

Visiting Speakers

Sept 5, 11am, Nord 310:
Severin Borenstein (Director of University of California Energy Institute), will discuss: **“What Will It Take to Make Renewable Energy Competitive?”**

Oct 11: **David Huffman** (Swarthmore College) will present his latest research in **Behavioral Economics**.

Oct 24: **Raymond Guiteras** (Univ. of Maryland) will present his latest research in **Development and Environmental Economics**.

Nov. 8: **Phil Oreopolous** (Univ. of Toronto) will present his latest research in the **Economics of Education**.

Nov. 14: **Antonio Bento** (Cornell) will present his latest research in **Environmental Economics**.

Nov. 29: **Lori Beaman** (Northwestern) will present her latest research in the **economics of social networks and development**.

Unless otherwise stated, seminars are held in PBL. Times will be announced via email and on the dept. website.

IN THIS ISSUE

- What do faculty do over the summer?
- Introducing a new faculty member Professor Silke Forbes
- Three Economics students receive summer research grants
- Job announcements for Econ majors
- New leadership for W.E.S.
- 2011-2012 Student prizes



At your service, Mr. President

With her decades of experience studying manufacturing policy, and the prominence of this issue in the current economic climate, **Professor Susan Helper** was a natural choice to serve as a senior economist on the President’s Council of Economic Advisers. Established in 1946, the Council is charged with developing and recommending to the President “national economic policies to foster and promote free competitive enterprise, to avoid economic fluctuations, and to maintain employment, production, and purchasing power.”

Having recently settled into her new post, Prof. Helper can already tell that it will be a busy but exciting year. "I'm really looking forward to this opportunity to learn more about how policy is made," she said. "I'm also looking forward to what impact my research might have on programs that affect manufacturing." Her colleagues, and future students of her “Manufacturing Policy” SAGES course, can look forward to the insider’s view of the White House that she will return with in 2013.

What will she miss most about Cleveland? “My wonderful colleagues and students, temperatures below 90, and swimming in Lake Erie,” she says.



Prof. Helper (center) with volunteers and the White House pastry chef in Michelle Obama’s White House garden.

New course gets rave reviews



Prof. Justin Gallagher taught Environmental Economics (ECON 368) last fall for the first time. The course covers a wide range of environmental topics from policy options to address global climate change, to the threat of invasive species in Lake Erie, to how we can evaluate societal tradeoffs between a cleaner environment and economic growth. The goal of the course is to provide students with economic models and reasoning to assist in understanding and seeking solutions to current environmental problems.

One highlight of the class is a series of guest presentations from professionals who are actively working on local and national environmental challenges. The class received very positive reviews from students and will

What do faculty do over the summer?

For most of our professors, the summer months are an important time to focus on research. This often involves travel, either to conduct new studies or to present work at conferences.



Professor Mariana Carrera conducted a fourweek experiment at six grocery stores in California. “Many shoppers habitually buy brand-name non-prescription drugs, like Claritin or Advil, without considering the equivalent, less expensive store brand. Along with some other hypotheses, we tested whether these habits can be shifted by telling customers what their peers (other customers) buy. We found

that posting this information increases the share of customers buying the store brand products, in particular when the number shown is above 50%.”



Prof. Silvia Prina went to Mexico to meet, jointly with her co-author Prof. Carlos Chiapa, with top officials of Oportunidades, one of the largest conditional cash transfers programs in the world. Oportunidades pays a bi-weekly amount to 5.8 million poor households conditional on them doing regular health check-ups and sending their children to school. Conditional cash transfers were originally paid in cash to each household. Oportunidades is now shifting the method of payment to deposits in a savings account. Prina and Chiapa are designing (and later on evaluating) an intervention aimed at seeing how the behavior of poor households changes when given access to a savings account. In addition, they intend to study whether mechanisms such as mental accounting (labeling accounts "For Emergencies") and default transfers might help the poor to save for emergencies and rainy days.



Introductions — *New faculty member*

We are happy to welcome **Prof. Silke Forbes**, who is joining the Economics Department as an Assistant Professor this fall. Forbes holds an undergraduate degree in business and economics from the University of Mannheim in Germany and a doctorate from MIT. Her research interests are in industrial organization, organizational economics, and corporate governance.



Forbes' current research studies how firms respond to programs which require them to disclose information on product quality. The study shows that some firms make efforts to manipulate the quality reports in their favor, especially when quality is reported manually rather than automatically. Forbes and her co-authors also find that manipulation is more likely to occur when a firm's employees receive bonus payments that are linked to the firm's reported quality. Forbes will be teaching Econ 102 and Econ 309 in Spring 2013. When she isn't teaching or working on research, you are likely to find her enjoying the outdoors or spending time with her family.

