

KANSAS STATE UNIVERSITY

DEPARTMENT OF
ECONOMICS

www.k-state.edu/economics

FALL 2010, ISSUE #5

NOTES FROM THE DEPARTMENT HEAD

A new semester is in full swing here and the campus is filled with energy and enthusiasm. It is always motivating to see the students return and to meet the newcomers to K-State. This time of year provides a pleasant reminder of the central role that education plays in our students' future and of the critical role that the department plays in providing this education. The bustle of the new semester provides a perfect backdrop for reflecting on the previous year as we look forward to the next.

This was another year of successes, changes and challenges for the department. Our successes span the space of the department's reach. In teaching and advising we received three prestigious awards. With more than 20,000 credit hours generated by the department annually, this makes us a leader in both the quantity and quality of education. In research, we continued our trend of impressive and ascending productivity.

The department takes a great deal of pride in the successes of our students. The number of economics majors has increased significantly in recent years and we have been attracting excellent students to the major. This year, we had



The Economics Club took a field trip to the Kansas City Board of Trade last April. Read more about the club and the trip on pg. 8.

two more majors elected to Phi Beta Kappa, making a total of nine in the past four years. Our students continue to find good jobs and have a rich, involved educational experience. The graduate program also remains strong. We have nearly fifty graduate students at the M.A. or Ph.D. level. This is a hard-working and ambitious group. I am pleased to see our graduates doing well even in the tough job market. You will find evidence of these successes sprinkled throughout this newsletter.

The first change of the academic year came when Dr. Lloyd Thomas stepped

down as department head in favor of a sabbatical at the University of Indiana. I accepted the position of interim department head and recently began a regular term as department head. Dr. Thomas served five years in the position and implemented many innovations that will have a lasting positive impact. During his tenure the number of majors increased sharply and the department continued to raise its research profile. His efforts are much appreciated and his sabbatical was well deserved.

We also have had some turnover in the department. Instructor Amanda

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NOTES FROM THE DEPARTMENT HEAD, CONT.

Freeman, assistant professor Hamilton Fout, and administrative assistant Jamie Stuart all stepped down to pursue other opportunities. Each was a strong contributor to the department and we wish them the very best. Crystal Strauss took over as our administrative assistant in August 2009 and has done a great job. This fall, we are fortunate to have Philippe Belley join the staff as assistant professor, while Dave Campbell and John Thompson will specialize in undergraduate education.

The economic environment last year again provided challenges, just as it has across the state and country. While these challenges persist, the department remains focused on the perennial

challenge of continual improvement. We are proud of the strides we have taken in research and teaching and are enthusiastic about the department's future. Kansas State University recently formalized a campus-wide challenge with the K-State 2025 Visionary Plan. The key goal of this plan is to have K-State recognized nationally as a top 50 public research university. With this ambitious goal guiding the university in the years ahead, I am confident that the department will continue its upward trajectory.

As we celebrate our successes, it also is a good time to remember Dr. James Ragan. Jim's years of service and dedication to the department provided a solid foundation on which many departmental successes rest. As many of you know, Jim passed away in October 2009 following a determined

battle with lymphoma. He touched many lives over the course of his distinguished career and all those who knew him share a deep sense of loss. You can read more about Jim on page 10 of this newsletter.

I invite you to take a few minutes to look through this newsletter and learn more about what we have been up to. If you have any questions or comments, feel free to contact me any time at blankenw@ksu.edu or (785) 532-6340. I always enjoy hearing from friends of the department.

Thanks to Patrick Gormely for providing many of the photos and Morgan Roesler for her help in putting the newsletter together.

Bill Blankenau
Professor and Department Head

K-STATE DEPARTMENT OF ECONOMICS FACULTY



Krishna Akkina (Ph.D., Minnesota, 1972) is now in phased retirement. Krishna teaches managerial economics and intermediate macroeconomics in the spring semester each year. In fall terms, Krishna works on research projects and finds time for travel and exercise.



Michael W. Babcock (Ph.D., Illinois, 1973) received the 2010 Edgar S. Bagley Research Award from the Department of Economics. The award is given annually to a faculty member in the department for career accomplishment in research and scholarship. Mike teaches courses in transportation economics and urban and regional economics. Recently, he has been involved in research projects on ethanol production, truck

Mohaned Alhamdi (Ph.D., Kansas State University, 2005) is a visiting assistant professor and is heavily involved in the undergraduate instructional program, typically teaching two large sections of the principles courses and an upper level undergraduate class each semester. Mohaned is very involved in the Iraqi Education Initiative, a program sponsored by the State Department to reform the Iraqi higher education system. He spends his spare time with his new baby boy born in February.



trip management and highway construction and maintenance funded by the Kansas Department of Transportation and the University Transportation Center.

Lance Bachmeier (Ph.D., Texas A&M, 2002) does research on macroeconomics, energy and time series econometrics. His recent work has looked at the effect of oil prices on inflation and on the stock market. He spends his free time watching hockey and college basketball, traveling and taking his son from one activity to another.



Philippe Belley (Ph.D., University of Western Ontario, expected 2010) joined the staff in fall 2010 as an assistant professor specializing in labor economics. He is currently finishing his dissertation entitled "Human capital investments of workers and the schooling decision of young adults." With Lance Lochner, Philippe has published a paper in *Journal of Human Capital* on the relationship between family income and educational achievement. His current work seeks insights into the determinants of wage growth and considers how parental income differently affects education in the U.S. and Canada. Philippe is married to Nilima and they became parents in October 2009 when their daughter Siana was born.



