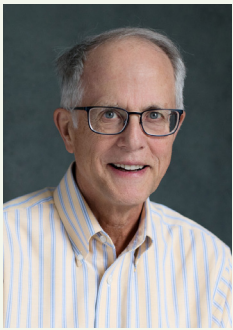


# Oberlin ECONOMICS

SPRING 2018

## CHANGES TO THE ECON MAJOR

BY ED MCKELVEY '68



**FIFTY YEARS AGO** this coming May I graduated from Oberlin with a major in economics. For the last seven years, I have had the privilege of teaching in the economics department

of my alma mater. As I approach my 50th reunion, it seems natural to ask how the major has changed over the past half century.

The main difference is that today's economics major recognizes more formally the need for solid grounding in mathematics and econometrics. This shows up in several ways. First, in my day, econometrics was not a required course. Indeed, on Professor Tom Dernburg's advice, I took statistics in the math department from Professor Sam Goldberg, a legendary teacher, in place of econometrics (though I later took that course as well). Now, econometrics is the final step of a three-course sequence that includes intermediate macro and micro. Moreover, it requires the math department's statistics as a prerequisite. Calculus is also a requirement for the major, whereas in my day it was merely recommended.

Second, and more visibly, the department now offers a math concentration. This is a virtual must-do for anyone interested in pursuing graduate study in economics these days. The math concentration formalizes what was just advisable in my day, namely requirements to take multivariate calculus,

*continued on page 9*

## LETTER FROM THE CHAIR

BY RON CHEUNG



**A**s the new chair of the Department of Economics, I'm happy to present the latest issue of our departmental newsletter. The five years since the publication of the last issue of the newsletter have been exciting times for our department on many fronts. I'd like to share with you how three groups of people are contributing to the vibrancy and energy of the Economics Department.

First, the faculty. Alumni who graduated a mere five years ago may be surprised at all the new faces, but we are entering 2018 with the largest group of tenure-track and tenured faculty in many years. As you read about the new faculty in this newsletter, you'll note that now we have five assistant professors: young, dynamic researchers who are filling classrooms with diverse and applied offerings. We also welcomed our new endowed Danforth-Lewis Chair in Macroeconomics this spring, a seasoned expert on money, banking and housing. Add to these the "old-timers" (of which I've now become one!), and our department has reached a level of stability and potential that we hope will be with us for many years.

Second, the students. Economics continues to be one of the most popular majors at Oberlin. A few years ago, the number of total declared majors hit triple digits, no small feat for a department with only eight or so faculty members. We've averaged 44 graduating majors over the last five years, and for 2017-18 we're on track for an all-time high of 55 graduates. Many of our majors also concurrently major in another discipline, from politics to math to music. And in addition to taking classes, economics majors participate richly in the life of the Department and of the College. Student turnout is robust for our seminars, workshops, panel discussion and social events. Students on the Economics Majors Committee act as liaisons between students and the department, and students on the Women and Trans in Economics Committee promote the unique concerns facing traditionally underrepresented groups in the discipline. In a profile of a student organization you'll see in this newsletter, the student Finance and Investment Club helps foster connections to the business and financial world. Through these academic and extracurricular experiences, it is no surprise to us why students are taking economics courses and majoring in large numbers.

Finally, the alumni. Our economics majors have gone to success in a wide range of fields, from academia to business to public policy. In this issue, we profile one economics major who is now heading up a car-sharing division at General Motors, and we provide short updates on the post-graduation activities of select alumni. Our

*continued on page 5*

# MEET OUR NEW FACULTY



Front row, left to right: Barbara Craig, Viprav Saini, Ron Cheung, Terri Pleska. Back row, left to right: Paul Brehm, Evan Kresch, Chris Cotter, Maggie Brehm, Ed McKelvey, Martin Saavedra. Not pictured: John Duca, Paul Pahoresky.



**MAGGIE BREHM** came to Oberlin in 2017 after receiving her PhD at Michigan State University. Her research interests are in labor economics, public

economics, and the economics of education. Her research places an emphasis on policy evaluation and examines the role of federal spending—both to states and directly to individuals—in supporting placement in U.S. foster care and adoption from foster care. In a current project, with the assistance of an Oberlin student, she examines the effect of the opiate crisis on children's living arrangements. Maggie's research also explores the capitalization of charter schools into residential property values and whether teachers respond to performance pay to improve student test scores. She teaches principles of economics, a seminar on poverty and income distribution, and econometrics. In her spare

time, she enjoys reading, baking, and is trying to learn to enjoy running.



**PAUL BREHM** joined our department in fall 2017 after completing his PhD at the University of Michigan. His research focuses on energy and environmental

economics, with a splash of industrial organization. In recent work, he has studied secondary market efficiency in the context of an oil lease lottery in Wyoming and the effect of hydraulic fracturing technology on greenhouse gas emissions in the electricity sector. In a current project, he is examining the effect of resource booms on Indonesia's manufacturing sector. His current projects involve several Oberlin students as research assistants. At Oberlin, he teaches courses in energy economics, environmental economics, and the principles of economics. In previous lives, Paul

worked as a research analyst at the Brattle Group and completed his undergraduate degree at Vassar College. In his spare time, he enjoys reading, baseball, and hiking.



**CHRISTOPHER COTTER** received his PhD from Vanderbilt University in 2016, when he joined the faculty at Oberlin. He is interested in financial economics, banking, and

economic history. He has written papers on the financial crisis of 1873 and its relationship to the railroad industry and on the impact of banking expansion on economic growth in U.S. history. He has also looked at the link between finance, general purpose technologies, and economic growth in developing countries today. He teaches principles of economics, principles of finance, U.S. economic history and a senior seminar on financial crises in the U.S.

## NEW FACULTY, *continued*



**JOHN DUCA** joined Oberlin in spring 2018 to teach advanced macroeconomics, money and banking, and intermediate macroeconomics. From 1991 to 2017, John worked at the

Federal Reserve Bank of Dallas, where he last served as associate director of research and vice president, supervising research in macroeconomics and finance. From 1986 to 1991, John was at the Federal Reserve Board where he briefed former chair Paul Volcker, former chair Alan Greenspan, and the Federal Reserve Board. John has taught part time at Southern Methodist University and the University of Maryland. He has published over 40 articles on macroeconomics, money, housing, credit, wages, and political economy in refereed journals such as the *American Economic Review*, *International Economic Review*, *Economic Journal*, *Journal of Money, Credit, & Banking*, *Journal of Urban Economics*, and *Journal of Banking*

and *Finance*. He graduated summa cum laude (Phi Beta Kappa) from Yale with a BA and received a PhD from Princeton. John looks forward to actively engaging with students in the classroom, the economics club, and other campus activities. In his spare time, he enjoys gardening and fishing and is a fan of history and cinema.



