demand remained weak for reasons related to the business cycle, we placed students at excellent institutions like Harvard, UC San Diego and Cornell. **Bob Gordon** continues as our placement director, and he welcomes inquiries concerning students on the market this year.

Our staff continues to be directed by our capable Department Assistant, **Lynette Horn**. **Maryann Semer** celebrated 20 years of service at Northwestern. **Sandy Shaver** retired after more than four

years with the department. **Vernice Bogan** received her degree and moved on to a full time position outside Northwestern. We welcomed new staff members **Sara Gasbarra** and **Rita Savakis**.

Finally, if you put stock in rankings of economics departments, you will be cheered by a recent paper in the *Journal of the European Economic Association* (by Kalaizidakis, Mamuneas and Stengos, 2003, Vol. 1, No. 6, pp. 1346-66). The authors rank us 4th worldwide, based on papers published in 30 leading journals between 1995 and 1999, behind Harvard, Chicago and MIT, but ahead of Yale, Princeton and Stanford.