Dave Campbell (M.A. Kansas State, expected 2010) joined the department in fall 2010 as an instructor specializing in undergraduate education. He will teach money and banking, intermediate microeconomics and principles of macroeconomics. Dave spent more than 10 years in the transportation industry before joining our M.A. program. Aside from teaching, Dave will be involved with advising and recruiting.



Bill Blankenau (Ph.D., Iowa, 1997) spent the spring 2009 on sabbatical at Universidad Carlos III in Madrid, Spain. During this time he presented his work in Spain, Denmark, Ireland and England. During the 2009-2010 academic year he served as interim department head and has recently begun a stint as department head. His current research considers the influence of government education spending on the level

and distribution of income. Other recent work considers the effect of technological change on labor market trends in different sectors of the U.S. economy. Bill and his wife Angela welcomed their third son, Liam, in August 2009.

Charlie Braymen (Ph.D., North Carolina, 2007) teaches graduate international trade, undergraduate international economics and principles of microeconomics. His current research focuses on international trade and heterogeneous firms as well as the relationship between globalization on entrepreneurship. Charlie has several papers under review at journals and has recently received funding from the Kauffman Foundation to support his research. Charlie enjoys playing and watching sports, as well as traveling.



Steve Cassou (Ph.D., Minnesota, 1989) has been on the go a lot over the last year. He spent the fall semester as a visiting professor at Universidad del País Vasco, then returned to Manhattan for the spring semester and was back in Spain again for the summer. While in Europe, he presented seminars at numerous locations in Spain (Bilbao, Valencia, Pamplona, Murcia) as well as England (London, Durham) and Scotland (Edinburgh). He also found time to travel to several conferences stateside in Missouri and Michigan in the spring.

Yang-Ming Chang (Ph.D., SUNY Buffalo, 1985) has been highly active in research and has published sixteen articles between 2005 and 2010. Yang-Ming's research focuses on the economics of conflict and resolution, tariff reduction and tax reform under preferential trading agreements, and various trade issues such as anti-dumping laws and strategic trade policies under imperfect competition. Besides teaching intermediate microeconomics, mathematical economics and a graduate class in microeconomic theory, Yang-Ming is actively involved in advising undergraduate economics majors and directing doctoral dissertations. Yang-Ming spends free time playing golf with his wife.



MORE ON THE FACULTY

Read more about the K-State Economics Department Faculty on the website at www.k-state.edu/economics.





Philip Gayle (Ph.D., Colorado, 2002) has published research in such journals as *Journal of Law and Economics*, *International Journal of Industrial Organization*, *Journal of Regulatory Economics*, *Southern Economic Journal*, *Economics Letters*, and *Applied Economics*. His research interests include working on microeconomic problems that often involve estimating models with discrete and limited dependent

variables. Gayle's recent research investigates theoretically and empirically the competitive effects of airline codeshare alliances. He is spending the fall 2010 semester on sabbatical at the Department of Economics at Harvard University.

Patrick Gormely (Ph.D., Duke, 1967) is in phased retirement. In spring semesters, he teaches courses in principles of macroeconomics, history of economic thought and international economics. In summer and fall, Patrick finds time to pursue such hobbies as travel, photography and studying U.S. history. Pat is responsible for many of the photos in this newsletter.



Dan Kuester (Ph.D., Missouri, 2000) is starting his seventh year at K-State and recently won a Stamey Advising Award, one year after winning a Stamey Teaching Award. He continues to serve as the executive director of the Association of Arid Lands Studies and enjoyed a highly productive meeting with the organization this year. Dan continues to serve as the director of undergraduate studies and as the faculty

advisor to the Economics Club. Dan has recently taught sports economics and senior seminar in addition to his heavy teaching load at the principles level. In his spare time, Dan enjoys playing basketball, watching sporting events and spending time with his sister and nephew when he is able to do so.

Dong Li (Ph.D., Texas A&M, 2000) was on sabbatical leave in the academic year 2008-2009. During that time he visited the University of Tennessee, the Chinese University



of Hong Kong, and several other universities in the U.S. and in China. He took on the responsibility of director of graduate studies in June 2009 and says he is "still in the process of learning-by-doing."

E. Wayne Nafziger (Ph.D., University of Illinois, Urbana, 1967) is completing the fifth edition of his textbook *Economic Development* for Cambridge University Press. He is researching an economic approach to Nigeria's relentless conflict, with special emphasis on origins of grievances in the oil regions of the Niger delta, and collaborating with Andrew Ojede, California State University, on "Innovation in Bangalore, India's information technology sector."



Florence Neymotin (Ph.D., Berkeley, 2006) has published in the areas of obesity research, immigration and education. Her paper published in *Economics of Education Review* was featured in the editor's choice section of *Science*. Florence's work has also been cited in *USA Today*, *Science Daily*, *National Review Online*, *U.S. Politics Today*, *Kansas Liberty* and the *Kansas Policy Institute*. She recently served as the economic

spokesperson for the 2009 New Mexico Family Impact Seminar, an annual session which informs New Mexico legislators. She has been active in securing funding internally and as well as externally from the University of Kansas Center for Applied Economics. In addition to her teaching responsibilities in labor and microeconomics, Florence has initiated the applied microeconomics discussion group and the Women in Economics Club. Florence enjoys reading, and has recently taken up jewelry making and yoga. She keenly anticipates continuing to root for K-State this coming season.



