

Introducing our newest Faculty member!

The Economics department is happy to welcome Roman Sheremeta, Ph.D. as an Assistant Professor. Professor Sheremeta's previous position was Associate Professor at Chapman University, where he worked with Nobel Prize winner Vernon Smith at the Argyros School of Business and Economics, the world's highest ranked experimental economics laboratory. Prof. Sheremeta's research interests stem from his childhood competitive chess career. Enthralled by the strategic reasoning of the game, he now studies conflict and conflict resolution, team competitions, multi-dimensional conflicts, tournaments, and contests.



One of Professor Sheremeta's recent papers, "**You Can't Put Old Wine in New Bottles: The Effect of Newcomers on Coordination in Groups**", examines how the performance of groups is disrupted when new members join. Professor Sheremeta and his coauthor find that intragroup trust decreases, and this negatively affects group performance. They also find, however, that this decrease in trust can be mitigated by revealing the past behavior of all the group members, old and new.

Next semester, Professor Sheremeta will teach Intermediate Micro Theory: Math Based (ECON 309), Game Theory: The Economics of Thinking Strategically (ECON 329/429) and The Economics of Organizations and Employment Relationships (ECON 333).

Professor Susan Helper named Chief Economist of the U.S. Department of Commerce

Last year, **Professor Susan Helper** took leave from her regular teaching and research activities to serve as a senior economist on President Obama's **Council of Economic Advisers**. We now congratulate Professor Helper on her recent appointment as the **Chief Economist for the United States Department of Commerce (DOC)**. The DOC mission is "to promote job creation and improved living standards for all Americans, by creating an infrastructure that promotes economic growth, technological competitiveness, and sustainable development."



As Chief Economist, Professor Helper plays a key role in the creation and dissemination of in-depth reports and briefings on current policy issues. These reports are relied upon by DOC and White House policymakers, as well as the business sector. Recent reports, accessible at <http://www.esa.doc.gov/reports>, focus on topics ranging from broadband internet availability and its potential to reduce urban/rural inequality, to recent trends in the U.S. auto industry, a particular area of Professor Helper's expertise.

"I'm excited to contribute to the Commerce Department's mission of promoting sustainable development," Helper said. *"I'm grateful to Case Western Reserve for this leave, which will give me a chance to build on my research and serve the public."* We look forward to hearing more about this exciting work when she returns!



Congratulations!

- ☑ **Professor Silke Forbes** is one of eight women faculty across the university to receive the 2013 Mather Spotlight Prize for her scholarship and research.
- ☑ **Professor Silvia Prina** was promoted from Assistant Professor to Associate Professor.
- ☑ **Professor Jack Kleinhenz** was elected to serve as president of the National Association for Business Economics (NABE) from 2013-2014.
- ☑ **Professor Robin Dubin** has been appointed Chair of the Economics department.
- ☑ **Professor Scott Shane** received the best paper award from INFORMS Technology Management Section for his 2008 paper, "Is the Tendency to Engage in Entrepreneurship Genetic?" published in *Management Science*.

Students talk internships and dine with business economists

The **Weatherhead Economics Society (WES)**, the undergraduate economics club at Case, has big plans for the year! The group has expanded its membership base significantly, as evidenced by the popularity of its Facebook page and *MyExperience* page.

At an **internship panel** that took place in September, five WES upperclassmen answered questions from younger students about the process of obtaining internships and their experiences at places like the Federal Reserve, the U.S. State Department, Booz Allen Hamilton, and Target. Freshmen were eager to hear tips on how to strengthen their resumes (highlight all of your relevant experience and coursework) and how to become a more competitive applicant (take resume-boosting classes like Econometrics as soon as you can).

WES will continue to develop its relationship with the **National Association of Business Economists (NABE)**, thanks to faculty advisor Jack Kleinhenz who serves as President of NABE. In an upcoming **NABE networking dinner**, students will meet prominent local economists from the Cleveland Federal Reserve, Parker Hannifin, Fed-Ex, and other major corporations and economic institutions.

Other upcoming events include study breaks before exams, organized meetings with faculty, and policy discussion events on the hot economic topics of the day.

Currently serving on the WES executive board are: **Ayesha Hasan** ('14, Econ) **Anthony Gatti** ('14, Math/Econ/Political Science), **Joshua Suvak** ('13 Fall, Econ/Political Science) **Eric Haufler** ('15, Finance), and **Matt Avril** ('15, Finance). WES is seeking to fill a freshman representative position, and anticipates an additional opening in the spring. To apply for a position, send a letter of intent to wes-exec@case.edu.



Pictured left to right are Joshua Suvak, Anthony Gatti, Ayesha Hasan, Eric Haufler, and Matt Avril

Job announcements

- ◆ For graduating seniors: **Federal Reserve Board** applications are due January 31. Learn more at: <http://www.federalreserve.gov/careers/howtoApplyRAecon.htm>
- ◆ For students seeking a spring semester internship: **The White House Council on Environmental Quality** has a Nov. 1 deadline. See <http://www.whitehouse.gov/administration/eop/ceq/internships/ceq-internships>
- ◆ For additional listings: <http://weatherhead.case.edu/departments/economics/jobs>

You are cordially invited...

Monday, October 14, 1:00-2:00pm, PBL 258: BAFI Professor **J.B. Silvers** will give a primer on the Affordable Care Act, aka Obamacare, for all of us who are still wondering exactly what the new law entails, and how it will affect the economy and the healthcare market.

