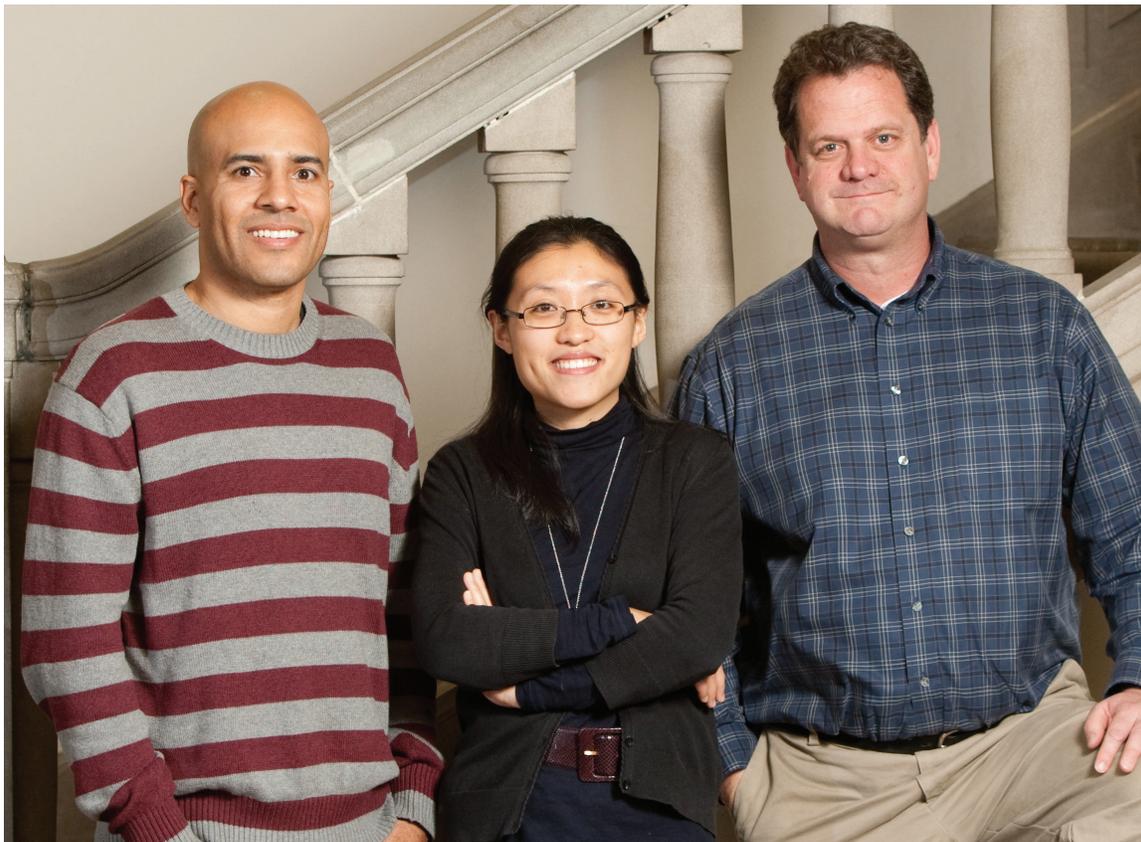


# MICHECON

## NEWS

Winter 2009

for University of Michigan Economics Department alumni and friends



From l. to r.: Associate Professor Mel Stephens, Assistant Professor Ying Fan, and Professor Paul Rhode

## Three New Faculty Join the Department

This fall the Department welcomed three new faculty members to its ranks: Professor Paul Rhode (economic history) from University of Arizona, Associate Professor Mel Stephens (labor economics) from Carnegie-Mellon, and Assistant Professor Ying Fan (industrial organization).

“We are extremely pleased to have these valuable additions to our faculty,” says Department Chair Linda Tesar. “At a time when many institutions around the country are struggling with recruitment and retention, we at Michigan are fortunate to be able to continually build on our strengths and broaden our depth in the various economic disciplines.”

Originally from California, Paul Rhode moved up through the professorial ranks at the University of North Carolina where he

taught for 17 years. Since 2007 he was the McClellan Professor of Economics at the University of Arizona. “I was always interested in history and was pretty good in math so when I took my first economics class, it seemed to be a good merger of the two,” says Rhode. “When I took my first economics history course, it seemed to be an even better merger.”

In the years since taking that first economics history course, Rhode earned a BA in economics from the University of California, Davis, a PhD in economics from Stanford University, has published three books, and is a frequent contributor to prominent economics and history journals. He received the Arthur H. Cole Prize twice, in 1995-96 and again in 2002-03, for the “outstanding article published in the *Journal of Economics History*. This

*continued on page 4*

# From the Chair



Dear Colleagues and Friends,

Well, it's been quite a year. The turbulence in the economy has fueled heated discussions around the water cooler, in our classrooms, and in our seminars. Perhaps never before has the connection-- between what is happening in the national and global economy and what is happening in the Department of Economics-- been so close. The recent financial crisis

and the consequent recession have raised important questions about the basic functioning of the economy, the importance of regulation and the challenges of policymaking in an increasingly securitized, globalized, and ever-evolving financial landscape.

