

# ECON MATTERS

## Newsletter of the Dept. of Economics, University of Memphis

*"The ideas of economists, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else." John Maynard Keynes*

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FALL, 2013

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### FROM THE CHAIR

As the fall semester ends, I'd like to wish you Happy Holidays. I hope you and your loved ones have a wonderful break. It is an appropriate moment to look back at what the Department has accomplished over the last year.

First, I am proud to announce that we now have over 190 majors. More and more students are discovering that economics is not only a great avenue into careers or graduate school, but also just so intrinsically sexy that it can't be resisted. I'd like to mention a few students who are even more entranced by the subject: Daniel Mangrum and Jacob Howard graduated with their Bachelor's degrees last year, entered our MA, and now are applying for top tier PhD programs. Chimene Okere and Elena Sabatini are now seniors who are pioneering our new "Accelerated" Master's program. This allows the actual Master's program can be finished in two semesters. Chimene is interviewed later in this newsletter.

One of our current PhD students, David Taylor, was awarded the 1<sup>st</sup> Place Prize in this year's Student Research Forum of the University. His research was on the "Rationale for Irrational Behavior in the Stock Market and the Spillover Effect of Being Known for Oil Spills." Congratulations, David! Speaking of graduate students, here are examples of students who have gone on to highly successful careers as economists.

Diego Nocetti and Lu Echazu are husband and wife who earned their PhDs with us and became professors at Clarkson University, a very fine liberal arts school in up-state New York (in the arctic). Within the space of three weeks this summer Diego had papers accepted at the *Journal of Economic Theory*, the *Journal of Risk & Uncertainty*, and the *Journal of Mathematical Economics*.

Greg Lubiani earned his BA, MA, and PhD here and is now an Assistant Professor at Xavier University in Cincinnati. He has already had two papers accepted at *Health Economics*, one of the premier journals in that field. Greg is also interviewed later in this newsletter.

In 1997 David Jacks earned a double major in Economics and History here at the University of Memphis. He received an MA from the U of M in 1998. Then he got a Master's Degree in Economic History at the London School of Economics and a PhD at the University of California, Davis. He is an Associate Professor at Simon Frazier University and a Research Associate of the National Bureau of Economic Research. This summer his research on commodity prices and how they affect the economy was featured in an article in the *Economist*, <http://www.economist.com/blogs/freexchange/2013/06/commodity-prices>.

Our faculty has been very active this year too:

Dr. Chang was awarded a research grant by the Triple Aim Project, a community-based health initiative. He will study the economic burden of hypertension, infant mortality, and end-of-life care in Memphis and Shelby County. Dr. Chang is the Director of the Center for Health Services Research, which has recently been selected as one of the areas of focus upon which the Fogelman College of Business & Economics has decided to expand.

Dr. Kemme, our Chair of Excellence in International Economics, was awarded with a Fellowship for the Short-Term Travel Grant Program. This program provides short-term funding so scholars can undertake short, targeted projects. Dr. Kemme did research on Samruk-Kazyna, a sovereign wealth fund in Kazakhstan.

Dr. Okunade received a Certificate of Recognition from the African Finance and Economics Association in appreciation for his service and contributions to the Association as its Treasurer-Secretary. Dr. Okunade also received an Honorable Mention as an "Outstanding Campus Leader," by Campus News Publication.

I'd also like to applaud the research productivity of the Department this year. We had several good hits in major economics journals: Dr. Hussey had no less than three papers accepted at fine journals, *Labour Economics*, *Applied Economics*, and the *Journal of Law & Economics*. Dr. Okunade had a second paper accepted at *Health Economics*, a top level journal in health economics. Our two new Assistant Professors are also off to great starts: Dr. Lee had a paper accepted at the *Journal of Development Economics*, the top journal in that field; Dr. Astorne-Figari had her first acceptance, at *Economics Letters*. Lastly, I will mention the cantankerous guy in the Chair's office, who had papers published at the *Journal of Macroeconomics* and the *Journal of Banking & Finance*, and has just had a paper accepted at the *Southern Economic Journal*.

Finally, I am happy to announce that we will be hiring two new Assistant Professors, to start in the fall. One will specialize in Macroeconomics, the other in Organizational Economics, empirical Industrial Organization, or Public Economics. We will have a number of job candidates visiting early in the spring semester to be interviewed and present their research. I encourage you attend their seminars! Dr. Hussey is chairing the Search Committee and will be posting their seminars as part of our seminar series.