Lloyd (Tom) Thomas (Ph.D., Northwestern, 1970) spent his sabbatical leave in the 2009-2010 academic year in the Department of Business Economics and Public Policy at Indiana University, where he taught a class in central banking policy. His book, *Financial Crises and Federal Reserve Policy* will be published in January by Palgrave-Macmillan.

John S. Thompson (Ph.D., Auburn, 1998) joined the department this fall as a visiting assistant professor and will specialize in undergraduate education, teaching several large principles sections as well as intermediate microeconomics. He most recently taught at Purdue University and prior to that taught at University College of the Cayman Islands where he served as director of graduate studies and executive training.



EMERITUS FACULTY

Michael Oldfather (Ph.D., Ohio University, 1980) reports that he is leading a life of active retirement, serving on a local bank board, directing his church's choir, sitting on the Employment Security Advisory Council at the Kansas Department of Labor, and completing his last year as treasurer of the Greater Manhattan Community Foundation. As he notes, "There is a very close correspondence between the opportunity cost of this activity and extremely modest compensation associated with it."

Ed Olson (Ph.D., University of Washington, 1972) Ed and his wife Kae travelled to Greece in fall 2009, and in 2010, they discovered the exceptional southern coast of Oregon after visiting friends in Portland. They also have travelled to California for outdoor activities and to New York for the US Open Tennis tournament, as well as stage productions. Ed retired completely from consulting jobs in economics in spring 2010 and now can devote more time to his lifetime interests in photography and history.

STAFF



Tracy Turner (Ph.D., California-Davis, 2000) has been with the department for ten years, serving in various capacities, including a stint as director of undergraduate studies. She teaches courses on microeconomics and public finance at the graduate and undergraduate levels. Turner's research interests focus on the impact of government policies on housing markets, and, during the spring 2010 semester, she worked on

tax policy and homeownership issues while on sabbatical at University of California at Berkeley. Turner enjoys gardening, disc golf and hiking the Konza Prairie with her sons Grant and Ian, and husband, John.

Dennis Weisman (Ph.D., Florida, 1993) conducts research focusing on antitrust economics, competition policy and the economics of regulated industries. His more recent research investigates measurement bias in estimating market power under conditions of multi-market participation, the economics of two-sided markets and market power measurement for broadband. He also recently completed a paper entitled "An Essay on the Art and Science of Teaching." In addition to serving as an editor for the *Review of Network Economics*, Weisman serves on the editorial boards for *Information Economics and Policy* and the *Journal of Regulatory Economics*. He also serves on the Board of Academic Advisors for The Free State Foundation.



Susan Koch. Susan's outstanding service to the department now spans nearly a quarter century. Susan says her "hobbies include anything that gets me outdoors, including working in my yard and flower gardens, messing around with our outdoor pets, hiking, fishing, and canoeing." She also enjoys watching her three kids' many sporting activities.

Crystal Strauss. Crystal joined the department as the senior administrative assistant in August 2009. She graduated from K-State in 2007 with a bachelor's degree in business marketing and a minor in women's studies. She is currently working on a bachelor's in Women's Studies. Crystal says, "Women's studies has always been an interest of mine and I enjoy learning and researching



to gain more knowledge. I like doing anything outside and taking care of my animals."

EXCELLENCE IN TEACHING AND ADVISING

In what must be a first, the department won three prestigious teaching and advising awards in the most recent academic year.

Casey Abington won the **Presidential Teaching Award** for graduate students. Casey was one of only six recipients across campus and the only graduate student to win this award. As a graduate student, she taught Principles of Macroeconomics each semester for the last four years. Often these classes have 150 students or more. To teach the course well requires much more than knowledge of the subject and a good set of notes. It requires true teaching talent and sincere dedication.



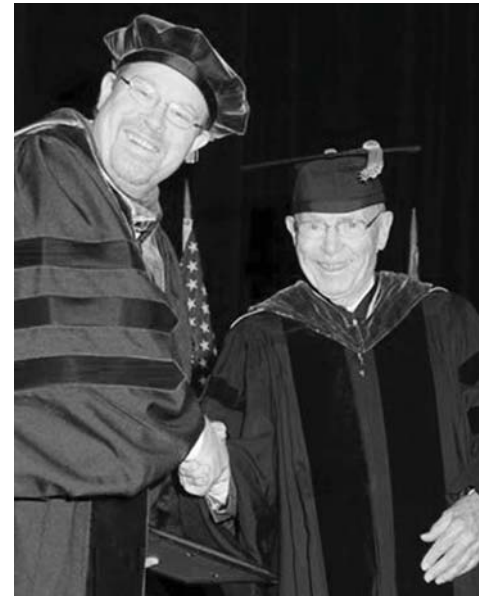
Casey's talent and dedication are immediately apparent to her students. She is able to make complex notions accessible and interesting to initially skeptical students. Casey provides a challenging yet comfortable learning environment. Casey loves to teach and puts a great deal of effort into her classes. This, coupled with a natural ability and considerable experience, explains her success. Casey's interest in education extends to her research, which considers the consequences of education expenditures and outcomes on income levels and economic growth. Casey graduated from our department this spring with a Ph.D. and is now beginning her new job as an assistant professor at Northwest Missouri State University.