A quick perusal of this newsletter makes it clear that the questions facing policymakers in Washington and money managers

on Wall Street are echoed here in Lorch Hall. Below is quick synopsis of some recent Department events related to the financial crisis:

- In early October, the Department marked Alan Deardorff's 65th year with a celebration of his work. To help us celebrate, Paul Krugman came to campus to share his views on international trade and the particular role that globalization played in the financial crisis.
- Two of our Economics Leadership Council members, Peter Calabro and Mark Harms, hosted an alumni event in New York dubbed "Wolverines on Wall Street." The panel included faculty from the Department of Economics and specialists from the financial industry.
- Later in October, a similar panel discussion was held in Ann Arbor. Co-hosted with the Ford School, this panel also included Chicago Federal Reserve Bank President Charles L. Evans, who shared his perspective on monetary policy in the current environment.
- This year's Woytinsky Lecturer was Mark Gertler from New York University. Professor Gertler's lecture was entitled "A Model of Unconventional Monetary Policy" and chronicled the Federal Reserve's creative policy steps to stave off financial disaster.
- This December, the Department, along with ELC member Michael Beauregard, will be hosting a conference on "The Financial Crisis: Lessons for Economics Theory," featuring the work of leading scholars in the field.

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**Regents of the University of Michigan: Julia Donovan Darlow, Ann Arbor; Laurence B. Deitch, Bingham Farms; Denise Illitch, Bingham Farms; Olivia P. Maynard, Goodrich; Andrea Fischer Newman, Ann Arbor; Andrew C. Richner, Grosse Pointe Park; S. Martin Taylor, Grosse Pointe Farms; Katherine E. White, Ann Arbor; Mary Sue Coleman, ex officio**

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While the current economic situation makes interesting fodder for analysis and discussion, it also poses significant budgetary challenges for the Department and for the University of Michigan as a whole. Through prudent use of gift funds and conservative long-term planning, the financial situation of the University of Michigan remains sound. When compared with peer universities, U-M is in a remarkably strong position. While we anticipate some budget cuts in the next few years, faculty hiring and the development of long-term projects continues. None of this would be possible without the sustained support and involvement of our alumni, and for this we are extremely grateful. We continue to seek ways to better connect with our former students and to better communicate to you the many exciting things that are happening at Michigan. We hope you enjoy reading this newsletter and we thank you for your support .

Linda Tesar  
Department Chair and Professor

# Macroeconomic Policy Discussion: Steps Toward Recovery

On October 22, a panel of distinguished economists discussed “U.S. Macroeconomic Policy: Steps Toward Recovery.” The event was held at the Gerald R. Ford School of Public Policy and was co-sponsored by the Department of Economics and the Ford School. Panelists included alumni and members of the Department’s Economic Leadership Council Peter Borish, chairman and CEO of Computer Trading Corporation and Allen Sinai, chief global economist, president and co-founder of Decision Economics, Inc.; along with Matthew Shapiro, the Lawrence R. Klein Collegiate Professor of Economics and Charles L. Evans, president and chief executive officer of the Federal Reserve Bank of Chicago.

Acknowledging that “the economy seems to have entered some sort of recovery,” Sinai noted that economic policy from here forward would have to be careful in balancing the risks and problems facing the nation. Calling jobs and unemployment problems “Public Enemy No. 1,” Sinai, who said he considers 4% unemployment to be full employment, emphasized that “the new normal is not going to be anywhere what it was in the past.” There will be less hiring, less income.

Noting that a typical recovery pattern is a “V,” Sinai said he sees the current recovery as more of an “uptilted ‘L,’” and does not expect to see major policy thrusts from the administration until next year. He believes the Fed should “stay the course,” adding that “we need to accept higher deficits and take longer to get out of them.

Shapiro said he basically agreed with Sinai “but is a bit more pessimistic.” Saying that policies thus far “saved us from the brink of a great depression,” in looking ahead he focused on the Fed’s need to balance interest rates with inflation. “Inflation right now is very well contained,” said Shapiro, “so the Fed can keep interest rates low for some time.” However he cautioned that potential adverse effects of low interest rates, would have to be watched carefully. “Low interest rates enabled the housing meltdown,” he said, noting that “the Fed might have to raise interest



**Above (l. to r.):** Panelists Peter Borish, Charles L. Evans, Matthew Shapiro, and Allen Sinai.



**Left:** Allen Sinai is interviewed. Bloomberg, Thomson Reuters, and Market News International were among the media that covered the event.

