Chair’s Message

An Outstanding Year!
A Record Number of Majors…

By Peter J. Kuhn

In 2005-06, UCSB Economics set a record with the highest number of economics majors in our history—2400 students! This occurred despite our strict pre-major GPA requirements (soon to be 2.85—the highest in the social sciences at UCSB).

In my view, this high and increasing level of demand testifies that many more students are recognizing the importance of economics in today’s world as well as the high quality of economics instruction provided at UCSB. While we hope to bring class sizes back down soon with the addition of exciting new faculty members, the department is pleased and honored that so many students have made us their home at UCSB—the campus’s largest major by far.

And That’s Not All…

It has been a lively and prosperous year in other ways:

1. Three superb new ladder faculty members arrived—Philip Babcock from UC San Diego, Tee Kilenthong from the University of Chicago, and Gary Libecap, most

Timely Fellowships Boost Success

A key factor in the growing reputation of our Ph.D. program is the generous support of donors

Andron Fellowship Undergoes Major Expansion

In 1978, Mortimer Andron, UCSB Professor Emeritus of Economics, made a key gift that has, throughout the years, provided fellowship support for seventy-four doctoral students. Now the long-time supporter of our department has outdone himself by making a substantial new financial commitment to us. Mort has added over $400,000 to the Ph.D. fellowship fund named in his honor, bringing the corpus to over one million dollars. The annual 6% payout from this fund will substantially improve our department’s ability to attract top graduate students.

During his academic career, Professor Andron taught courses in finance and investments and served several years as Chair of the Academic Senate. He was also a highly successful individual investor and that success allowed him to establish the Andron Fellowship Fund.

Upon graduation, former Andron Fellows have joined prestigious academic, business and government organizations including: Washington University (St. Louis) · University of New Mexico · RAND Corporation · Ernst and Young · Montana State University · New York Federal Reserve Bank · Tecnologico de Monterrey (Mexico) · Tulane University · Cal State San Bernardino · Kansas State University · Pepperdine · Missouri State University · Federal Trade Commission.

Professor Andron remains involved in departmental events and activities.

continued on page 9

New Thormahlen Family Seminar Room
Uniquely Suited to Academic Needs

Thanks to a generous donation from William and Christine Thormahlen, the Department of Economics proudly announces the unveiling of the new Thormahlen Family Seminar Room. Located in NH 2111, the completely renovated facility includes a state-of-the-art audio/visual system.

A certified public accountant, William J. Thormahlen is a UCSB Economics alumnus and member of SARES-REGIS Group’s Executive Committee—responsible for overseeing operations and directing all legal, finance, tax and administrative functions. According to the Thormahlen family, they made the gift “to reaffirm UCSB’s proud tradition of academic excellence and in celebration of our family ties to the Department of Economics at UC Santa Barbara.”

continued on page 9
Economics Welcomes Three New First Class Faculty to Campus this Fall

**Philip Babcock**  
Ph.D., University of California, San Diego, 2005
Formerly a software designer, Philip taught last year at UC Riverside. His research interests are labor economics, human capital, social dynamics, and networks. For the coming academic year, he will teach intermediate microeconomics, personnel economics, and a graduate course in labor economics.

**Weerachart Kilenthong**  
Ph.D., University of Chicago, 2006
Originally from Thailand, Tee’s research interests focus on contract theory, growth and development, and financial economics. He will teach intermediate microeconomics and topics in macroeconomic theory during the 2006-07 academic year.

**Gary Libecap**  
Ph.D., University of Pennsylvania, 1976
Most recently from the University of Arizona, Gary has joined both the Donald Bren School of Environmental Science and Management and the Department of Economics. Gary’s research interests are property rights, economics and law, natural resource economics, and economic history. He is teaching a Special Topics course for Bren this Fall entitled, “Tragedy of the Commons Revisited”.

Mind-Opening Conferences Provide New Insights

In October, the Department of Economics, Professor Finn Kydland’s Laboratory for Aggregate Economics and Finance, and Elsevier jointly sponsored a conference to commemorate the 20th anniversary of the publication of the seminal paper, “The Equity Premium: A Puzzle” by Edward Prescott and Rajnish Mehra. Since its publication this paper has had an enormous impact on both the practice of portfolio management and the research agenda in finance. Participant discussed such issues as cash flow risk, heterogeneity, and the equity premium.