Wednesday, October 16, 3:30-5:00pm, PBL 401: **Dr. Lowell Taylor** from Carnegie Mellon University will present his current work. Dr. Taylor specializes in labor economics and economic demography, and his research hits on policy-relevant topics such as minimum wage policy and affirmative action in higher education.

Tuesday, October 21, 10:00-11:30am, PBL 121: **Dr. Robert Slonim** from the University of Sydney will present “**The Price of Warm Glow.**” This paper presents a model and experimental evidence to explain what is known as the “volunteering puzzle”: Why do people prefer volunteering their time to donating their money, even when monetary donations are, *ceteris paribus*, more efficient for providing resources to charity?

Friday, October 25, 4:15pm, PBL 202: As part of a special visit jointly sponsored by CWRU Economics and Political Science departments, **Dr. Adam Oliver** from Oxford University will discuss the economics and politics of the UK’s national health care system in a public lecture: “**Targets, Markets, and the British National Health Service.**” For more information about this event and about Dr. Oliver, see <http://policy.case.edu>

Friday, October 25, 12:30-2:00pm, PBL 118: Our annual **Meet-the-Faculty Luncheon** for students considering an Economics major or minor. Lunch will be served, along with lots of information about Economics electives and the chance for one-on-one conversations with faculty and other students.

Friday, November 15, 10:30-12:00pm, PBL 202: **Dr. John Beshears** from Stanford University will present his research on behavioral economics and financial behavior.

Wednesday, December 4, 2:00-3:30pm, PBL 118: **Dr. Thomas Buchmeuller** from University of Michigan will present his research on the economics of health insurance and related public policy issues.

Research Profile: Justin Gallagher

Hurricane Sandy hit the New York and New Jersey coastline in October, 2012, causing widespread flooding with estimated damages now at \$65 billion. The most devastating Hurricane to hit the US since Hurricane Katrina in 2005, Sandy has again raised questions as to the role that the Federal and State governments should play in protecting home and business owners from flood damage. Sandy has also made clear how unprepared most homeowners are for the possibility of a future flood. Why do so few homeowners in high flood risk areas purchase flood insurance?



Prof. Justin Gallagher investigates these questions in a research paper recently accepted for publication in *The American Economic Journal: Applied Economics*. In any given hurricane season, whether the Jersey shore will be flooded is uncertain. However, scientists do know the likelihood that a flood will occur. The flood risk in many areas along the Jersey shore is known to be very high—according to engineers and scientists who have carefully analyzed the frequency of historical floods and the land topology. The Federal government and local insurance companies publicize this risk in letters to homeowners and publicly displayed flood maps. The puzzle then is why are so few homeowners prepared when the inevitable flood occurs?

One conclusion from Prof. Gallagher’s research is that homeowners appear to quickly forget about past floods when evaluating the likelihood of future flooding. Rather than relying on the experts, many homeowners incorrectly conclude that the risk of a flood is low and it is not worth it to pay for flood insurance. Unfortunately, many of these same homeowners are unpleasantly surprised when they do, at some point, find their home flooded.

Postcards from Alumni

After graduating with an economics degree, I now work as a research assistant at the **Federal Reserve Board of Governors** (Fed) in Washington, D.C. I work with economists in the **Division of Monetary Affairs** to create datasets used to study a broad range of issues regarding the purchase and maturity schedules of mortgage backed securities.

A main responsibility of ours is to provide the Federal Open Market Committee (FOMC) with projections of how asset purchases would affect interest rates. The FOMC then debates whether or not to engage in the “quantitative easing” so frequently discussed in the media. Another big part of my job is the daily monitoring of US money markets, specifically the federal funds market. Each morning, before the U.S. markets open, my section analyzes the trading volume and effective rates of several overnight lending markets.

My work is interesting but challenging. Thankfully, the economists I work with are very engaged in their research, and enjoy walking me through the complex financial models, step by step. One amazing benefit of working at the Fed is the academic assistance program. I have already begun to take advantage of this benefit by enrolling in a graduate certificate program in Financial Mathematics at George Washington University.

Working at the Fed has proven to be a great opportunity to further my professional and academic goals. I hope to see more Case graduates here in the years to come!

- *Joseph Kachovec, '13*



After graduating with a double major in Economics and Physics, I had the opportunity to stick around for a year as a **full-time Research Assistant** in the CWRU Economics Department. I enjoyed applying the skills I'd learned as a student to ongoing research led by various faculty members. I edited Stata code and graphs of flood insurance take-up for Professor Gallagher, wrote a program to create a database of cafeteria food purchases for Professors Carrera and Prina, and worked with Professors Clingingsmith and Votruba to develop lab experiments on how preferences for redistribution relate to effort and luck.

After a year as an RA, I spent 7 months in Armenia as a volunteer. I taught English and introductory economics at a business-focused community college. I particularly enjoyed adding real-world examples into the otherwise exclusively theoretical curriculum.

Today, I'm working for **Explorys**, a Cleveland-based health care data company. Explorys provides a cloud-based software platform to unify and analyze medical data at a massive scale, facilitating improvement of quality of care and reduction of cost by health care providers. On a day-to-day basis, I'm faced with challenges that require abstract and innovative thinking to solve, and a workflow that necessitates cross-team collaboration and close coordination with others – skills that I honed while at CWRU.



- *Trevor Allen, '11*