**EVAN KRESCH** came to Oberlin in 2016 after receiving his PhD at Columbia University. Evan has broad research interests in the fields of develop-

mental, and public economics. His work in graduate school focused on the role that institutions play in the provision of urban water and sanitation services in developing countries, specifically in Brazil. Since joining the Oberlin faculty, Evan has continued this research and has expanded the scope to study the effects of private oversight in public water services in China.

Other works include studying government procurement and tax reform in Manaus, Brazil, in conjunction with the World Bank. Evan teaches classes in development economics, a senior seminar on the role that institutions play in economic development and the introductory Principles of Economics. In addition, Evan works with students both as research assistants on his current research, as well as supporting students to explore their own research topics through Winter Term projects.



**MARTIN SAAVEDRA** earned his PhD at the University of Pittsburgh and joined our department in 2014. He is interested in health economics, labor economics, and economic history.

His research focuses on how shocks during early childhood affect adult labor market and health outcomes. He currently teaches courses in principles of economics, health economics, and econometrics.

## DEPARTMENT SOCIAL EVENTS

It's not all academics in Econ! Every year we have a variety of events that bring students, faculty, and the community together. Here's a sample of the social events going on:

**FALL WELCOME PICNIC:** Econ majors and students interested in economics enjoy a meal with professors to kick off the school year.

**"JOBS À LA MODE":** Professor Ed McKelvey '68 gives a synopsis of the monthly employment numbers, accompanied by a scoop of Pam McKelvey's homemade ice cream.

**ECONOMICS MOVIE NIGHT:** Faculty and students get together to watch and discuss movies with an economic theme. The inaugural movie: *The Big Short*, of course!

**PROFESSOR BEERS:** There's no such thing as a free lunch, but for our students, there's such a thing as a free beer—bought by their professor!

# FACULTY RESEARCH PROJECTS

## EVAN PLOUS KRESCH

What types of barriers exist in the government provision of goods and services in developing countries, and what policies can be put in place to improve the lives of the over 5 billion inhabitants in these countries? This is the key question that runs through the



research portfolio of Professor Evan Kresch, which spans topics from property taxes to sanitation provision in a number of diverse settings including India, China, Indonesia, and Brazil.

One strand of Evan's work concerns the provision of urban water and sanitation (WS) services. Rapid urbanization, depletion of groundwater, and lack of investment and maintenance of municipal WS systems in developing countries creates

frequent acute shortages or complete lack of improved water for the city's most vulnerable residents. In Bangalore, India, Evan is working with the local water company (BWSSB) to understand how pricing water services may lead to a decrease in bill payment, an increase in illegal tapping, and a general decrease in the level of service for the informal settlements that dot the city. In Nanjing, China, Evan and his coauthor, Xing Xia (Yale-NUS), study the introduction of independent third-party monitoring of the city's water quality to determine what incentives the government entity may have to misreport vital safety levels of various water contaminants. The majority of Evan's PhD dissertation concerned the relationship between municipal and state WS providers in Brazil, and how competition between these different levels of government over operational control can lead to sub-optimal investment in WS networks. This research is currently under review at the *Review of Economics and Statistics* (ReStat).

In a complementary set of research projects, Evan investigates the procurement and taxation systems in Manaus, Brazil. This is joint work with Michael Best (Columbia University), Joana Naritomi (LSE), Francois Gerard (Columbia University), and Laura Zoratto (World Bank) and is supported by a \$500,000 grant from the DIME group at the World Bank. Partnering closely with the municipal and state governments in Manaus (and Amazons), the research team is currently running a randomized impact evaluation to induce firms into the bidding process for government procurement. Using tax data on the complete set of firms in the state, the researchers can analyze what types of firms decide to sell to the government (i.e. efficient firms, high mark-up firms), and how this self-selection into the procurement process can explain why govern-

ments on average pay higher prices for worse quality goods than what they could buy on the private market. Evan and his coauthors are also utilizing 20 years of individual property tax data to study what effects the differential tax rates across the city of Manaus lead to a sense of perceived "unfairness" of the tax system by local residents and if that can explain the fairly low compliance rate of property tax payments observed across the developing world.

In Indonesia, Evan is interested in understanding the determinants of both water and air pollution and what negative impacts this pollution has on rural populations. In work with Teevrat Garg (UCSD) and Jacob Hochard (East Carolina University), Evan provides evidence of the negative downstream health impacts of the bathing activity of upstream communities using a newly-created mapping of the complete set of Indonesia's hydrological network. Evan is also launching new research with Jacob Hochard to determine whether high-resolution satellite data on infrared frequencies can be used to accurately measure the activity of villages disposing of their trash by burning it, which is a common practice in much of the developing world. This research is the first step in a new paper that attempts to analyze - for the first time - at a high resolution both the incidence of trash burning in developing countries, the resulting impact of air quality and subsequent health affects for the local populations.

## MARTIN SAAVEDRA

Infectious diseases were the most frequent cause of death during the 18th and 19th centuries in the United States. Modern causes of death like cancers and heart disease primarily affect the elderly,



whereas infectious diseases often affected young children before they had entered the labor force. Martin's research primarily focuses on how exposure to infectious disease during childhood affected adult labor market outcomes throughout American history.

One of the most cost-effective ways to reduce infectious disease is to purify water. Before waterworks were widespread, waterborne diseases like typhoid fever were relatively common in the

United States since water sources were frequently contaminated with bacteria from human waste. Investments in waterworks could save a life for as little as \$500, but little work had been done on the long-run consequences of investments in waterworks. Other studies showed that exposure to pandemic influenza decreases adult incomes and educational attainment, but could

## RESEARCH, *continued*

a public policy intervention like investments in a waterworks improve adult incomes?