I hope you have a wonderful holiday and wish you the best in the New Year.

Dr. William T. Smith, Chair

# MEMPHIS TO ECONOMICS ORGANIZATION

## Intermediate Macro Theory

ECON 3320

MW 12:40-2:05

Learn more about how the macro economic variables fit together and the implications for government policy. Principles of Macro is a prerequisite. Taught by Dr. Bill Smith.

## Money and Banking — ECON 3610

M 5:30-8:30

What is the relationship between the central banks and the other banks in the U.S.? Outside of the U.S.? How do the deposits and earnings operations of banks fit into the larger economy? This class is taught by Mr. Richard Marsh, the Senior Vice President of Suntrust Bank. Principles of Macroeconomics is the prerequisite.

## Economics of Poverty & Discrimination

ECON 4766

TR 1:00-2:25

This course examines the measurement, causes, and consequences of poverty, as well as the various policy solutions to poverty. It also examines numerous forms of discrimination and how they affect market outcomes. Taught by Dr. Doug Campbell.

## International Economics

ECON 4350

TR 2:40-4:05

Trade deficit, globalization, comparative advantage...what does it all mean? This course emphasizes policy implications with Principles of Micro as the prerequisite. Taught by Dr. Joonhyung Lee.

## Beyond the Basics: Controversial Topics in

Modern Economics

ECON 4767

Online Course

This course discusses controversial topics relevant to modern economics from an interdisciplinary perspective and explores the role of psychology, sociology and political science in economic theory and policy. Taught by Dr. John Komlos, Professor Emeritus of Economics, University of Munich.

*Interested in our MA program? Check out [http://economics.memphis.edu/acad\\_index.html](http://economics.memphis.edu/acad_index.html)*

*How about our PhD? Try [http://economics.memphis.edu/acad\\_index.html](http://economics.memphis.edu/acad_index.html)*

*A wonderful website with lots of information about PhD programs nationwide is: <http://www.econphd.net/>*



# SPOTLIGHT ON...



## **Chimene Okere** **Econ Major**

### **Tell us about your early life. Where did you grow up?**

I grew up on the north-side of Chicago, IL with three older siblings. Both of my parents were employed with the City of Chicago. My father was an auditor with the Department of General services, and although he held the position for sixteen plus years, I am still unsure as to what he did. I suppose he was the reason taxes were so high in Chicago. My mother is currently a program auditor with the Department of Family and Support Services. I knew her as the lady who audited homeless shelters, traveled to the economically marginalized south-side, and counted homeless people.

Although I grew up in a fairly diverse neighborhood, I was bused to one of the more economically homogenous areas to attend a magnet school. The school was one of the best in the city and both of my elder brothers attended it. My sister, the oldest, attended a language arts academy and studied French in her earliest years.

My parents are Nigerian immigrants and they first settled in Oklahoma where my three older siblings were born. They lived there for nine years where they both received master's degrees from the University of Central Oklahoma. Our family lived in Jefferson City, Missouri for three years (1992-95), where I was born. I don't have any recollection of Jefferson City, so I always tell people I'm from Chicago.

### **What made you want to study economics?**

I have observed that one could answer this question in many different ways. Usually, I notice people who have a strong interest in the philosophy of economics. Seemingly magnificent accounts of "the invisible hand of the market" have attracted many of my classmates, as well as economically curious persons. Others are bewitched by the idea of the perfectly rational homoeconomus, who can perfectly predict her behavior, act consistent with specific preferences, and maximize "utility". Of course, there are those who know that this degree is versatile in the job market. Master's degrees in economics have one of the lowest unemployment rates and those who graduate with a bachelor's in economics consistently have one of the highest median career earnings levels.

In my case, what motivated me was the fact that not a lot of people understood economics. By nature economics seemed to be a repelling topic for people and I never understood why; and the more I heard news stations and "experts" use terms like

maximize profit, increase efficiency, or minimize risk I wanted to be involved in that discussion. I had been trusting experts to inform me on issues that I felt were really important and that became dull.