Dr. Hamilton Fout was awarded the **Commerce Bank Outstanding Undergraduate Teaching Award**. Hamilton has taught macroeconomics and econometrics at the undergraduate level and monetary theory at the M.A. and Ph.D. levels. In each of these courses, his goal is to provide students with an enhanced ability to apply economic thinking and problem solving in their future experiences.

Hamilton brings enthusiasm and energy to each class and cares deeply that students gain meaningful knowledge from the experience. He often uses examples pulled from the day's news to give relevance to the theory. When students see the relationship between theory and the world around them, they respond positively to economics and appreciate its importance to their overall education. He combines this methodology with an easy communication style, generous availability outside of class, a bit of humor and a careful preparation of teaching materials. The result is a truly outstanding class. Hamilton's research is at the frontier of business cycle research and monetary economics. He recently accepted a position in Washington D.C.

Dr. Dan Kuester holds the **Trenary Chair in Economics** and serves as director of undergraduate studies. He won a **William L. Stamey Award for Excellence in Teaching** from the College of Arts and Sciences in 2009. He followed this up in 2010 by winning the **Stamey Advising Excellence Award**.



Dan Kuester accepts his second Stamey Award from William Stamey at the December 2009 commencement ceremony.

Dan serves as advisor to an unusually large number of students in the department. These students find him to be available, knowledgeable and helpful. He also does a great job advising the Economics Club. Under his guidance, the club has nearly tripled in size. There is a strong enthusiasm among the members and a clear appreciation for Dan's role in making the club a meaningful experience. He has worked closely with students to bring in speakers, arrange field trips, revive the honors society and create an active social environment. Dan is highly dedicated to providing top-quality education to all of our majors. He knows that advising is an important part of this and makes it a priority.

SPEAKING OF ECONOMICS

The department hosted a wide range of speakers last year. We had fourteen department seminars, including six speakers who gave job market presentations. The seminar series began in August with talks by Jesús Vázquez and María-José Gutiérrez from University of the Basque Country and wrapped up in late April with a talk by Itzhak Zilcha from Tel Aviv University.

The highlight of seminar activity each year is the Joe Tiao Lecture Series. This series, initiated in 2006, enables the department to bring internationally acclaimed economists to campus. Each Tiao Lecturer presents two lectures at K-State: a public lecture on an economics issue of current interest and a more technical seminar in the economics department.

The fall 2008 speaker was Dr. Chris Sims. Dr. Sims is Harold H. Helm '20 Professor of Economics and Banking at Princeton University. Dr. Sims is famous for his path-breaking work in macroeconomics and econometrics. He gave a public lecture entitled "Government debt, inflation, and monetary policy" and his department talk was "Inflation expectations, uncertainty, the Phillips curve, and monetary policy." Dr. Sims has been the president of the Econometric Society, is a member of the National Academy of Sciences, and is president-elect of the American Economics Association for 2011.

In spring 2009, Dr. Rebecca M. Blank of the Brookings Institution gave a public talk entitled "What comes after welfare reform? A new agenda for fighting poverty." Her department talk was "The impact of earnings disregards on the behavior of low income families." Dr. Blank is currently the Under Secretary of Commerce for Economic Affairs at the Department of Commerce. Among her many prior accomplishments, she has been the Robert S. Kerr Senior Fellow at the Brookings Institution, dean of the Gerald R. Ford School of Public Policy at the University of Michigan, co-director of the National



Dr. Ellen McGrattan delivers the Joe Tiao Lecture in April 2010.

Poverty Center and a member of the President's Council of Economic Advisers, from 1997-1999.

Dr. Ellen McGrattan gave the Tiao lecture in the spring 2010 semester. Her public lecture was "Why is the United States in debt to the world?" and her department talk was "The transition to FDI openness." Dr. McGrattan is a leader at the frontier of macroeconomics. Currently she is serving as a monetary advisor at the Federal Reserve Bank of Minneapolis, as a research economist at the National Bureau of

Economic Research, and as an adjunct professor of economics at the University of Minnesota.



Dirk Mateer gives a talk in the K-State Speaker Series on Economic Prosperity.

the causes of economic prosperity. Both are public lectures given in conjunction with a K-State Economics Club meeting.

ANOTHER OUTSTANDING YEAR FOR THE ECONOMICS CLUB

The club continued to grow and maintained an active presence around campus. Club members reactivated the Omicron Delta Epsilon chapter and several students joined that honorary society. The club hosted excellent speakers at their monthly meetings.

The Regnier Lecture this year was given by Mark Knackendoffel, President and CEO of the Trust Company of Manhattan. Mark discussed the industry in general and provided insight into what it takes to make the Trust Company a success. Students found it to be both motivational and informative. The Koch Lecture Series featured talks by Dirk Mateer from Penn State University and David Gay from the University of Arkansas. Dirk's talk focused on economic education while David provided insights into the foundations of economic growth.

In February, the club hosted Mike Goss, an alumnus of the department who is currently chief operating officer of Bain Capital. His impressive success in an exciting profession made a very positive impression on our majors. His talk was a discussion of Bain Capital in general and an interesting account of its navigation through the recent financial crisis.

Senator Sam Brownback spoke to the club in April at the K-State Alumni Center. Club members had a private question and answer session with the senator. The club set its all-time attendance record at this meeting with approximately 125 attendees. The economic future of Kansas and the recently passed health care legislation were the dominant topics.