**Below:** Members of the audience listen to the speakers.



rates, not because of inflation, but because the economy is getting frothy again.”

Evans said he expects the U.S. economy “to grow 3% over the next 18 months,” adding that unemployment will very likely “go above 10% and then do a slow retreat from there.” He expects inflation to be “at 1.5% for the next two years.”

“I tend to agree that we need to think about our exit policy,” Evans said, “but at the moment the priority is a very accommodative monetary policy.”

Borish said that “we have a gigantic math problem” when looking at pensions and social security. “We have to change incentives and have to make labor relatively cheaper than capital.”

Susan M. Collins, Joan and Sanford Weill Dean of Public Policy at the Ford School, served as moderator.

continued from page 1

year The Agricultural and Applied Economics Association recognized Rhode with its Award for Professional Excellence.

He is best known for his research with Alan Olmstead on productivity growth in American agriculture. In *Creating Abundance: Biological Innovation and American Agricultural Development*, published this fall, Rhode and co-author Olmstead (University of California, Davis), demonstrate how biological innovations revolutionized crop and livestock sectors, increasing both land and labor productivity.

As he continues his research—Rhode has an NSF grant to collect slave records as he examines why the U.S. became such a dominant producer of cotton—he notes that the U-M is “a good place to do economic history. There are terrific people and fantastic library records at Michigan.

“This is a great university and there are great opportunities in this Department,” he adds. “I look forward to teaching undergraduates and graduates.”

This professor who has spent his entire life in southern states also anticipates the Michigan winters with a cautious but upbeat outlook. “The weather,” he says, “will keep me perky.”

For Associate Professor Mel Stephens, arriving in Ann Arbor is a true homecoming. Stephens received his PhD in economics from the U-M. Several members of his family hold degrees from U-M, including two of his grandparents. His grandfather was a classmate of playwright Arthur Miller, '39, and Stephens recalls his grandmother telling him how the University schedule had been changed (during World War II) so students could graduate in three years instead of the usual four. “I am very glad to be back,” he says, adding with a smile, “my advisors are now colleagues.”

As a labor economist who is also affiliated with the Gerald R. Ford School of Public Policy, the Population Center, Survey Research Institute, and Institute of Social Research (ISR), Stephens is excited about what the University has to offer. “The great thing about Michigan is that there are a lot of people here, a vast network of economists so there is a lot of opportunity for collaborative research. Also, if you are interested in multiple disciplines, there are a lot of people interested in using micro data, survey design, and survey methodology.”

Stephens has received awards and grants primarily for research that examines a number of aspects of decision-making in the context of retirement including consumption and savings, as well as the importance of expectations in affecting these decisions and subsequent outcomes.

His work has been cited in *The Wall Street Journal*, *BusinessWeek*, and *The Times of London*.

Stephens' current research “examines questions about household consumption and how people make decisions.” One area he is specifically looking at is nutrient and caloric intake relative

to when an individual gets paid. What the data indicate, says Stephens, is that both nutrient and caloric intake fall early in the month. There are two thoughts as to why: people are impatient and they don't have the willpower to save money from their monthly paycheck to evenly spread out their grocery purchases (similar, Stephens says, to Matthew Shapiro's research on how people use tax rebates).

In another project, he is examining how changes in local labor market conditions affect voting behavior through their influence on the amount of time people devote to becoming politically informed.

Stephens is teaching advanced statistics to students that he characterizes as “energized, lots of go-getter types.”

Assistant Professor Ying Fan's arrival at the Department represents an important addition to the area of industrial organization, says Tesar. “Her research has focused on an empirical analysis of the newspaper industry, which has experienced rapid ownership consolidation over the past few years. Her main thesis chapter, “Market Structure and Product Quality in the U.S. Daily Newspaper Market” looks specifically at the impact of mergers on the quality and price of newspapers, and the impact of various anti-trust policies on consumer welfare.”

Fan focused on the ownership consolidation of the *Pioneer Press* and *Star-Tribune* in Minneapolis. The consolidation had become a focus of the U.S. Department of Justice which moved to block the move. Fan's research showed that as a result of the consolidation, there were fewer reporters covering stories, the opinion section of the paper shrank, the price of the paper went up, and the amount of advertising went down.

“The Department of Justice was right,” she observes.

In future work, Fan plans to extend her analysis to include other news media, including the internet, television, and radio.

Her research has been recognized by numerous awards, including the Cowles Foundation Prize, best paper published in *China Economic Quarterly* (for the article written with Xinqiao Ping, “Wage Contracts, Grey Income and Career Concerns,” and numerous fellowships.

Fan is particularly pleased to be working with students. “In China,” she says, “you pick a major as a 17-year-old.” She knew she liked economics and decided to pursue that area of study. Fan holds a BS in mathematics and BA in economics from Wuhan University, an MA in economics from Peking University, and MA, M.Phil, and PhD in economics from Yale. Now she is eager to pass on her love of learning to the students in the graduate and undergraduate industrial organization classes she is teaching.