In joint work with Brian Beach (William and Mary), Joseph Ferrie (Northwestern), and Werner Troesken (University of Pittsburgh), Martin estimated how clean-water interventions affected incomes and educational attainment. There were two data challenges when trying to answer this question. First, the authors needed a measure of water quality. For this, they digitized typhoid fever fatality data, since waterworks interventions were the primary way cities eradicated typhoid fever. Second, the authors needed to observe individuals during both childhood (to know how much typhoid was in their locality) and adulthood (to measure labor market outcomes). To overcome this challenge, the authors linked children from the 1900 Census to their adult selves in the 1940 Census.

The data showed that those who had access to clean water during the first years of life had modest increases in wages and educational attainment when they were adults. Furthermore, the increases were enough to offset the costs of building the waterworks. One challenge in identifying the effects of clean water interventions is that the construction of a waterworks may be correlated with other investments in public good, such as education. To overcome this challenge, the authors instrumented for typhoid fever fatality rates with typhoid fever rates in cities that lie upstream, which should be unrelated to local investments. These results confirmed the hypothesis that clean water interventions improved long-run labor market outcomes. This research was published in the *Journal of Economic History* and won the Arthur H. Cole Prize for the best paper in the *JEH* from 2015-2016.

In another paper, Martin explored the long-run effects of yellow fever epidemics. Yellow fever is a viral disease spread by mosquitos that was common in Southern port cities during the nineteenth century. Once someone contracts yellow fever, they are

typically immune for life. For this reason, those who were born and raised in the South often got yellow fever during mild years and were immune when major epidemics occurred. The people most susceptible to the disease were European immigrants who had never been exposed to the disease before. This fact lends itself to a natural experiment to identify the effects of in utero disease exposure on long-run outcomes. If yellow fever affected the children of European mothers more than the children of Southern natives, this would provide evidence that disease exposure itself affects adult outcomes rather than some city-wide response to the disease. Martin collected data from the complete count of the 1880 Census along with year-by-city yellow fever fatality data. The data showed that those exposed to yellow fever during their year of birth entered lower status occupations, but only if they had an immigrant mother. The children of U.S.-born mothers were relatively unaffected by yellow fever. This paper was published in the journal *Explorations in Economic History*.

Martin is currently on sabbatical and working on estimating the long-run effects of early-life influenza exposure. Recent studies have showed that those born during the 1918 influenza pandemic have systematically different parents than those born outside of the pandemic. This makes it difficult to identify the effects of influenza by comparing those exposed to the pandemic to adjacent birth cohorts. To overcome these challenges Martin, along with co-authors Brian Beach and Joseph Ferrie, linked data from the 1920 to the 1940 Censuses. Using linked data allows the authors to observe both adult outcomes and parental characteristics. Preliminary results show that those born during influenza pandemics had less literate parents, but even after controlling for those differences, the pandemic still affected adult outcomes. This research is still in progress, but Martin recently presented preliminary results at the National Bureau of Economic Research in Cambridge, Massachusetts.

---

## LETTER FROM THE CHAIR, *continued*

alumni's experiences demonstrate that there is practically no limit to an economics degree, and we hope that you will continue to keep us updated on your life after Oberlin.

In closing, I would like to send two short notes of acknowledgement. First, I'd like to offer my appreciation to Professor Barbara Craig, who has chaired the department for 11 of the past 16 years. Dealing with students, parents, faculty, administration, alumni—you name it—was often a thankless task, but Barbara performed with grace, fortitude and tirelessness. The importance of her leadership can be seen in the colleagues that make up the department: she has been an instrumental

part in the hiring of nearly every faculty member in our ranks, me included. The second is in recognition of Professor Hirsch Kasper, who retired after 54 years at Oberlin College. Hirsch taught and mentored countless students who have gone on to stellar careers in economics, many of whom still remind us of his impact on their education. In this newsletter, Barbara Craig will shine a spotlight on Hirsch's career, giving him the recognition he deserves, but which he never sought.

We hope you enjoy this glimpse into our department's activities over the last few years, and we welcome any feedback for future issues.

# STUDENT FINANCE AND INVESTMENT CLUB

**W**e asked John Pierce '18 and Aaron Kreiner '19, chairs of the Oberlin Student Finance and Investment Club (OSFIC), to tell us a bit about the student-run investment fund with over \$350,000 in assets under management.

John Pierce is a senior from Ridgewood, New Jersey. For the past two years John has served as cochair and lead portfolio manager of the club, directing its investment strategy and leading the club to outperform its benchmark both years. Off campus, John has pursued opportunities in financial markets, working internships in asset management at PineBridge Investments and in fixed income sales and trading at Morgan Stanley. After graduation, he will join the global markets trading team at Nomura Securities as a trading analyst.

Aaron Kreiner, a junior from Chicago, recently stepped in as cochair, while continuing to run the quantitative investments portion of the club's strategy. Last summer Aaron worked at MIAC on the whole loan sales and trading desk, creating amortization models, Brownian motion interest rate models, and stratifying loan tapes. During winter term 2016, he studied and applied stochastic calculus and probability methods to equity trends. These techniques have been increasingly used to study high frequency trading and randomized processes in financial derivatives. Aaron is interested in quantitative trading and research and will spend his next internships at Magnetar Capital in the winter and Nomura Securities in the summer.

## How did you become involved with the club?

**JP:** I first became involved during my freshman year, at the suggestion of a lacrosse teammate. When I first came to Oberlin, I was considering either economic policy or finance as a career. Getting involved with the club helped me to further develop my interests in finance, and I decided this was something I wanted to pursue.

**AK:** When I first came to Oberlin I thought that I wanted to become a math PhD. I had taken a single economics course in high school and thought I would follow up with a few more courses at Oberlin. I ended up taking Ed McKelvey's macroeconomics course and immediately became attracted to the markets and the mathematical models associated with them. This was my first encounter with applying mathematics to the financial world and would set the stage for my career interests.

## How does the club go about formulating its investment strategy?

**AK:** When I first joined the club, the investment strategy was solely fundamental. At the time, we were solely value investors only making investments on the current (and predicted) values of companies. Being a math major, I introduced quantitative investment algorithms that focus on stock selection, technical analysis of price-volume trends, and macro regressions. These

factors and techniques play a pivotal role in our weekly investment meetings and give another perspective when needed. The quantitative side is one piece of the pie for the club's strategy and allows us to take a more holistic approach to the club's portfolio.