- Also in October, the Department of Economics and Bren School of Environmental Science and Management jointly hosted the 8th Occasional Workshop in Environmental and Resource Economics. This gathering, the 8th in a series that dates back to 1993, brought together approximately 125 researchers from universities and research institutions around the country. Several UCSB faculty and graduate students were features as speakers on topics ranging from fisheries management to climate change.

- In February, Professor Gary Charness hosted a conference on experimental results in Communication and Incentives. Many prominent people attended this conference. Presentations included some of the most cutting-edge research being conducted in the field from social networks and consumer demand to endogenous group formation and public goods provision.

- In May, the Laboratory for Aggregate Economics and Finance (LAEF), directed by Professor Finn Kydland, sponsored a conference on the Macroeconomics of Imperfect Risk Sharing. The conference brought together some of the best junior macroeconomics researchers currently doing applied and theoretical work on economic models of imperfect insurance. Examples of the issues investigated in this literature are the saving behavior of retirees and the role of labor supply and female labor market participation as a self-insurance device.

- Also in May, Professor Perry Shapiro hosted a conference on “Takings,” the public condemnation (eminent domain) of private property for public use. This conference was particularly relevant in the wake of the recent and controversial Supreme Court decision on the right of a public agency in New London, Connecticut to condemn private property for other private use. This conference was particularly relevant in the wake of the recent and controversial Supreme Court decision on the right of a public agency in New London, Connecticut to condemn private property for other private use. Experts from around the country participated in the conference. Talks covered a wide range of topics including equity and efficiency of compensation rules and the potential abuse of eminent domain in the designation of private property as wetlands.

The condemnation of property for public use has implications for the environment, individual liberty, economic efficiency, and community development—all topics covered at the two-day conference.
During the World War II and Korean War era, the U.S. military freely distributed cigarettes to overseas personnel as well as subsidized tobacco products on domestic military bases. What has been the effect of that policy on ex-service men? The results over time, the research shows, have been devastating. Military induced smoking has been an important cause of premature veteran mortality.

Even the Veterans Administration (VA) saw it coming. In 1993, they acknowledged a likely link between their past tobacco policies and subsequent smoking-related illnesses. The VA General Counsel issued the opinion that “injury or disease resulting from tobacco use initiated in active military service could serve as the basis for a service-connected claim for compensation.”

To verify this connection, in a recently published paper, Professors Bedard and Deschenes analyzed the annual post-service mortality rates for men born in the groups at risk of serving during WWII and the Korean War, contrasting them with the proportion of veterans in each group.

The results revealed substantial excess post-service mortality among groups with higher military service rates. In fact, they found that a 10 percentage point increase in the fraction of veterans per group is associated with 35 to 58 percent of excess veteran deaths due to lung cancer, between the ages of 40 and 75. This may well be the ultimate smoking gun.

Overall, Bedard and Deschenes estimate that military service caused approximately two million additional premature deaths for the 1920-1939 groups between the ages of 40 and 75 (out of a population of approximately 20 million men at age 40). On average, 11.6 years of potential life were lost for each additional premature death due to military participation, relative to a life expectancy of 75 years. To put this in perspective, the total years of potential life lost due to premature death, between the ages of 40 and 75, is approximately the same as those due to battle deaths during WWII and Korea combined!

To obtain a copy of their paper, please visit: [http://econ.ucsb.edu/~kelly/vets1104.pdf](http://econ.ucsb.edu/~kelly/vets1104.pdf)

Kelly Bedard is an Associate Professor of Economics. She has been at UCSB since 2000. Her research interests are labor economics, health economics, and the economics of education.

Olivier Deschenes is an Assistant Professor of Economics. He has been at UCSB since 2001. His research interests are labor economics, health economics, environmental economics, and econometrics.