“Teaching is very rewarding and the rewards come quickly,” she says. “A lot of great professors have helped me. If I can help someone like that, it will be great.”

# Festschrift Honors Deardorff

Colleagues and former students of Professor Alan Deardorff gathered in Ann Arbor this October, for “*Comparative Advantage, Economic Growth, and the Gains from Trade and Globalization: A Festschrift in Honor of Alan V. Deardorff.*” The celebration marked the occasion of Deardorff’s 65th birthday.

Keynote speaker for the event was Paul Krugman, Nobel Laureate, *New York Times* columnist, and economics professor at Princeton University. “Limited blogging today,” he wrote in his Oct. 2 *New York Times* blog — I’m on my way to Ann Arbor to fest Alan Deardorff’s schrif.” Also limited that day was available seating for Krugman’s talk. Originally scheduled for Rackham Auditorium, the event had to be moved to Hill Auditorium when the original supply of free tickets were gone within hours of being available from the U-M ticket office. In the end, tickets for the 3,500-seat Hill Auditorium also had “sold out”, making it the first time an economist had filled the massive auditorium.

Krugman focused on trade policy in his remarks and then took questions from the audience. The video of Krugman’s lecture can be accessed through the Department’s web page.

The two-day event recognized Deardorff’s tremendous contributions to the field of international trade. On the first day, major leaders in the field discussed his writings on trade and growth, comparative advantage, gains from trade and globalization, and computational modeling and trade policy analysis. The second day featured Deardorff’s former students presenting their work that pushes the field in new and exciting directions. Speakers



**Festing economists included (front row, l. to r.):** Jing Zhang, Matthew Shapiro, Paul Krugman, Alan Deardorff, Susan M. Collins, Linda Tesar. **Back row (l. to r.):** Jim Levinsohn, Jim Hines, Robert Willis, Andrei Levchenko, and Kathryn Dominguez.

included: Peter Debaere, University of Virginia; Drusilla Brown, Tufts University; David Hummels, Purdue University; Marc Melitz, Princeton University; Robert W. Staiger, Stanford University; and David Weinstein, Columbia University.

The evening concluded with a celebration dinner featuring keynote speaker Ronald Jones, University of Rochester, as well as numerous toasts and reminiscences from friends, colleagues, and alumni. “In addition to hearing some great stories about Alan’s career and his contributions, a recurring theme was Alan’s remarkable collegiality and personal warmth,” said Department Chair Linda Tesar following the event.



**Photos, above (l. to r.):**

Emeritus Professor Bob Stern; John W. Sweetland, AB '58 econ, AM '59; Department Chair Linda Tesar; Joan and Sanford Weill Dean of Public Policy Susan M. Collins; Professor Alan Deardorff and his wife, Pat.

**Left:** Celebrants gather to honor Alan Deardorff at the Saturday night dinner held in Rackham.

**Photos by Peter Smith**



# Faculty News

## Honors, Appointments

Assistant Professor **David Albouy** received first prize for his dissertation from the American Real Estate and Urban Economics Association.

Assistant Professor **Martha Bailey** received an NIH award for her research project, "Family Planning Programs and the Health and Fertility of U.S. Women, 1960-1980."

Professor **Jim Hines** and co-authors C. Fritz Foley and Mihir A. Desai (both of Harvard), received the Pearson/Prentice Hall Prize for the best paper published in the journal *Financial Management* during 2006-2008. "Dividend Policy inside the Multinational Firm," appeared in the Spring 2007, issue. The award was given by the Financial Management Association International.

Assistant Professor **Ryan Kellogg** won first prize in the 2008 Sloan Industry Studies Dissertation Award for his dissertation, "Efficiency in Energy Production and Consumption." He received the award and accompanying honorarium at the Sloan Industry Studies Annual Conference held last May.

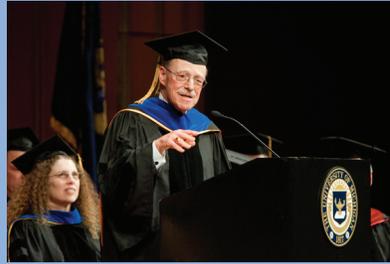
Professor **David Lam** has been elected president of the Population Association of America. His term begins January 1, 2010.

**Dan Silverman** has been promoted to associate professor with tenure. This spring, a paper written by Silverman, Hanming Fang, and Michael P. Keane, received the Arrow Award for the best paper in Health Economics published during 2008. "Sources of Advantageous Selection: Evidence from the Medigap Insurance Market" appeared in the *Journal of Political Economy*, 2008. The same paper was also one of five finalists for the NICHM Foundation Health Care Research Award.