**JP:** As Aaron discussed, we really try to take a holistic approach to investing. Often times that starts with asking ourselves the question "What is one area of the economy that we think is innovate or poised to grow faster than all the others?" After answering that question we use fundamental analysis to determine the single name company that we think has a comparative advantage in said market. Lastly, we use technical analysis to give us an assessment whether a company is trading at fair value.

## What are some unique things that the club offers to its members?

**JP:** Besides actively managing a portfolio of real assets, the club also focuses on preparing its members for careers in business and finance. Three years ago we started bringing a financial consultancy group called Training the Street to campus in a joint effort with the Department of Economics. Training the Street's mission is to help educate the next generation of financiers on the basics of the business. The group teaches weekend workshops on corporate valuation and investment management. We are one of sixty undergraduate institutions in the country to offer this seminar, which gives our students a huge advantage. Training the Street also teaches these seminars at many of the large global investment banks and asset managers; therefore our students who land interest with these firms already have a familiarity with the programs and get a leg up on their competition.

**AK:** In addition, the club's in-house training allows members to jump start their participation and leverages them into internships and jobs. I run a quantitative investment training session each week where I teach every aspect of the quantitative approach the club takes. In these sessions, I can be teaching members to build an equity model based on macro factors or going over stock selection algorithms so we can be looking at the best stocks each week. I think it is the broad range of topics that I cover and the real world application of these models that bring members back to my training sessions each week. In addition, the club also offers fundamental training sessions where we educate members about balance sheets, cash flows, and income statements, so they can learn about value-based investing with real-world stocks.

## What kinds of activities are club members involved with off campus?

**JP:** In recent years we have seen many of our members work in internships across the world of investment banking, sales and trading, and asset management. This is a trend we are proud to continue into 2018. As of November 2017, we had members of our club committed to spend their summers at Wellington Management,



Nomura, and Fidelity. Other members of our club are continuing to interview, and are hoping to make decisions about where they are spending their summers shortly. Additionally, a large number of our members are involved with the Oberlin Business Scholars, LaunchU, and other business initiatives on campus. We welcome collaboration with these groups and hope to expand our relationships with them in the near future.

**AK:** To John's point, we do send past club members (and current ones) to various different parts of finance. We hope in the future to get recruiters from various financial firms to come to the club, educate members about opportunities in finance, and bring a direct recruiting connection to Oberlin. Club members are also involved in a range of non-finance pursuits, from software development to lacrosse to world travel. I think the wide set of interests helps provides the club with its diverse student body and investment strategy.

#### **Where do you see the club in 10 years?**

**JP:** There is clearly a growing interest in finance on campus. This was exemplified in the spring of 2017 when we ran our first rendition of a "Landing Internships in Finance and Economics" work-

shop. We had planned for 25 people to attend this event, but at final count we had about 50 students attend. Last year the Economics Department hired Chris Cotter as an Assistant Professor of Economics and the Finance chair. With all these things in motion, it is our hope that in 10 years, Oberlin students can be consistently receiving internships and full time offers at the top firms on Wall Street. This is an area that had previously reserved for students from Ivy League institutions or certain elite "target" liberal arts schools like Williams and Middlebury; however it could greatly benefit from the energy, passion, and intelligence of Oberlin Students.

**AK:** I remember going through my process for finding internships, and that only one professor at Oberlin had connections for finance positions on Wall Street. I hope to see the club have direct recruiting opportunities for Wall Street internships/jobs and possibly some sponsors so we can continue to expand our rigorous investment strategy.

*For more information on the club, visit [www.oberlinfinanceandinvestment.org](http://www.oberlinfinanceandinvestment.org). You can also e-mail the club at [osfic@oberlin.edu](mailto:osfic@oberlin.edu) or John Pierce at [jpierce@oberlin.edu](mailto:jpierce@oberlin.edu).*

## ALUMNA PROFILE: JULIA STEYN '96

**J**ulia Steyn is vice president, Urban Mobility and Maven, at General Motors. A double degree student at Oberlin, Julia earned a BA in economics and a BMus in piano. She received her MBA from the Booth School at the University of Chicago, and she was a former vice president at Goldman Sachs and at Alcoa before joining GM. We caught up with Julia to ask her about her experience at Oberlin and with the Department of Economics.

**Can you give an example of a memorable economics course or professor you had at Oberlin?**

Macroeconomics comes to mind. It inspired me to approach things from a global perspective. I still use tools and concepts gleaned in that class today.

**You were double-degree in economics and piano. Do you still play?**

Absolutely. My efforts, however, are now spent teaching my almost 10-year-old son, Andrei, how to play. I see it as a way for him and I to connect as well as a way to help him foster discipline, a rich love of music, and an opportunity for him to develop a diverse musical personality. Music is a lifelong gift, and I hope to see Andrei flourish as a student and performer.

Economics and piano are more complementary than some may think. Beyond both being rooted in mathematics, economics and piano require focus, the ability to anticipate “what’s next,” and keen audience awareness. In my opinion, they are inherently similar.

**Is there a course you wish you could have taken at Oberlin?**

I am not certain if one exists, but I certainly wish there was a course at Oberlin on how to harness the core “liberal arts” tenants of inclusivity and diversity of thought to stay nimble and iterative in the business world.

**Did coming from a liberal arts background give you any advantages or strengths in entering the business world? What were they?**

Absolutely. Liberal arts allow for flexibility in curriculum as well as empowering one to choose their own path. Oberlin emphasized being true to, and standing up for, oneself. I feel my liberal arts background gave me the freedom to learn who I am and forced me to always be honest with myself. I still use that today. Also, it’s quite vogue in business right now to cultivate diversity of thought and embrace multiple points of view—these concepts are central to a liberal arts philosophy.

**What advice do you have for economics students who are interested in pursuing a career in business?**

Get as many internships as you can—paid and unpaid. Use this time to figure out your passion and understand how you can apply it in everything you do. Be certain you also understand how businesses work—especially the financial and accounting side of things. Ensure you know how to read a balance sheet.