Three Economic Students Received Summer Research Grants

Economic students **Abigail Dwornik**, **Anthony Gatti**, and **Joseph Kachovec** were awarded research grants through CWRU's Summer Undergraduate Research in Energy and Sustainability (SURES) and SOURCE programs to pursue research projects over the summer.

Dwornik is a sophomore economics and biology double major whose project investigated cost-effective ways to increase the rate of recycling on campus. Dwornik partnered with CWSU's Office of Sustainability to evaluate current recycling rates and procedures, and to conduct an experiment to test whether placing recycling bins and trash cans together in "waste stations" can increase the diversion rate of recyclable materials. Dwornik concluded that establishing waste stations, along with improved recycling awareness, could increase recycling rates on campus. She hopes to help implement changes to CWRU's recycling program through her new role as Vice-Chair of the Student Sustainability Council.



From left, economics majors Abigail Dwornik, Joseph Kachovec, and Anthony Gatti.

Gatti is a junior economics and political science double major whose project studied the correlation between company voluntary environmental certification and the level of pollution a company emits into the environment. The goal of the project is to provide empirical evidence as to whether companies that signal their environmental performance to consumers really are better environmental stewards than other non-certified companies. The analysis reveals that manufacturing companies in the US with voluntary ISO 14001 environmental certification actually polluted more than companies without certification. A possible explanation for this finding is that voluntary certification is mainly a marketing strategy to generate product interest.

Kachovec is a senior economics major whose project examines how new land development by communities in the US affects their future flood risk. To answer this question, Kachovec combined data from a number of different sources to build a new dataset with information on community development and rates of flooding over a 10 year period. Preliminary findings suggest that communities with fast-growing populations are more likely to consider how current development impacts future flooding. Kachovec intends to continue the project as part of an honors thesis.

Job announcements

The **Federal Reserve Board** is hiring Research Assistants. Graduating seniors must submit application materials by September 30 for Fall recruitment and by January 31 for Spring recruitment. See www.federalreserve.gov/careers/ra. A limited number of summer internships is also available each year: see www.federalreserve.gov/careers/intern_project

Spring 2013 **White House** internship program application now open: Application Deadline: 9/23/2012. See www.whitehouse.gov/internships

The **Council of Economic Advisers** is hiring RA's (recent grads, paid) and interns (unpaid): See www.whitehouse.gov/administration/eop/cea/jobs

Eaton Corporation's Corporate Development & Treasury team has job openings for recent graduates: See www.eaton.com/Eaton/OurCompany/Careers/NorthAmerica/ExperiencedCandidates/Careers/U.S.CareersSearch/index.htm and search for keyword "Economist."

New leadership for the Weatherhead Economics Society

Senior **Joseph Kachovec** has been elected to lead the Weatherhead Economics Society (WES) this academic year. WES is a student organization open to *all* undergraduate students. The goal of WES is to promote interest in economics and to facilitate the development of social bonds between economics students, alumni, and professionals. WES also provides members with career and networking opportunities, and engages with the local community through service projects that take advantage of the unique skills of our membership.

The Weatherhead Economics Society incorporates both the Zeta Chapter of the Omicron Delta Epsilon International Honor Society in Economics and the National Association of Business Economics (NABE) CWRU Student Chapter. Members of the Weatherhead Economics Society will be eligible to become members of either of these national chapters.

The other officers for this year's Weatherhead Economics Society are: **Nick Bonaminio** - Vice President; **Eric Haufler** - Treasurer; **Hayley Jie Teng** - Secretary; **Effie Lai Peng** - Events Chair; **Liwei Dong** – Personal Relations Chair

The **first event** for the WES will be on **Tuesday September 25th**. This theme of this event is how to find an internship related to economics and business. Students who have recently had internships will be there to offer advice on finding internships. For more information regarding the Weatherhead Economics Society feel free to contact either: Joe Kachovec (*President*) – jjk152@case.edu or Professor Justin Gallagher (*Faculty advisor*) – jpg75@case.edu

Congratulations to the students who received Economics awards in Spring, 2012!

The **Marvin J. Barloon Award** for outstanding performance in Economics: **Zachary Arace, Liwei Dong, Anthony Gatti, Timothy Martin**

The **James Dysart Magee Award** to an outstanding student in economics for the senior year: **Melinda Ashe**

The **Howard T. MyMyler Award** to an outstanding junior major in Economics: **Jeremy Pomerantz**

The **H. W. Kneisner Prize** to an outstanding senior in economics: **Alexander Warofka**

The **Gardiner Scholarship** to a junior majoring in economics who is also interested in finance: **Joseph Kachovec**

The **Robert N. Baird Award** for academic excellence and leadership in extracurricular activities: **Paul Mannix**

Dean's Achievement Award: **Mark Beatty, Natalia Cabrera, Tainyu Du, Noah Garfinkle, Summit Pandat, Yue Qi, Ke Wang**