Professor **Lones Smith** has been elected a fellow of the Econometric Society.

Assistant Professor **Rebecca Thornton** has received the Robert & Janet Neary Faculty Award from the University of Michigan College of Literature, Science, and the Arts. This award was established in the LSA Dean's Office to be used for faculty research support.

## Scenes from Commencement 2009



On May 1, the Department held its Undergraduate Commencement Celebration as faculty, friends, and family gathered to celebrate this year's graduating class. Harold T. Shapiro, president emeritus Princeton and University of Michigan, and former Department chairman, gave the commencement address (see pp. 8-9). Professor Emeritus Saul H. Hymans (top, left) was recognized for his many years of teaching and service as director of RSQE.

Highest honors were awarded to Allison Davido and Matthew Wyble. High honors went to Kelechi Adibe, Russell Bittmann, Katherine Cheng, Fan Fei, Bruce Hicks, Sohini Ma-

hapatra, Duke Schaeffer, Yevgeny Shrago, Ruocheng Sun, Xuanzhong Wang, and Julianne Zamora. Receiving honors were: Ghim Chia, Drew Farrington, Michael Filicchia, Steve Kang, Zhi-Jun Loh, and Sharon Traiberman.

Award recipients included: Sims Honors Scholarship - Allison Davido and Leigh Wedenoja; David Bunzel Scholarship - Sohini Mahapatra and Ruotao Wang; Harold Osterweil Memorial Prize - Leigh Wedenoja and Julianne Zamora; Ferrando Honors Prize - Allison Davido and Matthew Wyble; John Elliot Parker Memorial Prize - Russell Bittmann and Katherine Cheng.

## LORCH HALL: From Architecture to Economics

It was built to house the growing architecture program at Michigan. Today it is home to economics and (on the fourth floor) linguistics. Designed by Emil Lorch, the University's first dean of architecture, Lorch Hall was completed in 1928. Although Lorch planned the structure as an eventual quadrangle, only two wings were built. In 1974, the College of Architecture and Urban Planning, and School of Art and Design moved into a new building on North Campus. In 1986, a renovated Lorch Hall would become the new residence of the Department of Economics (which had been housed in the North Ingalls Building following the 1981 arson of the Economics Building).

Originally, the north side of the east-west wing was largely of glass, providing light for the large drafting rooms on the lower three floors. At the third-floor level, the space over the library was designed as an exhibition room rising 30 feet through the fourth-floor level.

The building's exterior contains numerous interesting bas reliefs and curative details. Along the east side are medallions featuring names of famous architects and artists. The seals of the state of Michigan and the University of Michigan also appear on the facades.

The central tower features panels with symbols representative of architecture and learning. Fragments of architecture illustrating architectural development in this country were purchased or donated for the Sculpture Garden. The Doric

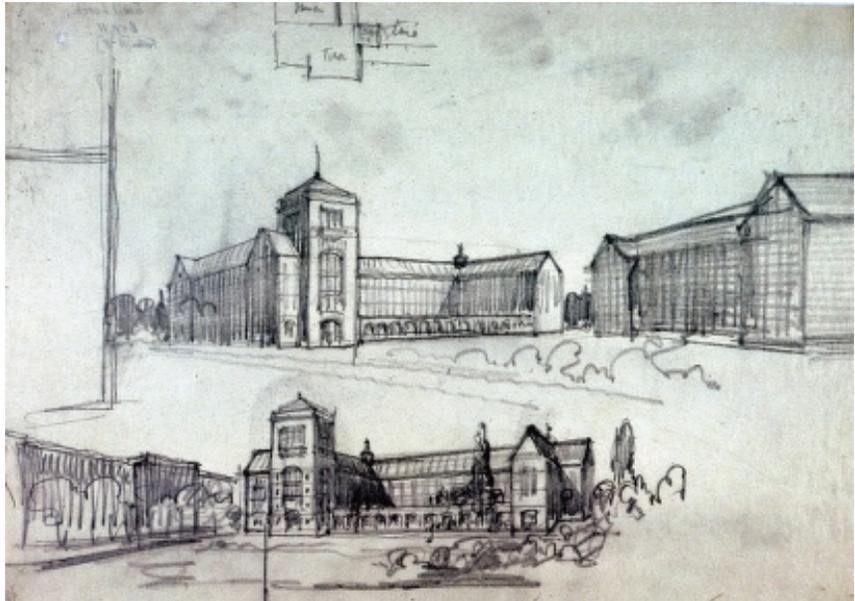
entrance that still stands on the southwest lawn was once part of the Bank of Michigan (an early forecast of the Economics Department's future residency?), the oldest stone building in Detroit, built in 1836.

To the casual observer, the weathervane looks like a ship in full sail. And indeed it is: the sail is an artist's palette, the mast is

a brush, and a t-square serves as the hull, reflecting the building's original purpose.