**Can you tell us a project at General Motors that you were (or are) most excited about?**

I’m thrilled about our work at Maven. Maven is a personal mobility app that provides hassle-free, on-demand vehicle access for travel, work, and everyday life. Consumers and businesses can choose from tech-savvy vehicles that fit every need: hourly rentals for errands, weekly rentals for freelance work, or month-long reservations. Maven members enjoy all the benefits of car ownership without the hassle, upkeep, and cost. We’re in 17 cities, and our members have driven more than 200 million miles. What excites me most is that we’re creating transportation as a service—a platform that goes beyond a car and an app and creates an ecosystem where we’re developing relationships with people so they can be there for the moments that matter. Whether it’s our work to bring Bolt EVs to car sharing or partnering with leaders in ridesharing to help drivers get cars on demand, Maven is growing by leaps and bounds. Leading Maven is by far the most fun I’ve ever had professionally.

**Did you find yourself well-prepared for graduate work or were there some holes in your educational background?**

While I felt remarkably prepared for graduate work, I found that focusing on two undergraduate degrees leaves one ill prepared to “adult”. I was so focused on completing my degrees that it left little time for socializing, working or cooking. It was almost as if I had to re-learn life skills in graduate school.



## SEMINAR SPEAKERS

EACH YEAR, OUR DANFORTH-LEWIS SEMINAR SERIES generously provides for speakers from different institutions, fields, and backgrounds to visit our department and present their research. Here are those we welcomed this year and last:

### 2016-17:

Teevrat Garg (UC San Diego)  
 Susan Helper '79 (Case Western)  
 Laurence Kotlikoff (Boston U)  
 Sara LaLumia (Williams)  
 Kenneth Liao '09 (Oberlin)  
 Stephanie McWhinnie (Adelaide)  
 Stephen Meyer '70 (Fed Board of Governors)  
 John Parman (William & Mary)  
 Bruce Sacerdote (Dartmouth)  
 William Strange (Toronto)  
 Eugene White (Rutgers)

### 2017-18:

Douglas Almond (Columbia)  
 Soren Anderson (Michigan State)  
 Kasey Buckles (Notre Dame)  
 John Duca (Dallas Fed; Oberlin)  
 Nadia Greenhalgh-Stanley (Kent State)  
 Jacob Hochard (East Carolina)  
 Rachel Meltzer (New School)  
 John Murray '81 (Rhodes)  
 Nam Vu (Miami U.)

### OTHER SPEAKERS

Janet McKelvey '94 (GAO)  
 Erik Kreil '75 (EIA)  
 Dionissi Aliprantis (Cleveland Fed)  
 Maggie Brehm (Oberlin College)  
 Evan Kresch (Oberlin College)

### FINANCIAL LECTURE SERIES

We also invite a distinguished scholar to present each year in our Financial Lecture series:



#### 2016-17:

Richard L. Sandor  
 CEO  
 Environmental Financial Products



#### 2017-18:

Owen Lamont '88  
 Senior Research Advisor  
 Wellington Management

## CHANGES TO MAJOR, *continued*

linear algebra, one more elective math course, and one of our own advanced theory or econometrics courses.

Finally, I see a lot more students working on research papers with a quantitative bent, particularly in the senior seminars and in the honors seminar. While this may not be quite universal, there is a strong expectation that today's economics major has completed such a project with econometric content.

Otherwise, the structure of the major looks quite familiar. Back then, for example, the major required 36 credit hours—about 12 courses—of which 24 hours were in the department and 12 were in history and what we then called government (now called politics). Today, the requirements are 8 courses in the department and 4 in related fields, which have broadened to include more social sciences as well as the math and statistics requirements already noted.

The honors program also hasn't changed much, though I do not recall quite as much structure during the first semester, when students do most of the heavy lifting on their projects. I relied mainly on two professors—Robert Tufts and Wayne Vroman—for advice on how to pull my paper together, whereas today honors students meet monthly with the department as a whole and have an honors coordinator to help keep them on track. That said, the seminars in the second semester, where students present and defend their papers in front of their peers and the economics faculty, are virtually identical except for the fact that the presenter and the department repair to Lorenzo's for beer and pizza following the presentation. This did not happen—at least officially—in dry days of Oberlin in the 1960s!

Of course, course selection and the manner in which courses are taught have changed. In terms of selection, courses such as environmental economics, law and economics, behavioral economics, corporate finance, and financial derivatives have all been taught since my return; while not all of these are currently available due to staffing changes, none of them was ever on the menu in my day. On the other side of the ledger, the only loss that comes readily to mind is comparative economic systems. As for the manner of teaching, I know I require more homework of my students than I remember having to do myself, and I think this is true of my colleagues as well.

Finally, I would be remiss in failing to note a significant change in the way Economics 101 is taught. In the mid-1960s, students taking 101 attended two large lectures a week in which members of the department took turns teaching their specialties. This not only maximized the likelihood of high quality lectures, but it also exposed students to all members of the department at the beginning of the major. For the remaining weekly class, students split into smaller sections, each conducted by one member of the faculty. Nowadays, each of us who teaches 101 operates as an individual instructor with no attempt to coordinate. While the current approach may offer more cohesion within each section of the course, I am not convinced that we've gained more than we've lost in this particular change. That said, I think the changes I see in the major as a whole have made it more rigorous on balance.

# HIRSCHEL KASPER RETIRES: RECOLLECTIONS FROM STUDENTS AND COLLEAGUES



**H**IRSCH KASPER—ECONOMIST, PROFESSOR, colleague, labor arbitrator, mentor, father, and friend—retired in June 2017 after 54 years at Oberlin College.

The economics major is only 104 years old at Oberlin, and so it would be hard to identify any one person with a longer or greater impact on Oberlin students of economics. A conservative estimate would put 4,000 students taught in his introductory course, Econ 101, alone. Lest this seem a small thing, it would be unlikely that more than one or two other Oberlin faculty members would have faced more Oberlin students than Hirsch, whatever the subject.

In this article, the department collected anecdotes and recollections from a small subsample of the researchers, students, and coworkers who have interacted with Hirsch over the past 54 years. These stories illustrate the roles that Hirsch has filled at Oberlin, but we know that there are many more stories of his impact and his influence out in the world. (We've edited some of the anecdotes for length and clarity.)

## TEACHER

Many Oberlin alumni—only some of whom were economics majors—described Hirsch's Econ 101 class as a life changer, a course that changed their perspective on the world. Students who expressed surprise at having their grammar or written arguments “count” on economics exams learned long-lasting lessons about using language precisely, efficiently, and persuasively. One former student (and Oberlin trustee) thanked Hirsch for the F he earned in his class as the first time he was truly held to account for underperforming in an academic setting. It changed that particular student's trajectory at Oberlin and beyond.