Senator Sam Brownback gives a talk hosted by the Economics Club.

The annual Economics Club field trip took place in April. The club visited the Kansas City Board of Trade and Harrah's Casino. Seventeen students accompanied Professor Kuester and Dave Campbell on this trip. According to former club



The club visits the Kansas City Board of Trade.

president Andrew Wagner, the field trip was a tremendous success. "It was interesting to see how things have changed at the Board of Trade. It appears that electronic trading has made the experience there a bit less bombastic." The new president, Weatherly Butler, was especially interested in the talk at Harrah's Casino. "It was a real thrill to have the general manager (Tom Cook) take the time to speak with us. He did a great job relating the things we have learned about in our economics courses to his operation of the casino. He even drew several isoquants!"

There were many other activities. Among them:

- The K-State Student Price Index (SPI) was again calculated by the club and indicated a slight level of deflation for the year. The Oct. 25 edition of the *Manhattan Mercury* and the Oct. 23 edition of the *Kansas State Collegian* featured the SPI information on the front page.
- Monthly social hours at Buffalo Wild Wings, Kites and Bobby T's were well attended as were the formal meetings and bowling nights.
- At a recent meeting, Weatherly Butler was elected president, Matt Herman was elected vice president and Katie Gustafson and Alyssa Blake Leonard were elected secretary and treasurer.

Faculty advisor Dan Kuester reports, "I am really pleased with the group of students that are involved with the Economics Club. We have a real sense of community among many of our majors and we elected to participate in a number of activities. Our officers did an excellent job in making people aware of and excited about the club."

GRADUATE STUDENTS IN ECONOMICS (GSE) ACTIVITIES

The GSE was led this year by Chris Youderian. They hosted many social activities where students were able take a break from the rigors of graduate studies and build friendships. Activities included a welcoming party for new graduate students, a Halloween party, a pub crawl and a trip to watch the Royals in Kansas City. Twenty-five students attended the game, which was the first live baseball event for many international students.



Above: Several graduate students gather for a photo at the Economics Department Banquet. **At right:** Graduate students catch a Royals game at Kauffman Stadium in Kansas City.



THE WOMEN IN ECONOMICS CLUB



The Women in Economics Club was formed last year with the initiative and guidance of Dr. Florence Neymotin. The goals of the group include networking, finding role models and serving as a forum for discussion of issues related to women in the economics profession. The group meets with some departmental speakers, and also brings in their own independent speakers. The club was featured in the April 25 edition of the *Manhattan Mercury*.

IN MEMORY OF JIM RAGAN

I am sad to report Dr. Jim Ragan passed away in October 2009. Jim was at K-State for 32 years, and building the Department of Economics was one of his life's works. He also was a wonderful teacher and made impressive contributions to the profession through his research.

Many of Jim's colleagues, friends, family and students have chosen to honor Jim's memory by creating the Dr. James Ragan Memorial Scholarship in Economics fund. The scholarship will recognize outstanding academic achievement by a Ph.D. student. One of Jim's many professional contributions was advising graduate students. He set high standards and offered patient guidance as students worked to meet these standards. It is fitting that the scholarship will recognize the traits that Jim worked so hard to instill. The scholarship will be presented annually at the department's awards banquet. Given the depth and breadth of his contributions to the department, it will be nice to have Jim remembered each year while the department is celebrating its successes.

Thanks to a generous response, we have recently passed our initial goal of raising \$25,000 to endow the fund. This will allow the scholarship to be awarded annually, ensuring Jim's many contributions to the K-State community will be honored and remembered. If you would like to make a tax-deductible contribution to this lasting tribute, please contact me or our KSU Foundation liaison, Damon Fairchild at (785) 532-7524 or damonf@found.ksu.edu.

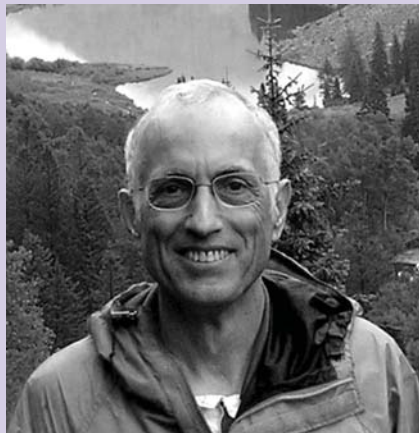
Jim was featured in the 2008 edition of this newsletter. The following outline of Jim's career highlights is adapted from that article.

Jim Ragan majored in economics and mathematics at the University of Missouri and went on to receive his Ph.D. in 1975 from Washington University in St. Louis, where he was supported by a prestigious NDEA Fellowship. His dissertation dealt with the impact of minimum wage legislation on the labor market for young workers and Jim quickly published the main findings in *Review of Economics and Statistics*. Following two years in the Business Conditions Division of the Federal Reserve Bank of New York, Jim joined the K-State Economics Department in 1977. He rapidly established a strong record in research and scholarship and moved up the ranks to full professor in 1985.

Jim was one of the most prolific researchers in the Economics Department. He published his work in such respected journals as *Journal of Human Resources*, *Economic Inquiry*, *Southern Economic Journal*, *Journal of Labor Economics* and *Review of Economics and Statistics*. Ragan's published research has been cited in such publications as *The Wall Street Journal*, *U.S. News and World Report*, and *American Banker*. He was interviewed by *Business Week* and other magazines. His skill as a referee of journal manuscripts was tapped by editors of more than 15 journals, including several of the most prestigious journals in economics, and he served on the editorial board of two economics journals.