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**Goodbye, Au Revoir, Auf Wiedersehen, Arrivederci Lloyd Mercer**

This past spring, we bade farewell to **Lloyd Mercer**, a veteran faculty member who joined the Economics Department during its infancy in 1966 to specialize in economic history and water resource economics. Following his June retirement, Lloyd returned to his native Washington State to pursue a longtime interest throughout his academic years—the railroad in American history. Now among the ranks of emeriti and out of academia, he plans to spend time writing historical novels based on the iron horses of the past.
Congratulations 2006 PhD Graduates!

“Do, or do not. There is no try.”
—Yoda, ‘The Empire Strikes Back’

The Department of Economics congratulates the 2006 PhD graduating class. The seven graduates have gone on to promising careers in Economics.

Jennifer Brown worked under Ted Frech on California's environmental regulations. She has joined the faculty of Eastern Connecticut State University.

Dong-Hun Cho worked under Peter Kuhn on empirical labor issues. He has joined the Korean Labor Institute (KLI) in Seoul as a researcher.

Wei Cui worked under Rajnish Mehra conducting empirical tests of the capital asset pricing model (CAPM) on the Shanghai stock market. She has started work at Beijing University in China.

Doug Herman worked under Kelly Bedard on the impact of the business cycle on educational choices. He has taken a position in the Bureau of Economics in the Antitrust Division at the Federal Trade Commission in Washington, D.C.

Paul Niemann worked under Rod Garratt on mathematical and public economics. He has joined the faculty at the University of Colorado, Denver.

Byung-Dong Seo worked under Doug Steigerwald on financial econometrics. He has joined DFA, a financial firm in New York.

Patricia Silva worked under Bob Deacon and Antonio Bento of The University of Maryland on resource management issues in eastern Africa. Patricia's initial job upon graduation was in the Environment Department at The World Bank.

Leopoldo (Polo) Soto worked under Charles Kolstad and Doug Steigerwald on individual adaptation to climatic change. He has accepted a position with the Center for Naval Analysis.

Californians Complain About High Housing Prices, Yet Oppose New Housing Construction. How Come?

by Jon Sonstelle

Residents of California's coastal areas consistently identify high housing prices as one of their region's biggest problems. Yet, communities in coastal California often oppose new housing construction that would tend to dampen upward pressures on housing prices. Why is that? Have we forgotten the laws of supply and demand?

A recent survey of Santa Barbara and Ventura County residents by the Social Science Survey Center explored these attitudes. Seventy percent of respondents stated that high housing prices were a big problem for the region. Nevertheless, nearly ninety percent felt that slow growth policies were just fine. Only ten percent believed that local governments should loosen restraints on housing construction.

Answers to a third question suggested how Californians reconcile their complaints about high housing prices with their opposition to more housing. Nearly seventy percent said that an increase in the rate of housing construction in their community would have little or no effect on housing prices.

These attitudes may display an ignorance of the basic laws of supply and demand, but they also reflect a keen understanding of the subtle distinction between local and regional policies. Local communities typically make the important decisions about housing construction. In large urban regions, however (such as Southern California or the Bay Area), one community's decision whether to allow new housing construction almost certainly has little or no effect on the regional supply of housing and thus housing prices. In economic language the demand curve for any one community's housing is very elastic. On the other hand, the demand curve for a region's housing is not so elastic and the no-growth decisions of many small communities add up to a regional policy of growth controls and thus high regional housing prices.

The survey's findings on these and many other topics are available at http://www.survey.ucsb.edu/ccs.

Jon Sonstelle is a Professor of Economics and the Director of the UCSB Social Science Survey Center. He has been at UCSB since 1977. His research interests are regional economics and public finance.

Ph.D. Program Admissions

by Doug Steigerwald

It takes talent and we've got it...

As one of the largest Ph.D. programs at UCSB (based on entering class size) the Department of Economics welcomes a new class of 15 students for the 2006-07 academic year.

Of the 15 incoming students, six are female.

Doug Steigerwald is a Professor of Economics and the Doctoral Advisor.
Elite Snyder and Kay Lectures Spotlight Trailblazing Industries

The Economics Department is honored to present two annual lectures through the generosity of distinguished donors. One is the Annual Carl Snyder Memorial Lecture, established by the estate of Mrs. Madeleine Raisch in memory of her husband, who was an economist and author. The other is the Herbert C. Kay Undergraduate Lecture. Herbert C. Kay taught in the UCSB Department of Economics in the 1960s and is now a successful private investor in Los Angeles. Many of Professor Kay’s former students cite his inspiration as a major factor in their own successful career development. Professor Kay established the lectures—featuring dynamic business pioneers—to inspire UCSB undergraduates to become the entrepreneurs and leaders of tomorrow. The series affirms the importance of undergraduate education at UCSB.