Ultimately, I became disinterested in discussions with lay persons about why the price of gas was high, or why taxes are high, or why stores place certain items on sale. I knew economics would give me the tools to understand practical decisions I made on a daily basis; and that was and remains my primary motivation to study the economy.

### **What have been your favorite courses?**

My favorite courses have been Behavioral Economics (Dr. Astorner-Figari), Intermediate Microeconomics (Dr. Hussey), Intermediate Macroeconomics (Dr. Smith), and Urban Economics (Dr. Campbell).

All of the professors are approachable and assign ample homework to let the course material settle in. Some courses are more difficult than others, however the challenges motivated me to collaborate with other students in the course, which has resulted in me establishing strong supportive relationships with students from those courses.

### **What do you plan to do over the next few years?**

Over the next five years I want to earn my master's degree and work in a public advocacy firm, from which I will pursue my doctorate or law degree.

### **Why do you think studying economics is important?**

Studying economics empowers you with an ability to predict your future behavior subject to given constraints. Economics can help you time manage, financially plan, allocate study time, or manage a long term project. It is a really diverse science which is applicable to multiple disciplines. Regardless if one is pursuing a job in education, sociology, anthropology, political science, law, or criminology, principles of economics can provide you with a unique perspective.

### **Do you have any advice for other students?**

My advice to other students would be to consider economics if you are unsure of what major to choose; it can spring board you into various other disciplines. If you want to seek an entrepreneurial career and own your own business, study economics because it will teach you about the big picture of a given market.

Also, to students who are very interested or talented in mathematics, statistics, or calculus, study economics because you could significantly increase your lifetime earnings with a master's or doctorate in economics. To students who find themselves trapped in an economics class that you do not understand, chances are you have colleagues in the same situation. Seek them out for assistance because it is not a simple science and you will benefit greatly from collaborating with others; all other things equal of course.

# SPOTLIGHT ON...

**Greg Lubiani**

**U of M Graduate**



**What degree or degrees did you receive from UM? When?**

I received a B.B.A. (Business Finance) in 2005, M.A. (Economics) in 2006, and Ph.D. (Economics) in 2012.

**Tell us about your career in graduate school.**

Graduate school at the University of Memphis was an incredibly rewarding experience. I was very fortunate to have faculty members with a wealth of knowledge in my field of specialization that cared about developing my abilities as both a researcher and teacher. Not only were all of the professors in the department very knowledgeable, but they were also willing to work with me to help me achieve my goals for courses, program, and career.

**What was your first job after graduate school?**

I have begun my career in academia as a tenure-track Assistant Professor of Health Economics and Policy Analysis at Xavier University (Cincinnati, OH).

**Why did you study economics?**

After teaching a night class at Southwest Tennessee Community College, I knew that I wanted to spend my career working with students. I chose to pursue a Ph.D. in economics because I wanted to engage in high-level research while improving my abilities as a teacher.

**What were some of your favorite courses or professors?**

I can't speak highly enough of all the faculty members in the Department of Economics at the Univer-

sity of Memphis. However, Dr. Cyril Chang's Health Care Economics and Dr. Albert Okunade's Applied Health Care Economics Research courses were very beneficial for me. Having worked as an operations analyst for a national healthcare company, I knew that I wanted to focus much of my research in that area. Those courses greatly enhanced my knowledge of and passion for the field. Further, both professors were more than willing to collaborate on research with me. Dr. Okunade, as both my faculty advisor and dissertation chair, truly took his role as a mentor to heart. He pushed me to continually improve in all aspects while always matching my efforts himself in his work with me. I wouldn't have made it to where I'm at today without his guidance.

**How has an economics degree benefitted you?**

My degree has helped me tremendously. As a faculty member at Xavier University, I have been able to apply my training in developing students beyond classroom lectures through course, capstone, and residency projects. Further, the research skills I obtained have empowered me to engage in quality research projects that have led to three peer-reviewed publications and, separately, three funding grants.

**What advice would you give students who would like to enter your field?**

I would advise students to focus on the relationship that research and teaching should have. It is very important to work with your faculty mentors on research, as they have a wealth of knowledge and experience to share. If you are willing to work hard with them, it will certainly pay off. However, the purpose of the research is to advance the knowledge level in your field, which includes the students you teach. Being able to bring those two worlds together will snowball into positive effects for both and provide many rewarding experiences.