In the past, college seniors chose one faculty member annually to address the Senior Assembly. The practice stopped in the 1980s, so Hirsch (who was chosen in 1984) was one of the last professors to be so honored. In later years, teaching prizes have been the purview of the dean's office. Hirsch is the only economist to receive such recognition and was awarded a prize from the Dean and College Faculty Council in 2003.

Hirsch's academic legacy is much richer than sheer numbers or prizes. For half a century, Hirsch offered popular lectures on labor economics, welfare, and the economics of education. Of the many alumni who pursued advanced degrees in economics, a substantial fraction followed paths that paralleled or developed in sympathetic directions—whether in public service, as academic economists, or as leaders in education. Beyond the impact of course content, student and colleagues report long-lasting impressions of Hirsch as a teacher.

**DICK MORGENSTERN '66:** *I was a student at Oberlin from 1962-1966, and I returned as a visiting professor in 2000-2001. Hirsch Kasper inspired me when I was an undergraduate at Oberlin by opening my eyes to the insightful world of economics. His help on my honors thesis and his overall guidance lead me to do my PhD at the University of Michigan. Later in my career, when I had moved to the developing field of environmental economics, I was really thrilled to be able to return to Oberlin to teach for a year. Then I saw that Hirsch had not lost any of his inspirational skills and that he continued to work intensely with young students as he had done with me many years earlier.*

**JOSH DURST '81:** *My senior seminar consisted of five students. We met once a week, and by the third meeting we were to speak briefly on our progress. One of the students dissolved in tears as soon as they tried to start, and the same the following week. Hirsch counseled them privately during the week, but again the tears at the next class. After that they didn't present to our group, but met with Hirsch, presumably, every week, in his office. The last two weeks of the course we each had to present our paper to the group, half one week, half the other. When it was time for the individual to present, they spoke clearly, confidently, and without fluster. Hirsch had given them the gift of public speaking. One of the most singular feats I've ever witnessed.*

As a teacher and a colleague, Hirsch unconsciously modeled behavior in and outside the classroom that has been adopted by students and colleagues, and so has spread well beyond Oberlin (even if imperfectly reproduced).

**DAN REES '86:** *Years ago, when I was in Hirsch's labor class, he suddenly stopped lecturing, looked straight at me, and said, "Mr. Rees, you have a puzzled look on your face. Do you have a question?" And I did have a question... what I thought was a profound question (although I can't remember it, nor can I remember his answer). If Hirsch is retiring, I suppose he is not going to be teaching labor economics anymore, but I want him to know that when I'm teaching my own labor class, I'm doing my very best to imitate his teaching style, his frequent pauses designed (I've always imagined) to let the material sink in, and, above all else, his willingness—his eagerness—to answer questions, however trivial or out of left field. Hirsch will always be who I am imitating while teaching, even if my imitation falls a little short or doesn't quite ring*

*true, and I wonder how many other professors there are out there doing their very best to live up to the high standard he set in the classroom.*

**JORDAN SUTER, Assistant Professor of Economics, 2007-2013:** *One of my favorite memories about Hirsch was his incredibly insightful and concise questions that he consistently came up with during seminars and presentations from the honors students. He would often wait until others had exhausted their questions and then, in the most comforting voice possible, ask a brief question that inevitably went straight to the heart of the economic intuition (or lack thereof) of the research. The honors students always knew that the "Hirsch question" was looming and although it often made their knees buckle, it always had the impact of improving future versions of their paper. Of course, any qualms about the project were quickly forgotten upon arrival at Hirsch's beloved Lorenzo's Pizzeria following each of the student presentations.*

**CHUCK GRIM, Visiting Associate Professor of Economics, 2001-2003:** *My fondest memory of Hirsch was stopping by his office to ask him a question about an article I was working on. A student popped in to ask a question which I would have tried to answer with a sentence or two and maybe a graph. Hirsch started asking the student questions, pushing her answers a bit, and in 10 minutes or so the student figured out her own answer. That, to my mind, is the highest level of teaching and something that 15 years later is invariably the example that springs to my mind when someone asks me what good teaching looks like.*

**PAUL DAWSON, Professor of Politics, 1967-2015:** *I'm sure that many of those who contribute to and read the economics departmental newsletter will recall occasions when they wandered into his office, because you knew he was there, and because you knew he would make time for you. Those who did were struck, probably, as I was, by the way Hirsch would listen quietly, and wait to be asked for his thoughts. One always got what they sought: incisive analysis that quickly exposed the underlying issue, and the implied corrective course of action. These experiences then, and now, were private, however. They will be remembered and cherished, as personal: probably never to appear in any public forum.*

**FRANCESCO LUNA, Visiting Assistant Professor of Economics, 1999-2000:** *Professor Kasper was the one to invite me to join the "round table": the table in the cafeteria where faculty members of all departments would punctually convene for lunch. That was really nutritious food for thought. What a treat to sit at the same table with professors of philosophy, classics, engineering, and math...and yes economics as well. We would talk about anything: any topics from politics to college procedures were tackled with rigor, intellectual honesty, and respect for all points of views. Hirsch would usually listen quietly avoiding the heat of the discussion, but invariably one of the other companions would finally ask his opinion. What lessons of synthesis! What lessons of clear rational analysis. What measured and compassionate words! I went to Oberlin to teach, I left a much better person; thank you Professor Hirsch!*

## RESEARCHER AND ARBITRATOR

In addition to his stature as teacher, Hirsch has also thrived in research. He has an extensive scholarly portfolio that includes analysis of bargaining unit size in labor unions, right to work laws, collective bargaining in the public sector and academia, welfare and income maintenance programs, and the economics of education as well as the education of economists. To highlight just a few of his contributions:

- *The asking price of labor and the duration of unemployment*, Review of Economics and Statistics.
- *The effect of collective bargaining on public school teachers' salaries*, Industrial Labor Review.
- *The education of economists, from undergraduate to graduate study*, Journal of Economic Literature.
- *Incentives and Choice in Health Care*, with Frank Sloan.

Hirsch's research informed his teaching, but its influence extended well beyond Oberlin and Oberlin graduates. His papers have been cited by hundreds of other economists in prestigious journals and books but also by lawyers, medical professionals and academics in allied fields.