2006 Carl Snyder Memorial Lecture
This year’s 48th Annual Carl Snyder Memorial Lecture, presented in April, featured Professor Jean Tirole, the scientific director of the Institut d’Economie Industrielle, University of Social Sciences, Toulouse. One of the world’s leading industrial organization economists, Tirole discussed platform industries—such as telecoms, software, credit cards, media, and videogames— and how they differ from other commerce. Tirole presented his findings on these two-sided markets to a capacity audience in the MultiCultural Center. For more information, please see: http://www.econ.ucsb.edu/snyder/tirole.pdf

2006 Herbert C. Kay Undergraduate Lecture
This year’s speaker was Robert B. McKnight, co-founder and CEO of Quiksilver, Inc. Quiksilver markets apparel, footwear, eyewear, and technical products—all grounded in the board-riding cultures of surfing, skateboarding, and snowboarding. A group of undergraduates, faculty, administrators, and private citizens gathered in Girvetz Theatre in March to hear McKnight speak about the growth of QuikSilver and the QuikSilver Foundation’s philanthropic culture of “giving back.”

Forward Thinking Sedona Conference Seeks Clearer Economics Role in Antitrust Law
by William S. Comanor

The Sedona Conference is a law and policy think tank dedicated to developing law pertaining to complex litigation, antitrust law and intellectual property. It brings together some of the nation’s finest attorneys, academics, and jurists to address current issues. Its purpose is to originate reports that are authoritative statements of law and public policy.

As part of this effort, the Conference established a working group on the role of economics in antitrust to bring both clarity and uniformity to antitrust law for expert economists. There is great disparity currently in the role that economics plays in antitrust, and it was the purpose of the working group to reach some level of consensus on these issues.

To accomplish this, the working group met several times in Sedona, Arizona to discuss critical issues and reach agreement. Not only did the group include a distinguished district court judge from Northern California but also various members from the Federal Trade Commission and the U.S. Department of Justice. In addition to the attorneys, other economists, besides myself, who attended included Frank Fisher, from MIT, and Dan Rubenfeld from the University of California at Berkeley. The report has recently been published. Hopefully, it will have an impact on the role of economics in antitrust litigation.

William S. Comanor is a Professor of Economics. He has been at UCSB since 1975. His research interests are industrial organization and applied microeconomics. He attended the Sedona Conference and contributed to the report that will be published.
The Laboratory for Aggregate Economics and Finance (LAEF) was established in July 2005 to address important questions on growth and fluctuations in national or aggregate economies. Professor Finn Kydland is director of LAEF. Located across the hall from the Economics Department in North Hall, resident and visiting scholars at LAEF conduct topical research in quantitative aggregate theory.

Modern macroeconomic research is unique because it introduces people explicitly into economic models. Such models recognize that the challenges people face in decision making are dynamic; rational people are forward-looking. Computational experiments play a key role in this type of research. A typical computational experiment uses a model that measures the spending preferences of millions of people for specific goods and services and how these choices may be affected now and in the future by factors affecting their personal budget constraints. The model also contains thousands of businesses representing the nation's aggregate production possibilities. Researchers calibrate the model relative to the specific economic environment being studied. During the experiment, researchers amass a time series showing the aggregate decisions made by the people being studied in the model economy. As these millions of people and thousands of businesses make their decisions over time, the computer records their decisions.

Our researchers obtain these time series as if confronting an actual economy. Next, they describe the time series statistically and compare the results with analogous statistics from data available for the nation(s) being studied. The motivation for all of this is to address questions about the driving forces behind business cycles and other aggregate phenomena. This process includes identifying puzzles or anomalies and attempting to account for them.