The decorative work in the first-floor main lobby was done by the Flint Faience Company, and includes a representation of the university's seal (see photo, back cover).

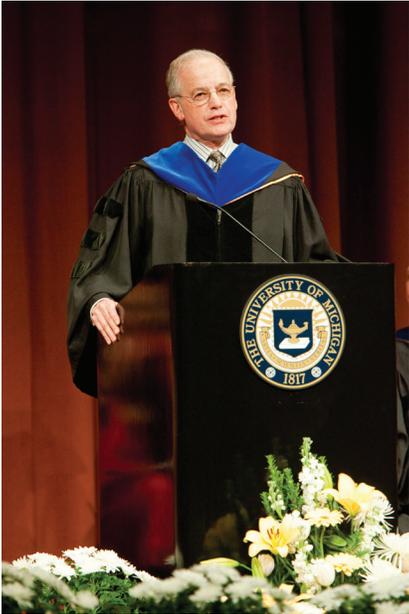
**Clockwise from top:** Emil Lorch's original sketches of the building exterior; the Sculpture Garden; Lorch Hall today; a fourth-floor art studio; the first-floor main lobby.



# 2009 Commencement Celebration Address

by Harold T. Shapiro

*Harold T. Shapiro, president emeritus Princeton University, president emeritus University of Michigan, and past chair of the U-M Department of Economics, addressed Department graduates on May 1, in Rackham Auditorium.*



**Graduating students, faculty, parents, and friends,**

It is a great pleasure and honor for me to return to Ann Arbor and to be here this evening to share this special occasion with you, the graduating students, whose accomplishments we are here to celebrate. We are also here, however, to honor your family, friends, and teachers for their part in

the successes we mark today. We are here not only to celebrate your achievements, but to express our confidence that your future will be filled with further meaningful and satisfying accomplishments.

In addition, it is always a moving occasion for my wife Vivian and I to return to Ann Arbor and especially to participate in an event sponsored by the Department of Economics. It was in Ann Arbor and Michigan's Economics Department where I began my academic career, this is where I met my first professional colleagues, this is where we raised our four daughters (three of whom are Michigan graduates), and this is where we have developed many treasured lifelong personal and professional friendships.

On a lighter note this is also where we learned about Big Ten football and to feel a tingle go down our spines when the Michigan Marching Band burst out of the tunnel and onto the field. I will never forget our first Michigan football game where at half time 10,000 high school students from around Michigan marched out on the field and, of all things, played the Triumphal March from Verdi's opera *Aida*! Then I knew the Midwest had its own special culture!

There are of course many other cherished memories of people and events, but this is not the right moment to reflect any further on these. My brief remarks this evening are chiefly directed to this evening's graduating students and relate to the hopes and

good wishes I have for each and every one of you.

As a group of undergraduates you have all participated in a shared experience over the last number of years. However, as individuals you will now take many different paths as you seek to find the best opportunities to fulfill those aspirations that have animated your efforts and dedication to date.

In addition, however, it is safe to predict that each of you will also develop new goals and aspirations as your knowledge, experience, and wisdom accumulates and as entirely new opportunities appear on the horizon. It is my view that it is especially important that you remain open to new ideas, new prospects, and the new perspectives that your own experience will generate. In particular remain open to your own evolving sense of what would best satisfy your own needs, the needs of your family, and the needs of the many communities to which you will belong.

My first point this evening, therefore, is always to leave open the possibility that you might want to take advantage of entirely new opportunities which perhaps unexpectedly find a place on your horizon.

As I reflect on the many years I have now spent as a teacher, a researcher, a university administrator, and in various advisory roles in the government and what I have observed in others it seems to me that in addition to openness to new ideas and new challenges there are three additional personal characteristics which might also serve you well as you embark on the next stage of your careers. They are: **passion, persistence, and performance**. Let me be a bit more specific about each.

**Passion.** I hope that whatever path you take that you can do so with a passion that reflects the belief that what you are doing is of great importance to you and of significance to others. In my own view passion is the fuel that gives us the energy to think carefully and to overcome the inevitable temporary setbacks that characterize all worthy efforts. A passion for your work will enable you both to sustain the dedication and to take the risks necessary to make the contributions you are all capable of.

**Persistence.** To put it plainly persistence in a worthy cause about which you are passionate pays off! To use a financial metaphor compound interest really does accumulate. I continue to observe in the classroom and elsewhere that the greatest achievement and growth is as much the result of persistence as raw intelligence. All of today's graduates have the necessary intelligence to succeed, but those with passion and persistence are the most likely to do so.

**Performance.** In the end it is performance that counts whether this is in your role as parent, or friend, or community member, or it deals with your professional life. Passion and persistence are the necessary fuels to liberate your abilities, but judge your-

self as others will judge you namely by your performance in the various dimensions of your lives.