Jim served as Economics department head from 1990 to 2004. During that period, the department hired many outstanding

economists who have contributed strongly to the quantum jump in research output and increase in national reputation of the K-State Economics Department over the past 15 years.



Ragan twice won the Bagley Award for Outstanding Career Research in Economics. He served as a visiting scholar at the Ragnar Frisch Centre for Economic Research in Oslo, Norway and at the Claremont Graduate University. He also spent a year as a visiting professor at Washington University in St. Louis.

Ragan was an outstanding teacher and taught at least eight different courses at K-State, ranging from principles of microeconomics to doctoral level seminars in labor economics. In recent years, Jim

taught senior seminar, our capstone course for majors. He developed a highly popular course in Sports Economics in 2006. Jim won the Stamey Award for Outstanding Teaching in the College of Arts and Sciences in 1990. With Lloyd Thomas, Ragan co-authored a successful principles of economics textbook that was published by Harcourt, Brace, Jovanovich in 1990 and Dryden Press in 1993. He also was instrumental in assisting Professor Paul Romer of Stanford University with the development of the highly successful student study program, *Aplia*.

The department appreciates the many contributions Jim made over the years. He was a dear friend, a true leader and a generous mentor. He is missed.

ECONOMICS DEPARTMENT BANQUET

The Economics Department held its annual banquet at the Manhattan Country Club April 16 with more than 80 people in attendance. This included faculty, graduate students, Economics Club officers and award winners along with guests and family members. Gail and Emily Ragan, wife and daughter of Dr. Jim Ragan, attended as special guests of the department to help us inaugurate the James Ragan Memorial Scholarship. The speaker for the evening was Dr. Ellen McGrattan, monetary advisor from the Federal Reserve Bank of Minneapolis.

After opening remarks from Bill Blankenau, Dr. Dong Li presented various awards to our graduate students. Dr. Kuester introduced and thanked the outgoing Economics Club officers, Andrew Wagner, Madina Muknanova and Katie Gorham. He then announced the winners of our undergraduate awards and our Phi Beta Kappa honorees. This was followed up by an announcement of the officers for the Graduate Students in Economics Club. Dr. Neymotin gave a talk about the Women in Economics Club, and Dr. McGrattan's talk wrapped up the evening.

The first award presented was the **James Ragan Memorial Scholarship**. The scholarship recognizes outstanding academic achievement by a Ph.D. student. Jenny Wu is the first recipient of this award. Jenny is a 4th year Ph.D. student. She is writing her dissertation in industrial organization under the guidance of Dr. Philip Gayle. Renfeng Xiao won the **M. Jarvin Emerson Memorial Scholarship**, awarded each year to an advanced Ph.D. student who has demonstrated exceptional scholarship and potential for research. Renfeng is writing her dissertation under the guidance of Dr. Yang-Ming Chang. The **Carroll B. Greene Memorial Scholarship** is given to a female graduate student who has shown high academic performance in our graduate program and high potential for future achievement. The recipient was Mercy Palamuleni, a third year student in the Ph.D. program. The **John Nordin**



Bebonchu
Atems



Weatherly
Butler



Chris
Youderian

Memorial Scholarship is given annually to an advanced graduate student who has demonstrated outstanding performance in economic theory. Mercy Palamuleni won this award as well.

Dave Brown won the **Best Graduate Paper Award** for his paper entitled "Mergers facilitating mergers: A simulation analysis of merging airline codeshare partners." The **Graduate Student Teaching Award** went to Bebonchu Atems and Chris Youderian.

The **Kevin Roy Armstrong Memorial Scholarship** is given annually to an economics major who demonstrates an outstanding commitment to and achievement in the study of economics. The 2009 Armstrong Award Winner was Weatherly Butler. Weatherly is an excellent student and a varsity athlete at K-State who finds time to work at soup kitchens, help at animal shelters and participate in activities such as Cats for Cans and Toys for Tots.

Erin Closterman won the **Duane L. And Leslee K. Cantrell Scholarship**, which is granted annually to an economics major who demonstrates outstanding academic performance and service to the economics department. Erin has been involved with Phi Eta Sigma, National Society of Collegiate Scholars and YMCA S.T.A.R.S., where she tutors elementary school students. She does all of this while maintaining a perfect GPA.

The **John Delehanty Memorial Scholarship** winner is selected based on outstanding scholarship, intellectual curiosity, and commitment to academic excellence, intellectual integrity and social justice. The award went to Jacob Willis. Jacob graduated with high honors in May 2010. He has volunteered at local food banks and with the mentally disabled. He also has served as a mentor through the Kauffman Scholars program. It also was announced that Eduardo Alvarado and Sarah Brink were named to the **Phi Beta Kappa Honor Society**, the nation's oldest, most widely known academic honor society.



From left to right: Mercy Palamuleni is awarded the Carroll B. Greene Memorial Scholarship and John Nordin Memorial Scholarship; Jenny Wu is the first recipient of the James Ragan Memorial Scholarship; Erin Closterman wins the Duane L. and Leslee K. Cantrell Scholarship; Renfeng Xiao accepts the M. Jarvin Emerson Memorial Scholarship; and Jacob Willis wins the John Delehanty Memorial Scholarship.