Throughout the year, LAEF will host workshops and conferences on the UCSB campus (see page 2) using these or similar formats:

- One to two-week research camps/workshops where residents and visiting scholars, working together, will aggressively question and challenge issues crucial to aggregate economics; and
- Two to three-day conferences where speakers will formally present topical research for discussion.

Meet These Proud Additions to our Economics Family

The Department of Economics welcomed three new staff members this past year:

**Dina Amodeo**, one of two new hires in the department’s academic advising office, comes to us from UCSB’s Chemistry and Biochemistry Student Affairs Office where she worked for two years. Prior to that, she worked in Orientation Programs helping new students find their way at UCSB. Dina was born and raised in San Diego where her family still resides. Beyond her professional life, Dina has earned her second degree black belt in Tang So Do karate.

After graduating from UC San Diego with a degree in history, **Rachel Danielson** relocated to the Santa Barbara area and joined the department as Instructional Program Assistant. In the future, Rachel plans to pursue a Master’s Degree in Art History. Meanwhile, she keeps busy with numerous pets (over ten at last count), including three snakes, three birds, and a rat. Her husband, Eric, attends the Brooks Institute of Photography and Rachel spends some of her spare time serving as a model for his numerous projects. She is also an avid oil painter, enjoys target archery, and volunteers at various dog shelters.

After living in Los Angeles for several years, our new Assistant Undergraduate Advisor, **Courtney Jerge**, decided to leave the smog and traffic and return to Santa Barbara’s sunny beaches. Courtney earned a UCSB undergraduate degree in Art History several years ago, followed by a Master’s Degree in Counseling from Loyola Marymount. She has worked at both USC and Los Angeles City College as a counselor. In her spare time, she enjoys visiting the park and the beach as well as exploring the town with her one-year old daughter, Leila.

Professor and Mrs. Finn Kydland and Dr. and Mrs. Melvin Oliver, Dean enjoy each others company following a LAEF co-sponsored event.
Our Highly Motivated Graduate Students Excel

News from the Ph.D. Program

by Doug Steigerwald

“The greatest thing a human being ever does is to see something and tell what he sees in a plain way.” – John Ruskin

Belinda Acuña—received a research award from UCSB’s Center for Chicano Studies to examine Hispanic farm labor and agricultural government payments. Her study will evaluate whether the variation in total government agricultural support affects the market for Hispanic immigrant farm labor and wages. Belinda will present her results at a fall colloquium.

Brianna Briggs—was honored with a dissertation award from the National Bureau of Economic Research to study the relative effectiveness of faith-based organizations in providing job training services.

Nick Burger (EES Fellow and Economics Ph.D. Student)—was selected by the National Science Foundation to attend the Second Lindau Meeting of Nobel Prize winners in Economics held in Lindau, Germany, August 2006.

Beth Dhuey—was honored with both the UCSB Affiliates Graduate Dissertation Fellowship and the Graduate Division Dissertation Award. In addition, she accepted the exemplary UC President’s Dissertation Year Fellowship for the full 2006-07 academic year.

John Hartman—received the UC Transportation Center Doctoral Dissertation Research Award. His dissertation, “Experimental Congestion Topics with Various Heterogeneous Profiles on Subjects,” examines the equilibrium outcome in a standard congestion experimental design. In his study, John ran paid experiments in computer labs to simulate various traffic environments. One focus of his research is using tolls to increase the efficiency of roads and highways.

Hani Mansour—received a fellowship from the Institute for Global Conflict and Cooperation (IGCC) to study the Palestinian labor market. His working title is: “The Palestinian Labor Market in the Post-Oslo Era.”

Damien Sheehan-Connor—was granted both a Regent’s Special Fellowship and a Distinguished Research Award.

Byung-Dong Seo—received the “Best Paper Award” at the 13th Global Finance Conference in Rio de Janeiro last April.

In addition to these notable successes, five students received the department’s Distinguished Research Award: Francisco Azeredo John Lynham Murat Ozbilgin Damien Sheehan-Connor Yongli Zhang.

At the annual Spring Social, the department celebrates the achievements of our outstanding graduate students.

Graduate students Kang Cao and Dandan Zhu chat over refreshments at the annual Spring Social.
Faculty Talent and Imagination Lead The Way

Professor Gary Charness has been invited to join the editorial board of the American Economic Review.

Professor Charles Kolstad recently completed a term as President of the Association of Environmental and Resource Economists.

Professor Peter Kuhn, Chair of the Department, became a research associate of the National Bureau of Economic Research last year.

Professor Gary Libecap is currently President of the Economic History Association and President of the Western Economics Association International.

ECONOMICS DEPARTMENT

We welcome your comments, suggestions, and story ideas.

http://econ.ucsb.edu/

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These Top-Notch Grad Students Also Take Time to Fully Enjoy Life

BETH DHUEY

Anticipating a spring 2007 graduation, Beth Dhuey has received three prestigious graduate awards based on her research on labor economics and the economics of education. For the fall quarter, she was honored with both the UCSB Affiliates Graduate Dissertation Fellowship and the Graduate Division Dissertation Award. In addition, she accepted the exemplary UC President's Dissertation Year Fellowship for the full 2006-07 academic year.

Beth's job market paper reflects her prolific interest in education. “Kindergarten: Who Benefits?” explores the effect of introducing kindergarten into the public primary school system. Furthermore, she has a forthcoming article in the Quarterly Journal of Economics, “The Persistence of Early Childhood Maturity: International Evidence of Long-Run Age Effects” co-authored with Kelly Bedard. Although working hard on her dissertation, Beth still finds time to spend with her husband, Stephen, and two cats. She also enjoys creating stained glass and photography, and is an avid fan of the ocean.

DAMIEN SHEEHAN-CONNOR

With a degree in medicine from Tufts University, it isn't surprising that Damien Sheehan-Connor's primary field of interest is health economics. Currently working with professors Ted Bergstrom and Rod Garratt on issues surrounding the National Marrow Donor Program, his research has already garnered local fellowships and awards. For the coming academic year, the Economics Department granted him both a Regent's Special Fellowship and a Distinguished Research Award.

Damien's current projects include “Traveler Experience as an Instrument to Assess Medical Care Effectiveness” and “The Marginal Effectiveness of Health Care: An Instrumental Variables Analysis,” but that's not all. Damien is also interested in public finance and labor economics. In his spare time, he enjoys hiking, biking, and going on outings with his wife, Laura, and their beautiful 19-month old daughter, Gwendolyn. He also reads avidly—particularly science fiction, fantasy, and non-fiction books on history and economics.

Accounting Program News
by Coby Harmon

The UCSB Accounting Program completed another highly successful year, continuing to graduate more than 300 students. The primary goal of the program is to establish and carry out a curriculum with sufficient scope and depth to train well-rounded, well-educated professionals. Toward that end, the Program offers a full range of courses including our intense 10-week summer Professional Preparation Program to ready students for future professional practice and certification.

Now, to the fruits of our labor. The students continue to be heavily recruited by companies including Big Four and other regional and local accounting firms. The Big Four have designated UCSB as a key recruiting school, which allows our graduates to be hired into offices throughout the United States. Also, recent statistics ranked UCSB third nationally for number of first-time candidates taking the CPA Examination.
Most recently, his generous gift has enabled four extremely capable graduate students to enroll in our program:

Steve Lipscomb, who received his undergraduate degree at William and Mary, begins his fourth year in our Ph.D. program. Steve has excelled at every turn. Last year, the department awarded Steve the Distinguished Research Prize, providing him a full year devoted exclusively to research. His winning submission (published in the *Economics of Education Review*) investigated the effect of leadership in extracurricular activities on student academic achievement. Steve will continue his research on the economics of education by investigating how “earmarking funds” affects school expenditure.

Ross Mohr, a University of Illinois graduate, enters his third year in our Ph.D. program. Ross’s research focuses on international regulation of pollution externalities. His area of interest capitalizes on the department’s national prominence in environmental economics as well as the research interests of our distinguished Nobel laureate, Finn Kydland.

James Green-Armytage enrolled at UCSB after completing the unique Antioch College undergraduate program in Yellow Springs, Ohio. Originally from New York City, his urban upbringing strongly influenced his research interests, as did his undergraduate exposure to cross-disciplinary research. Currently, James’s passion is to study voting systems and media structure, with the goal of fostering a more authentic democracy.