I hope, therefore, that each of you will bring a passion and persistence to your work, achieve a high level of performance in the many dimensions of your life and allow your family, friends, and community to continue to take a quiet pride in your accomplishments.

My final point this evening has a somewhat more serious color to it and relates to your ethical responsibilities as persons, as family, community members, and as economists. I am referring to what I call ethical citizenship or your obligations and duties to others starting with your family and friends and then hopefully radiating out to ever larger groups from concern for your profession, your community, and to others, near and far deserving and entitled to your concern and assistance.

Our relationship with others and especially the attention we pay to their interests and aspirations is the most human and the most morally significant of our activities. It is my judgment that each of you has an obligation not only to your own aspirations, but to the needs and aspirations of others. In the first instance this may refer to the needs and aspirations of your immediate family. For example what you do to support the interests and aspirations of your spouse, your partner, your children, and your parents. Moreover as you are able to enlarge the circle of your empathy you will have the opportunity and obligation to consider how your actions may be able to enhance the aspirations of your community, your profession, and your country and even look to broader horizons. It is the role that you play in supporting the success of others, or taking into account the aspirations and interests of others that is the key to an ethical life and in my opinion to a more fulfilling personal and professional life.

In view of the extraordinary pace of change in our society and around the globe, there are pressures for all individuals and institutions to change and adapt. In such an environment it is more essential than ever for both individuals and institutions to define well their set of values, particularly their obligations to others, and to sustain a thoughtful and ethically robust sense of purpose to inform and guide their efforts. Otherwise all of us risk getting caught up in the rampant materialism of our age and/or what each of you know so much about, the incentive structure of private markets.

As you all know private markets have many virtues especially as a means of efficiently mobilizing resources, but they are not always so effective in dealing with issues of social and economic justice. In short the market is not the only institution we need to ensure the continued flourishing of humankind. I mention this now because it is my judgment that our current economic challenges are, at least in part, the result of failing to understand not only the limitation of private markets, but because we also ignored the undermining effect of putting aside issues of social and economic justice. We would not want to repeat this lapse again.

This leads me back to the University of Michigan. This is a great University and you and I are privileged to be even a small part of its great traditions. Among its many other roles the University of Michigan has assisted generations of students and faculty to realize their dreams and thus enrich the lives of our communities and our country. In some respects the University at its best is a kind of massive ethical 'machine' serving the interests of its students, its faculty, and the state and nation that tries to nourish it. As a result it has more than earned our loyalty and support and I hope in the years ahead that you will return to Ann Arbor either to renew friendships, to re-ignite warm memories, and/or to do what you can to support the University so that other generations of young people and faculty can benefit as you and I have from this truly great place.

At Princeton our traditions are such that we do not have a Commencement speaker at graduation, but the president has an opportunity to say a few words to the graduating students. So I will end my remarks as I have ended all my remarks at Princeton's Commencements with an ancient Irish blessing (modified by a local Wolverine cheer) for you all as you leave the University of Michigan.

*May the road rise to meet you  
May the wind be at your back and until we meet again  
May God hold you in the cup of his hand.*

Thank you, good luck to you all, and GO BLUE!



# Alumni News



**Beauregard**

**Michael Beauregard**, '86econ, and **Gerald C. Timmis III**, '79econ, are the 2009 co-recipients of the John W. Sweetland Service Award.



**Timmis**

They received the award at the annual Economics Leadership Council meeting held in Ann Arbor during the weekend of October 22-24. The two were recognized for their involvement in meeting

with students on campus and working with alumni in the Detroit area.

*The Economics of Integrity* by **Anna Bernasek**, '90econ, will be available in February. An economic journalist Bernasek writes for publications including the *New York Times*, *Washington Post*, and *Fortune*. She has been guest commentator on CNN, CNBC, public television, and National Public Radio.



**Shah**

**Rajiv J. Shah**, '95econ, has been named by the Obama administration to be the next administrator of the U.S. Aid Agency (USAID). Shah, a medical doctor and health economist, is currently with the Department of Agriculture.

## Atlanta Reception

Alumni and friends of the University of Michigan Department of Economics are invited to join Department faculty at a reception during the Allied Social Science Association (ASSA) annual meeting in Atlanta.

Saturday, January 2  
6-8 p.m.  
Marriott Marquis L401



Jooyong Jun (left) and Professor Daisuke Nakajima visit during the PhD reception held this spring.