NOTES ON GRADUATES

UNDERGRADUATES

2010

Andy Brownback (B.A.) is attending graduate school in economics at University of California San Diego where he is working on his Ph.D.

Katie Gorham (B.S.) is studying law at University of Kansas.

Katie Gustafson (B.A.) attended summer seminars from the Institute for Humane Studies.

Madina Mukhanova is working as a tax consultant for KPMG Tax and Advisory.

Andrew Wagner (B.S.) presented his paper on the economics of video game design at the Federal Reserve Bank of Dallas undergraduate symposium this spring.

Jacob Willis (B.S.) is working with the contract renewal team at Alexander Open Systems, a computer consulting firm.

2009

Katie Bell (B.A.) is working for the USDA National Agricultural Statistics Service as a mathematical statistician.

Jared Konczal (B.A.) works at the Kauffman Foundation after interning there.

Megan Korte (B.S.) is working on her M.A. in public policy at Northeastern University.

Lisa Taylor (B.S.) is attending graduate school in economics at Texas A&M where she is working on a Ph.D.

2008

Christina Forsberg (B.A.) is working for the Mercatus Institute as a graduate student fellow while earning her M.A. at George Mason University.

Ben Mooneyham (B.A.) is at University of Chicago Law School. He recently earned admittance to the University of Chicago Law Review, which is the most prestigious of the law journals and only accepts 29 new students each year.

2007

Kevin McBeth (B.A.) is working as an actuary for Travelers Insurance in St. Paul and has been a speaker for the Economics Club.

GRADUATE STUDENTS

2010

Casey Abington (Ph.D.) is an assistant professor at Northwest Missouri State University.

Yaseen Alhaj-Yaseen (Ph.D.) is a visiting assistant professor at Georgia Southern.

Dave Brown (Ph.D.) is a teaching specialist at Penn State University.

Lisi Xue (M.A.) is working on a Ph.D. in agricultural economics at K-State.

2009

Bakhit Embergenov (M.A.) is working on his Ph.D. in economics at Simon Fraser University.

Yuan Gao (Ph.D.) is an economist for the Kansas Department of Labor.

Josh Holmgren (M.A.) works with product development for G.L. Huyett Inc.

Canh Le (Ph.D.) is an assistant professor at National Economics University in Vietnam.

Lijia Mo (M.A.) is working on a Ph.D. in agricultural economics at K-State.

Dan Marti (M.A.) is an economic analyst for the U.S. Department of Agriculture Economic Research Service in Washington, D.C.

Andrew Ojede (Ph.D.) is an assistant professor at California State University-Long Beach.

Emanuel Castro de Oliveira (Ph.D.) is an assistant professor at Michigan Technological University.

Kyle Ross (Ph.D.) is a senior post-doctoral fellow at the University of Washington Pharmaceutical Outcomes Research Policy Program.

Adriana Samaniego (M.A.) works for the Fiscal Policy Department of the Finance Ministry of Paraguay.

Urmimala Sen (M.A.) is working on a Ph.D. in economics at Georgia State.



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SUPPORTING ECONOMICS AT K-STATE

Support from alumni and friends of the department is crucial as we work to enhance the educational experience of our students and the academic standing of the department. This is increasingly important as state support falls in response to the financial crisis. We are indebted to our friends and alumni who have been highly supportive of the department and thank all of you for your continued support.

We are currently working toward enhancing the Department of Economics Excellence Fund. This fund helps us finance student and faculty development. Examples include research support, technology updates and support for seminars. The investments made possible by this fund create a vibrant and connected learning environment.

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RECENT FACULTY PUBLICATIONS

Michael W. Babcock published "Impact of Kansas Ethanol Production on Kansas Transportation," the final report of a research project funded by the Kansas Department of Transportation (KDOT) and the University Transportation Center (UTC) at K-State in 2009. In 2010, he co-authored "Developing a State-wide Truck Trip Management System" and "Economic Impacts of the Kansas Comprehensive Transportation Program (CTP) Highway Construction and Maintenance Activities." These also were final reports of research projects funded by KDOT and the UTC. In addition, he received \$245,680 in research funds to conduct two transportation research studies in 2009-2010. He presented two papers at professional meetings and co-authored two papers in *Journal of the Transportation Research Forum*.

Lance Bachmeier published "Monetary policy and the transmission of oil shocks" in *Journal of Macroeconomics*, 2008, and "Why do oil prices receive so much attention? An evaluation of the predictive power of oil prices for the US economy" in *Economic Inquiry*, 2008.

Bill Blankenau published "Industry differences in the elasticity of substitution and the rate of biased technological change between skilled and unskilled labor" in *Applied Economics* (forthcoming) and "Industrial dynamics and the neoclassical growth model" in *Economic Inquiry*, 2009, both with Steve Cassou. He also published "Public spending on education and incentives to student achievement" with Gabriele Camera in *Economica*, 2009.

Steve Cassou published "Industry differences in the elasticity of substitution and the rate of biased technological change between skilled and unskilled labor" in *Applied Economics* and "Industrial dynamics and the neoclassical growth model" in *Economic Inquiry*, 2009, both with Bill Blankenau. He also published "Second-best tax policy

in a growing economy with externalities," with Arantza Gorostiaga, María José Gutiérrez and Stephen F. Hamilton in *International Tax and Public Finance* (forthcoming) and "Optimal fiscal policy in a multisector model: The price consequences of government spending," with Arantza Gorostiaga in *Journal of Public Economic Theory*, 2009.