Stephen Done, an entering Ph.D. student, is the newest Andron Fellow. Stephen is an outstanding BYU graduate, a school with a fine reputation in undergraduate research training. The Andron Fellowship was vital in Stephen’s decision to come to Santa Barbara over other highly-ranked programs—the University of Rochester, the University of Texas, and Michigan State University.

Mead Fellow

We are pleased to announce that Walter and Thelma Mead recently pledged a generous donation to free a talented entering Ph.D. student from teaching responsibilities for one year, at a time when it would be most advantageous to focus energies on research activities. Walter Mead, Professor Emeritus of Economics, had a distinguished career as a natural resource economist at UCSB.

Our first Mead Fellow, Stephane Verani, received his undergraduate training at the University of Western Australia. An accomplished student, Stephane has already completed an econometrics research paper with noted researcher Darrell Turkington. Completed research of any type by an entering Ph.D. student is rare, completed research in econometrics rarer still.

Chair’s Message

recently from the University of Arizona.

2. Department member and Nobel laureate Finn Kydland inaugurated an innovative macroeconomics research center—the Laboratory for Aggregate Economics and Finance (LAEF). LAEF’s first year of operation was an unqualified success.

3. We held five stimulating conferences on topics ranging from experimental economics to the economics of expropriation.

4. Our first-rate Ph.D. students won more fellowships and awards than ever before. Four of our Ph.D. students were awarded full year research grants. Both of our Chancellor’s fellows (the highest distinction awarded to an entering student) are enrolling.

The list of other departmental accomplishments is too long to list here. Without question, UCSB Economics is on the move and remains one of the campus’s most exciting places to be. We hope you will stay in touch and remain a part of our continuing quest for excellence.
Are You Curious About What Happens to Economics Undergraduates after They Complete Academic Training?

A sampling of alumni from the Department of Economics, surveyed by the university approximately one year after they earned their undergraduate degrees in 2004, suggests a strong and positive connection between the academic preparation they received at UCSB and their current employment.

- Seventy percent of full-time employees believed their present job was highly related to their undergraduate major and twenty-three percent moderately/slightly related.
- Seventy-nine percent stated that their current job was in the career field of their choice.
- Eighty-six percent said that a four-year college degree was required to obtain their current position.
- Ninety-eight percent (98%) held positions that clearly related to the economics, accounting, or business fields.
- Eighty-six percent were either very satisfied or somewhat satisfied with their current employment.
- Eighty-four percent thought that their current occupation had definite career potential.
- Very high percentages felt their undergraduate degree prepared them well for their present occupation.
- The median salary one year after graduation was $47,200. Seventy-four percent were earning over $40,000 per year.

UPCOMING EVENTS

Be sure to watch the department website (http://www.econ.ucsb.edu) for information on:

- 49th Annual Carl Snyder Memorial Lecture;
- 10th Annual Herbert C. Kay Undergraduate Lecture;
- inaugural meeting of Trans-Pacific Labor Seminar: a new working group of U.S. and Japanese labor economists researching changing employment practices in the two countries;
- workshops on auction theory (Professor Rod Garratt) and natural experiments (Professors Olivier Deschenes and Doug Steigerwald)
You Can Be a Part of Futures Filled with Hope and Promise!

Donations to the Economics Department Support These Activities:

Graduate Student Support
- including entry-level scholarships designed to attract the most promising students to our campus, and support for continuing students writing dissertations.

Promoting Excellence in Undergraduate Education
- by funding awards to top-performing undergraduate students, and creating innovative and challenging undergraduate courses.

Supporting Visiting Scholars
- Donations support the visits of top-flight speakers and teachers from around the world to UCSB, enriching the intellectual lives of both students and faculty.

Research Support
- Donations to the department provide crucial seed money for new research projects that can eventually yield major institutional grants and benefits to society.

Infrastructure
- Keeping the department’s instructional space in North Hall up-to-date and attractive is a constant challenge given our huge enrollments and rapid advances in instructional technology. Donor funds play an important role here as well.

You can see for yourself how your contribution will greatly benefit our future economic leaders. There’s no time like now to support this important mission.

To make a contribution to the Department of Economics, mail this form and your tax-deductible donation to:

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