## 2009 PhD Placements Announced

“Once again,” says Department Chair Linda Tesar, “our PhD students have been extremely successful in their placements. Their achievements continue to underscore the caliber of student who chooses to pursue graduate studies in the Department and the quality of instruction they receive here.” This year’s placements are:

**Rodney Andrews**  
University of Texas (Dallas)

**Wenjie Chen**  
Department of International Business  
School of Business  
George Washington University

**Adam Cole**  
Office of Tax Analysis  
U.S. Department of the Treasury

**Josh Congdon-Hohman**  
College of the Holy Cross

**Daniel Cooper**  
Research Department  
Boston Federal Reserve Bank

**Ann Ferris**  
National Center for Environmental  
Economics  
U.S. EPA

**Samara Gunter**  
Department of Economics  
Colby College

**Jooyong Jun**  
Fair Competition Department  
Korea Information Society  
Development Institute

**Kenichiro Kashiwase**  
Congressional Budget Office

**Michael Lovenheim**  
Department of Economics  
Kent State University

**Fan Peng**  
United Biosource Corporation

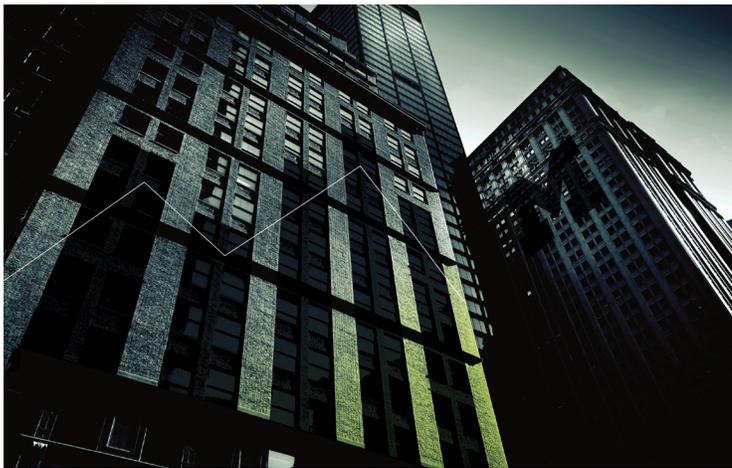
**Jean-Benoit G. Rousseau**  
McKinsey and Company

**Brian Rowe**  
Bureau of Economics  
Federal Trade Commission

**Xinzheng Shi**  
Department of Economics  
School of Economics and Management  
Tsinghua University

**Eric Sims**  
Department of Economics and Econometrics  
University of Notre Dame

**Shingo Watanabe**  
Bank of Japan



# WOLVERINES *on* WALL STREET

New York area alumni had an opportunity to meet with Department faculty and LSA Dean Terrence McDonald at an alumni event hosted by ELC members Mark Harms and Peter Calabro. Honorary host for the evening was Jonathan Tisch.

Goldman Sachs in New York City was the setting for the evening which included a reception followed by a discussion of the financial crisis and the prospects for recovery that included by ELC members Peter Hooper, Allen Sinai, and David Berson, along with Professor the Lawrence R. Klein Collegiate Professor of Economics Matthew Shapiro.

More than 200 persons attended the event.



**Clockwise from above:**

LSA Dean Terrence McDonald meets attendees.

Department Chair Linda Tesar (r.) visits with a guest.

Peter Calabro (l.) and Mark Harms welcome the audience.

Jonathan Tisch gives welcoming remarks.

Panelists (l. to r.) David Berson, Peter Hooper, Matthew Shapiro, and Allen Sinai discuss prospects for economic recovery.

Alumni and guests mingle during the reception.

**Artwork by Brandon Gheen, LSA Development, Marketing & Communications**

**Photos by Tom Pich**



# We Want to Hear from You...

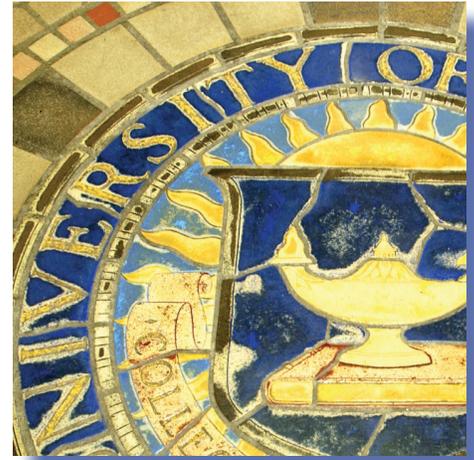
## Submit a Class Note for *MichEcon News*

We welcome news of your recent accomplishments and transitions. Send your class note to: [econ-alumnews@umich.edu](mailto:econ-alumnews@umich.edu); fax (734-764-2769); or mail (Economics Alumni News 238 Lorch Hall, 611 Tappan St., Ann Arbor, MI 48109-1220).

### Submission guidelines

Include your class year and contact information (e.g. email, phone no., address) • Be specific about the names and locations of companies and schools, and about publication titles and publishers • If you mention other alumni in your note, please give their class affiliations and contact information • Specify if you do not want your note to appear on our website.

Department website: <http://www.lsa.umich.edu/econ/>



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## ECONOMICS

238 Lorch Hall  
611 Tappan Street  
Ann Arbor, MI  
48109-1220