

Congratulations to Richard Thaler '67, recipient of the 2017 Nobel Prize in Economics!

Our department's most famous alum just became even more renowned! That's right, Nobel Prizewinner Richard Thaler had his first economics classes here at CWRU.

The Nobel Prize committee awarded Thaler the prize because "his contributions have built a bridge between the economic and psychological analyses of individual decision-making."

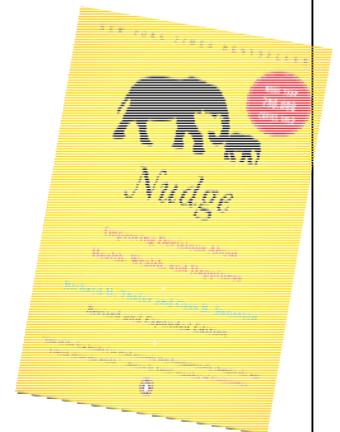
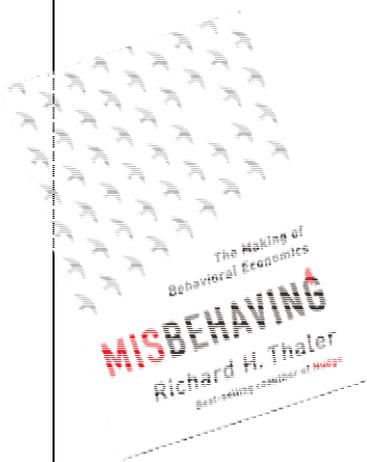
"Thaler has made great contributions in helping economists understand how people make decisions in ways that are not always rational or optimal, and perhaps even more importantly in thinking about how we can structure the environments in which people make choices to help them do better," says Professor David Clingingsmith.



Many current faculty in the department teach Thaler's work to their students. Students of Econ 330 (Economic Behavior and Psychology) learn about all three of the areas of his research highlighted by the Nobel Prize Committee: limited rationality, social preferences, and lack of self-control. Professor Mariana Carrera says she also highlights the contributions Thaler has made to policy: "Apart from pushing forward the field of economics, some of the ingenious policies he devised, such as the Save More Tomorrow plan for retirement savings, have been widely adopted and improved many lives."

"It's rare when someone who has made such a scholarly impact also conveys their ideas in such accessible ways. His work is always insightful and fun to read," adds Professor Daniel Shoag.

Several professors in our department also conduct research directly inspired by some of Thaler's ideas. See, for example, Professor Roman Sheremeta's recent paper in *Experimental Economics*: "[Loss Aversion and the Quantity-Quality Tradeoff](#)" and Professor Carrera's recent [NBER working paper](#) that tests whether the endowment effect can be leveraged to make an incentive to exercise more effective.



Undergraduates meet Janet Yellen, Chair of the Board of Governors of the Federal Reserve System



From left are Courtney Walker, Garretson Oester, Janet Yellen, Hana Kirjstorac, and Elisa Ruscitti

On September 29, Federal Reserve Chairwoman Janet Yellen spoke at the National Association of Business Economics meeting in Cleveland. Several Case Econ students enjoyed the opportunity to attend and hear her remarks, entitled “Inflation, Uncertainty, and Monetary Policy.”

“She painted a positive picture of economic growth yet was very cautious when discussing FOMC decisions,” commented **Garret Oester** (’18).

The students were pleased to recognize many of the concepts they had learned about in their macroeconomic curriculum. “When Chair Yellen claimed that she would not adjust the FOMC’s inflation target of 2%, despite fears of inflation undershooting, I saw the concept of the dual mandate come to life.” said **Hana Kirjstorac** (’18).

Oester also said that the experience gave him insight on “how central bankers think about issues that affect the economy and how their emphasis is really on both employment and interest rates.” For read more about Yellen’s remarks, see [this summary](#).

Congratulations to the 2017 Student Award Winners!

The following students were recognized for their academic performance, dedication, and leadership at the annual Economics Awards Luncheon last year:

James Dysart Magee Award to an outstanding student in economics for the senior year:
Jacqueline Blair

Howard T. McMyler Award to an outstanding junior majoring in economics:
Xuewei Zhu

H.W. Kniesner Prize to an outstanding senior in economics:
Xinyi Gu

Gardiner Scholarship to a junior majoring in economics who is also interested in finance:
Marc Parnell

Robert N. Baird Award for academic excellence and leadership in extracurricular activities:
Paul Fisher

Best Paper in Econometrics Award:
Marc Parnell

Economics Department Achievement Award:
Zijie Fu, Karen Lee, Tyler Powell, Madhankumar Saiprasad, Victoria Sung, Francis Villante, and Morgan Wood

Marvin J. Barloon Award for outstanding performance in Economics:
Suriya Baskar, Garretson Oester, Ini-Abasa Umosen

Welcoming new faculty members

We are happy to welcome **Daniel Shoag**, who is joining the Economics Department as a visiting associate professor. Shoag is on sabbatical from Harvard University where he works on urban economics, public finance, and local labor markets. His research has been featured in *The New York Times* and *The Wall Street Journal*. Dan is a native Clevelander, a former student at Case Western Reserve, and a die-hard Cavs fan. Along with other work on government finance, regional economics and urban economics, he has even done academic research on LeBron's impact on Cleveland's restaurant and bar scene.



Shoag will be teaching Principles of Macroeconomics in the fall and Urban Economics and Public Finance in the spring. When he isn't teaching or working on research, you are likely to find him spending time with his wife and four kids or — more realistically — watching the Cavs.

Professor Shoag encourages students to stop by his office hours (Tues and Thurs afternoons—signup sheet posted weekly) to chat about Cleveland sports, economic consulting, urban development, and all things economics.

We are also happy to welcome **Glenda Oskar** as a visiting assistant professor. Oskar holds an undergraduate degree in mathematics-economics from Wesleyan University, a master's degree in mathematics from New York University, and a doctorate in economics from the University of California, Berkeley. Her research interests are in microeconomics and economic history.

One of Oskar's current papers focuses on corporate finance practices in the nineteenth century. While it was common for banking, insurance, mining, transportation, and utility companies to issue assessable stock until the early nineteenth century, it was primarily in the mining companies of California and Nevada that the practice remained an important source of financing, persisting well into the early twentieth century. With assessable stock, shareholders must supply additional capital as demanded by the company's board of directors. Typically, shareholders forfeit their stock ownership when assessments are unpaid and defaulted shares are sold at auction.

Although the practice of issuing assessable stock was an important feature of early American equity finance, was cited in the debates on limiting shareholder liability, and contributed to the development of the mining industry in some states, it has not been the subject of much research. In the paper, Oskar uses empirical evidence from a newly constructed dataset to show that for the mining companies of California and Nevada in the late nineteenth century, assessable stock limited agency costs of free cash flow, issue costs, and other costs associated with ex post contracting problems.

Oskar is currently teaching Principles of Microeconomics and Intermediate Microeconomics, and will teach Principles of Microeconomics again in the Spring.

Upcoming Economics Seminars



Don't Miss!

Students are always welcome to attend department seminars, where visiting experts from other universities present their current research. Refreshments are served too!

October 27, Aaron Chafin from the University of Pennsylvania. He does research on the economics of crime, criminal justice policy and economic demography .

November 10, Mireille Jacobson from UC Irvine. She does research on health economics and public policy.

December 1, David Cooper from Florida State. His work is on experimental economics, behavioral economics and managerial decision making, and he used to be a professor here at Weatherhead!

Weatherhead Economics Society

Our student club is up and running this semester, led by **Liz Hanna** (President) and other board members **Thang Duong, Ash Jain, Hannaa Hussain, Constantine Payiavlas, Austin McCully, and Jee-Yeon Kim.**

Recent events include a talk by **Andrew Healy**, Senior Strategist for Player Personnel for the Cleveland Browns, and a movie night. There will be a networking dinner in October, Trumponomics 2.0 faculty panel discussion in early November (a follow-up to the HUGE success of the first Trumponomics event last spring), and a general meeting in later November.

Job/ Internship/ Publication Opportunities for Students

- ◆ For graduating seniors: **Federal Reserve Board** applications for full-time work as a Research Assistant are due **January 31**. Several of our recent alums are working at the DC and Cleveland locations, and any professor would be happy to put you in touch if you have questions. Learn more at: <http://www.federalreserve.gov/careers/ra.htm> Summer internship are also offered at the Federal Reserve Board: http://www.federalreserve.gov/careers/intern_project.htm.
- ◆ The **Abdul Latif Jameel Poverty Action Lab (J-PAL)** is a network of 136 affiliated professors from over forty universities. If you are interested in field research in development economics, project management or data analysis, check the job listings here: <https://www.povertyactionlab.org/careers>
- ◆ **Cuyahoga County** has a summer public policy fellowship program. Information on last year's program is here: <http://executive.cuyahogacounty.us/en-US/Public-Policy-Fellowship-Program.aspx>.
- ◆ The **American Economic Association Summer Training Program and Scholarship Program** aims to increase diversity in the Economics profession. If you'd like to learn more, ask Professor Carrera or visit : <https://www.aeaweb.org/about-aea/committees/aeasp>
- ◆ Follow us on Facebook to keep up with department news and other events!



