The department is excited to welcome two new junior faculty members. Zachary Grossman recently received his PhD from UC Berkeley, and Heather Royer joins us from Case Western Reserve University, where she spent two years as an assistant professor. Zach focuses on behavioral economics and Heather is a labor economist. We are very pleased to have them join us.

The Accounting Program continues with its award winning success! This year the UCSB audit team won second place at the KPMG National Audit Case Competition in New York City. This was the first year that UCSB competed in the competition and the team, led by Bob Anderson, did an amazing job! Thank you to the entire team and KPMG for its continued support.

Speaking of awards, the department was once again pleasantly surprised when the Nobel Prizes were announced last fall. The 2007 Nobel Peace Prize was awarded jointly to the Intergovernmental Panel on Climate Change (IPCC). Two of our faculty have served on the IPCC, Prof. Steve Decanio and myself. A former student, Nick Burger (now at Rand) also served on the IPCC.

Elite Annual Events Bring Distinguished Names to Campus

The Economics Department is honored to present two annual lectures through the generosity of distinguished donors. One 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. The other lecture 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.

USCB Alumnus Returns as Featured Herb Kay Lecturer

The Department of Economics was proud to have one of our alumnus, Josh Berman, as this year’s featured speaker. A crowded Campbell Hall eagerly sat and listened as a former Economics student spoke about how passion and determination guided him in his entrepreneurial success. Mr. Berman is a co-founder and was the chief

Carl Snyder Memorial Lecture

This year’s featured speaker was Robert Townsend, Charles E. Merriam Distinguishe Service Professor at the Department of Economics at University of Chicago. He spoke on “Evaluating the Financial Systems of Emerging Market Economies”. Professor Townsend’s contributions to economic theory include the revelation principle, costly state verification, optimal multiperiod contracts, decentralization with private information, money with spatially separated agents, financial structure and growth, and forecasting the forecasts of others. His contributions in econometrics include the study of risk and insurance in developing countries. His forthcoming book from Oxford University Press entitled Financial Systems in Developing Economies: Growth Inequality and Policy Evaluation in Thailand, evaluates the financial system of Thailand, and its lessons for Asian developing economies more generally.

continued on page 3

continued on page 4
I took an Economics course there and immediately realized that the business world was my true calling. I transferred to UCSB as a junior to take advantage of their ‘top’ notch Economics Department [and] changed my major to Business Economics,” