

Virginia Economics

December, 1998

Dear former students and colleagues,

Well, its *that* time of year, and its only been a couple of weeks without windows open, fans on, and colleagues in shorts. We began this fall with 18 new first year doctoral students, about two-thirds from the US, and others from Switzerland, Hong Kong, Japan, and Bolivia. They are joined by some visitors from Malaga, Valencia, Paris, New Zealand, and Canada, along with former students: Chris Swan who came back from *Mathematica Policy Research*, and Bridget Heideman, a distinguished major who finished at Duke and is visiting from Seattle. She is offering the first Economics of Gender class that our department ever has offered. The year began with a revival of the old practice of getting all first-years together for a tubing trip on the James River with some faculty, older grad students, and plenty of beer and sun. Those weekly problem sets and quizzes for Mr. Epps seemed to crowd out such diversions quickly. You may have read about the last Confederate casualty, a person who was shot in the neck at a reenactment of the battle of Gettysburg last year. Clint Epps (son of Wake and Mary Lee) is surely the only casualty ever to receive hospital visits from the field commanders of both armies, and he recovered nicely. The suspect, a civil war enthusiast who came over from France for the occasion, was given a lie detector test. I wonder if they asked him if he ever took ECON 771 at Virginia (more below).

As you surely remember, December is also the beginning of the job market season. Last year the results were quite good: Jose Canals went to the University of Colorado at Boulder, and Kristen Stein is teaching there this year as well, I hear. At UVA she won a College-wide teaching award. Monica Capra is at the University of Arkansas this year. Bunny and Bev in the front office warned Monica about venturing into Clinton country. Laura Clauser is closer to the action, in Washington D.C. at the Treasury. Jorge Raygoza took a position at the Ibero-American University in Mexico City, and Julie Thomas started in GSIA at Carnegie-Mellon! In addition to these placements, a number of our recent Ph.D.s moved to preferred locations. Some headed south: Rob Burrus to UNC-Wilmington, Peter Bearse to UNC-Greensboro, Ben Scafidi to Georgia State (along with Shif Gurmu), Pubi Killer (pronounced "Keeler") to LSU, and Rick McGrath to Savannah. Some went the other way: John Elder left UVA to go to Middlebury in Vermont, Todd Steinbrickner started at Western Ontario, and Derek ("you can run from economic models but you can't hide") Neal left Chicago to join the faculty at Wisconsin.

One thing about the job market that is getting worse is the expense. Our job seekers last year spent anywhere from \$1,500 to \$3,500 each on mailing, copying, etc. When I asked a group of graduate students what type of major gift would benefit the graduate program, several

mentioned the possibility of a job placement fund (new furniture for the Snavely Library and Graduate Lounge was a close second). Which reminds me, thanks to those of you who sent in gifts. Every year, for example, Chip Curran sends in a contribution for the Snavely Library from Boston, where he is a macroeconomic forecaster for Primary Decision Economics, and John Snow (CSX) makes a very generous contribution. One of our former econ majors, Gene Schutt, just gave us \$100,000 for a "Strategic War Chest" that could be used to fly in prospective students for campus visits. And Bill Huneke donated a comparable amount for a graduate fellowship in economics. At the lunch honoring Bill in the spring, I asked him which was his most valuable course. Dean Mel Leffler perked up, and Bill responded without hesitation: "Epps' statistics, *but I wouldn't wish it on anyone.*"

Several key gifts from former majors Everette Doffermyre and Bob Voyles in Atlanta have allowed us to begin a feasibility study for the Rouss Hall renovation (and possible addition). I would like to thank Ken Elzinga for his key role in this process. We will be choosing an architect next month to work up designs for fund-raising and planning. As you may remember, Rouss Hall was designed by the noted American architect, Stanford White, and this is the 100th anniversary of its construction. I would welcome any ideas that you may have on how to proceed with what I hope will be a very ambitious project.

Last spring Lisa Anderson organized a classroom experiments conference at William and Mary, and many of the papers by Virginia coauthors there will appear in a special section of this January's issue of the *Southern Economic Journal*. While at William and Mary, I realized that Larry Pulley is the new Dean of the School of Business there. Speaking of Deans, Fred Menz is an acting Dean at the School of Business at Clarkson University. Cathy Eckel, who was at the William and Mary conference, later returned to Virginia Tech at the end of her term at NSF, where Dan Newlon continues to be the senior economics program officer. Also in the DC area, James Dorn is editing the *Cato Journal* and vice president of academic affairs for the Cato Institute. This year he received the Regents Award for Excellence at Towson College. And congratulations to Alan Caniglia for becoming the Sigmund M. Hyman Professor of Economics at Franklin and Marshall. Farther from home, Nisha Agrawal writes from the World Bank Resident Mission in Hanoi that it is beautiful but hectic. I hope that Nisha and others in faraway places will contact the web doctor, Ron Michener (see below) so that we can put your email addresses up on the department web page where others can get to them: <http://www.virginia.edu/~econ/home.html>. Feel free to send your email address and/or home page address to Ron at rwm3n@virginia.edu. Please direct your students with questions about the graduate program to Laurie Jenkins (lrj3m).

As usual, there is a mix of good and bad news on the faculty front. Tim Bollerslev headed off for greener pastures at Duke, and Shakeeb Khan for a colder climate at Rochester. On a more positive note, Marianne Baxter is on the top-50 list for pages published in top journals. This article, in the February 1998 *Journal of Economic Perspectives*, ranked UVA 20th, and 16th on a per capita basis. We hired Jinill Kim, a recent Yale graduate who then worked several years at the Federal Reserve Board. Jason Taylor arrived from the University of Georgia to teach large sections of ECON 202 for us; he received the student newspaper's "best professor" award as a grad student at Georgia. Andy John is teaching at INSEAD in Paris, and he writes that classroom

experiments are capturing the interest of his MBA students. Shif Gurmur took an associate professor position at Georgia State. Ken Elzinga was featured on the front page of the *National Law Journal* for his role as an advisor to Microsoft (Ken once mused whether predatory pricing is rare like an 1849 British stamp or rare like a unicorn). Roger Sherman and Bill Johnson were elected President and Vice President (respectively) of the Southern Economic Association. Bill will follow Gena Toma, who visited here several years ago and is now filling Cathy Eckel's shoes at the NSF. Ed Olsen is finishing up a term on the SEA Board of Trustees, and the rumor is that he chose the cover design of the revived *Southern Economic Journal*. This is a lime green that happens to go well (in some circles) with the pink jacket he was sporting in the '96 Christmas letter. Speaking of journals, every shelf should have the journals co-edited by our colleagues: the *Journal of Monetary Economics* (Bob King), the *International Journal of Industrial Organization* (Simon Anderson), and the new *Experimental Economics* (guess who). Charlie Plott is on the Advisory Board of this latter journal, in recognition of his seminal market and voting experiments.

Betty Tilman paid us a surprise visit from George Mason this fall. For those of you who don't remember, she was the administrative assistant for the Thomas Jefferson Center for Political Economy and sat between the offices of Jim Buchanan and Gordon Tullock in the basement in the sixties. She left with them and has since become the "first lady of Public Choice". Betty noticed that her old desk, a fifties classic, is still there, as are some of those sagging couches that most of you must remember in the TJ Lounge. Betty recalled that once when everyone was locked out of the glass doors to the TJC, she volunteered to climb down from a high window in what was Warren Nutter's office. She assured the onlookers that she had been spelunking (and the basement of Roush does have something in common with a cave). When her socked feet got to the file cabinet, she slipped but recovered with nothing more than some bruises. This must have been quite a drop; you may remember this as Leland Yeager's office, where he used to perch high up on a ladder looking through old books, or later as Max Hartwell's office, with a demure photo of the Queen on the wall.

The undergraduate program continues to grow; our earned faculty lines last year were up from 41 to 46. We have some new lines to fill in Finance and Law and Economics. There are still many small classes, but Ed Burton is teaching 240 students in Financial Markets in the spring, and Larry Kochard cleared out the waiting lists when he added about 50 to his corporate finance class this fall. Larry, who was a vice president at Goldman Sachs before coming to grad school, is on a faculty line this spring and will teach a graduate finance class. The department just approved a proposed plan for a finance concentration with a heavy dose of calculus and required course in finance theory. Perhaps just as important, we have Maria Carkovic (on leave from the IMF) who is doing intermediate macro with a heavy comparative-countries perspective. Economics is now the second largest major in the college, and the undergraduate program assistant, Margaret Sugarman, is surely one of the busiest people around, with the exception of Marc Poe, the new computer person -- you know how that goes...

If you will be at the ASSA meetings in New York, don't hesitate to stop by the University of Virginia Reception at the Sheraton New York, Liberty Suites 1&2, Monday January 4, 5:30 pm - 7:30 pm.

Let me close by offering you my warmest ..., well I was going to say Holiday greetings but our former colleague and student, Bill Wood (now at James Madison University) has suggested an alternative. Writing in the *Wall Street Journal*, Bill proposed that the celebrations be separated into a religious holiday "Nativity" and a sectarian celebration, "Excessmas, ... associated with excess in everything, including promotion, spending, consuming and drinking." That reminds me of the time I was reading *Huckleberry Finn* to my 3 year old daughter and she called me the Duke of Decadence. Well I hope you all have a nice Nativity and a Merry Excessmas.

Sincerely,

Charlie Holt
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