In 2013, the Department of Economics organized a "Learning and Labor" conference to celebrate the 100th anniversary of the economics major and the 70th anniversary of the graduate of Albert Rees. But, at least in our minds, it was also to honor the 50th year of Hirsch Kasper's career at Oberlin. The hardest work was persuading Hirsch to take some time in the spotlight. The easiest part of the job was enlisting the participation of alumni in the fields of labor and education economics as well as prominent economists whose only connection to Oberlin was their personal and professional regard for Hirsch.

Beyond Oberlin, Hirsch Kasper was called on as a reviewer in academic contexts to provide reviews of economics program and tenure or promotion cases. When Hurricane Katrina brought disaster to New Orleans, he was part of a consulting panel who worked with both displaced faculty and academic employers as they went through a profound restructuring after the flood waters receded. He reported regularly to the American Association of University Professors on the economic status of the academic profession.

Hirsch was also called on outside academia repeatedly as a labor arbitrator. His industry experience was wide: aerospace, mining, manufacturing, food processing, utilities, and the service sector as well as federal, state, and local government. Issues of arbitration were larger still: ability/disability, absence/leave, health, work stoppages, fringe benefits, demotions, comp time, holidays, overtime, sick pay, subcontracting, and transfers, to name just a few. While those of us at the college may have been oblivious of his work in this area, he was awarded the Golden Gavel Award by the American Arbitration Association in 2003 for his decades of service and wise counsel.

## COLLEAGUE

Hirsch has had profound effects on Oberlin College and his colleagues in ways less obvious to the casual observer (and perhaps totally unknown to Oberlin students). As open as his office was to students, Hirsch never turned down a conversation with a colleague from the economics department or any other. These conversations might involve research in progress, the convoluted process of publication, the latest policy discussions at the college or at the local, state, or federal government, or the economic profession writ large. Hirsch brought his calm and analytical approach to each of these conversations, peppered with humor when appropriate. Hirsch has also been a critical source of support and information about college policies and personnel procedures. Faculty and staff members from all parts of the college and even people from the larger Oberlin community sought his advice regularly on work-related issues, knowing his reputation for thoughtfulness and discretion.

### **STEPHEN SHEPPARD, Professor of Economics, 1990-2000:**

*Hirsch Kasper was one of the most important colleagues and mentors (about how to be a professor) of my career. When I was at Oberlin working on a project or paper late at night, Hirsch's light was often on as well. While I was often given to emotional extremes of anger or happiness, Hirsch was calm and analytic. He carefully pointed out to me the way that incentives were often structured in colleges and universities, the consequences of those incentives, and the ways in which they might be improved. He helped to impress upon me the importance of professional engagement and the advantages that such engagement could bring to the undergraduate classroom. Hirsch's contributions to both Oberlin as an institution, to the economics department, and to the academic profession are legion. His role over many years reporting on the economic status of professors for the AAUP, his role as a labor mediator, his wise counsel to younger colleagues facing career challenges, all of these and more make him the kind of person every institution needs. I hope for my friends at Oberlin that there are others who can carry on his good work.*

Hirsch's influence on the interaction between faculty and administration has evolved over time his 54 years at Oberlin. In his earlier decades, it was quite public as he was active and persuasive in the structures of faculty governance. In more recent years, his actions have been more private, but he worked consistently for professional development opportunities for faculty, never letting deans or presidents forget that productive faculty members need resources and opportunities to develop professionally in order to stay current and vital in the classroom. Summer salary support, start-up funds, and pre-tenure research leave all emerged from a faculty committee which he led. Not all recommendations of that committee have survived the subsequent three decades of leadership changes in the offices of dean and

president, but the junior research leave has proven to be both an effective and durable policy. Research portfolios for new faculty members are now the norm and not solely prizes awarded to good negotiators. Hirsch has always supported healthy debates on faculty governance, and we will miss his historical perspective on the management of a college.

**PAUL DAWSON, Professor of Politics, 1967-2015:** *Professor Kasper's career spanned what he viewed as a Golden Age of higher education at Oberlin, a time of overlapping and reinforcing commitments and accomplishments: a commitment to academic excellence, when that was defined by rigorous thought and supporting empirical data, not ideological preconceptions; when faculty felt duty-bound to challenge personal biases, not pander to them; when one felt and acted as a member of something, a department, a college, uninterested in mere self-promotion; when faculty knew what true faculty governance meant and required, and were not afraid to block administrative aggrandizement.*

*On a lighter note...after then President Fuller obtained a change in the college bylaws, a change that would allow him to unilaterally reallocate any vacated faculty position, we entered a contentious period when some thought the faculty should unionize to preserve faculty power, and some thought otherwise. In this contentious period, some sought a middle ground. On one occasion, a faculty member organized a meeting in what then passed for a faculty lounge. At one point the convener, with great angst, whined: "We're all guilty." From the back of the room came a clear, deep, and definitive response: "INNOCENT."*



# ALUMNI NEWS

## IN MEMORIAM

**NANCY TEETERS '52** died on November 17, 2014. Nancy was the first woman to serve on the Federal Reserve's Board of Governors. She was the former chief economist for the House Budget Committee before her appointment to the board by President Carter in 1978. She is noted for her open criticism of fellow board members' decisions when she felt they would hurt working people and consumers. After leaving the board, Nancy became director of economics for IBM.

**JAMES WILLIAM FORD '45** died on November 23, 2017. Jim taught economics at Columbia, Vanderbilt, and Ohio State, and he also served as an economist on the Federal Reserve's Board of Governors. He spent the bulk of his career at the Ford Motor Company, where he eventually became president of the Ford Finance Services Group. Jim was a member of the Oberlin Board of Trustees from 1988 to 1998, where he pushed for a professionalization of the trustees' Investment Committee.

## ALUMNI IN ACADEMIA

**WOAN FOONG WONG '09** recently completed her PhD at the University of Wisconsin Madison and is currently assistant professor of economics at the University of Oregon. Woan is a trade economist who has studied international shipping, regional trade agreements, and global transportation networks.

Another trade economist with a PhD from Wisconsin is **JAMES ANDERSON '65**, who continues a prolific career at Boston College, where he has been since 1969. James is best known for his economic theory of gravity that is a foundational model for contemporary trade economics.

**SYLVIA BRANDT '92** is associate professor at the University of Massachusetts, Amherst. Sylvia's research has examined

how traditional economics has failed to solve allocation problems in two seemingly unrelated applications: fisheries management and chronic illness.