Yang-Ming Chang published "Conflict persistence and the role of third-party interventions" in *The Economics of Peace and Security Journal* (forthcoming) with Shane Sanders and Bhavneet Walia. With Shane Sanders, he also published "Raising the cost of rebellion: The role of third-party intervention in intrastate conflict" in *Defence and Peace Economics*, 2009, "Pool revenue sharing, team investments, and competitive balance in professional sports: A theoretical analysis" in *Journal of Sports Economics*, and "Corruption on the court: The causes and social consequences of point-shaving in NCAA basketball" in *Review of Law and Economics*, 2009. With Kyle Ross, he published "Biodiversity, intellectual property rights and North-South trade" in *Economics Bulletin*, 2009, and with Philip Gayle published "Exports versus FDI: Do firms use FDI as a mechanism to smooth demand volatility?" in *Review of World Economics*, 2009. Yang-Ming also published "Strategic altruistic transfers and rent seeking within the family" in *Journal Population Economics*, 2009.

Philip Gayle published "State variation in the determinants of motor vehicle fatalities" with Michael Babcock in *Journal of the Transportation Research Forum*, 2009, "Exports vs. FDI: Do firms use FDI as a mechanism to smooth demand volatility?" with Yang-Ming Chang in *Review of World Economics*, 2009, "Has the Byrd amendment affected U.S. imports?" with Thitima Puttitanun, in *The World Economy*, 2009, and "An empirical analysis of the

competitive effects of the Delta/Continental/Northwest codeshare alliance" in *Journal of Law and Economics*, 2008.

Daniel Kuester published "Regional information and market efficiency: The case of spread betting in United States college football" in *Journal of Economics and Finance*, 2009, with Shane Sanders.

Dong Li published "Nonlinearity and spatial lag dependence: tests based on double-length regressions" in *Journal of Time Series Econometrics* (forthcoming) with Canh Le, "Nonparametric/semiparametric estimation and testing of econometric models with data dependent smoothing parameters" in *Journal of Econometrics* (forthcoming) with Qi Li, and "Double-length regression tests for testing functional forms and spatial error dependence" in *Economics Letters*, 2008, and "Analyzing spatial panel data of cigarette demand: A Bayesian hierarchical modeling approach" in *Journal of Data Science* (forthcoming) with Yanbing Zheng and Jun Zhu.

Wayne Nafziger published "The political economy of Nigeria's relentless conflict" in *Economics of Peace and Security Journal*, 2010.

Florence Neymotin published "Linking self-esteem with the tendency to engage in financial planning" in *Journal of Economic Psychology* (forthcoming), "The Relationship between school funding and student achievement in Kansas public schools" in *Journal of Education Finance*, 2010, "Iron and obesity in females in the United States" in *Obesity Research*, (forthcoming) with Urmimala Sen, "Immigration and its effect on the college-going outcomes of natives" in *Economics of Education Review*, 2009, and "The relationship between school funding and student achievement in Kansas public schools" as a technical report for the Center for Applied Economics at the KU School of

RECENT FACULTY PUBLICATIONS, CONT.

Business, 2008.

Jim Ragan published “Does raiding explain the negative returns to faculty seniority?” with Bernt Bratsberg and John Warren in *Economic Inquiry*, 2009, “Arab immigrants in the United States: How and why do returns to education vary by country of origin?” with Ashrah El-Araby in *Journal of Population Economics*, 2010, “Differences in student evaluations of principles and non-principles economics courses and the allocation of faculty across these courses” in *Journal of Economic Education* with Bhavneet Walia, and “Do student evaluations of teaching depend on the distributions of expected grade?” in *Education Economics* with Horacio Matos-Díaz, 2010.

Lloyd (Tom) Thomas published “Long-term interest rates and expected future budget deficits: Evidence from the term structure” in *Applied Economic Letters*, 2009, with Danhua Wu. He will publish his book *Financial Crises and Federal Reserve Policy* in January with Palgrave-Macmillan.

Tracy Turner published “Homeownership” in the *Encyclopedia of Urban Studies*, 2010, “Homeownership, wealth accumulation and income status” in *Journal of Housing Economics* with Heather Luea, “Exits from homeownership: The effects of race, ethnicity and income” in *Journal of Regional Science*, 2009, with Marc Smith, and “Property taxes and residential rents” in *Journal of Real Estate Economics*, 2008, with Leah Tsoodle.

Dennis Weisman published “Productivity growth and merger efficiencies in the U.S. wireline telecommunications industry” in *Review of Industrial Organization*, 2010, with Allen Featherstone, Yuan Gao and Daigyo Seo, “A ‘principled’ approach to the design of telecommunications policy” in *Journal of Competition Law & Economics* (forthcoming), “Lessons for modern regulators from Hippocrates, Schumpeter and Kahn” in *New Directions in Communications Policy*, 2009, “Optimal price allocations in two-sided markets” in *The Review of Network Economics* (forthcoming), “Effective market shares and antitrust” in *The Antitrust Bulletin* (forthcoming) and “Price discrimination, two-sided markets and net neutrality regulation” in *Tulane Journal of Technology and Intellectual Property* with Robert Kulick (forthcoming).





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