**BOB TURNER '78** is professor of economics and environmental studies and chair of the economics department at Colgate University. He has published research on natural resource valuation, national parks, and carbon offsets. We note that when asked by the Colgate student newspaper to name an "influential person in my career," Bob answered, "Hirschel Kasper"!

**DAVID HUFFMAN '96** is currently professor of economics at the University of Pittsburgh, after having held positions at Oxford University and Swarthmore College. David conducts research on the interaction of monetary incentives and human psychology, using a variety of methodologies: field experiments, survey and lab experiments.

## ALUMNI IN FINANCE AND INDUSTRY

**PHILIP VASAN '80** is the head of Investments and Portfolio Solutions at BlackRock, where he develops customized BlackRock products for private banks and independent wealth advisors. Prior to joining BlackRock in 2016, Phil was the CEO of the Private Bank of Credit Suisse in North and Latin America .

**STEWART KOHL '77** is the cofounder and coCEO of the Riverside Company, a global private equity firm headquartered in Cleveland. He is an honorary Oberlin trustee and he also cochairs the board of the Museum of Contemporary Art in Cleveland.

Target has just welcomed **MINSOK PAK '91** to be its chief strategy and innovation officer in Minneapolis. A graduate of Stanford Business School, Minsok has also served on Oberlin College's President's Advisory Council and he has

just been elected to the college's Board of Trustees.

**GARY COHEN '10** recently graduated with his PhD from Cornell University and joined Amazon Web Services in Seattle as an economist.

Recent alumni are also beginning to make their mark in industry. **JOELLE SOSTHEIM '16** has begun a career as a venture capital analyst at PitchBook Data in Seattle, while **ADITI BANERJEE '17** is an economic consultant at Edgeworth Economics in San Francisco. **CALEY WATNICK '17** is a prime consulting analyst at Credit Suisse.

## ALUMNI IN PUBLIC SERVICE

**DANIEL HOSKEN '90** is deputy assistant director at the Federal Trade Commission. A prolific researcher, Daniel has published articles on consolidation in the grocery retailing, beer, and household appliance industries.

**ADAM SORKIN '04** is assistant regional counsel at the Social Security Administration in Chicago.

## ALUMNI IN HEALTH

**BRIAN RITTENHOUSE '79** is currently an advisor at the MIT Center for Biomedical Innovation, an associate professor at the Massachusetts College of Pharmacy and Health Sciences, and the head of a health economics consulting firm.

**EDO BEDZRA '07** is a cardiothoracic surgery fellow at the University of Washington with interests in technological innovations in cardiothoracic surgery, healthcare consulting, and healthcare delivery systems and financing in resource limited settings. He obtained MD and MBA degrees from the Harvard Medical and Harvard Business Schools with concentrations in organizational leadership and negotiations.

## IN ACKNOWLEDGEMENT

### THE DEPARTMENT OF ECONOMICS GRATEFULLY

extends its appreciation to the individuals and families who have given generously. The following descriptions represent only some of the endowed funds that the Department benefits from.

The Kasper Travel Fund, endowed by Josh Durst '81, has enabled faculty to attend conferences and workshops, to meet with coauthors and to collect data. Students have also used the fund to attend conferences, and in several instances to present their prize-winning research.

The Albert Rees '43 Fund has, in some years, allowed us to send students to Washington, DC, for winter term internships at the Council of Economic Advisors; in other years, the Fund has gone towards scholarships to economics students. In addition, this fund has allowed faculty members to employ undergraduates as research assistants. Research assistants are invaluable in helping faculty with literature searches, data collection and cleaning and estimating econometric models.

The Financial Economics Fund, established with a gift from two alumni (classes of '81 and '82), has provided generous support to the finance curriculum in our Department. Notably, the fund has enabled us to offer our students a chance to attend a "Training the Street" workshop, which prepares students for careers in finance.

We also thank each and every contributor to the general Departmental Gift Fund. These funds have helped to underwrite the visits of our annual honors examiners, and they also increase our ability to offer a wide range of educational and social events for students.

If you would like to make a contribution, you can do so online at [www.oberlin.edu/giving/donate](http://www.oberlin.edu/giving/donate) (indicate that you would like your gift directed to the economics department) or send a check to the Oberlin College Office of Development, 50 W. Lorain St., Oberlin, Ohio 44074. Make the check payable to Oberlin College, with "for Econ Department" in the memo line. You may also contact Oberlin's development office directly at [giving@oberlin.edu](mailto:giving@oberlin.edu) or at **1.800.693.3167**.

## SNAPSHOTS FROM ECON



## ECONOMICS FACULTY AND STAFF

### FACULTY:

Ron Cheung, *Chair and Associate Professor*

Maggie Brehm, *Assistant Professor*

Paul Brehm, *Assistant Professor of Economics & Environmental Studies*

Christopher Cotter, *Assistant Professor of Economics and Finance Chair*

Barbara Craig, *Professor*

John Duca, *Danforth-Lewis Professor of Economics*

Evan Kresch, *Assistant Professor*

Edward McKelvey, *Visiting Professor*

Paul Pahoresky, *Visiting Instructor*

Martin Saavedra, *Assistant Professor*

Viplav Saini, *Associate Professor*

Terri Pleska, *Administrative Assistant*

### EMERITI:

David Cleeton

Luis Fernandez

Hirschel Kasper

Robert Piron

James Zinser

## SAVE THE DATES!

### COMMENCEMENT 2018 OPEN HOUSE

Graduates, alumni, and friends of economics are invited to our annual Commencement/Reunion Weekend departmental reception on **Sunday, May 27, 2018**, from 10 a.m. to noon in the atrium of the Adam Joseph Lewis Center for Environmental Studies.

### PRESIDENTIAL INAUGURATION

The inauguration of Oberlin's 15th president, Carmen Twillie Ambar, will take place on Friday, October 5, 2018, at 4:30 p.m. EST. For livestream information and other details, visit [go.oberlin.edu/inauguration](http://go.oberlin.edu/inauguration).

### OBERLIN RECEPTION AT THE AMERICAN ECONOMIC ASSOCIATION

The Department of Economics will hold an evening reception during the January 2019 AEA meetings in Atlanta. Join us on Friday, January 4, 2019, from 6-8 p.m. Location will be announced.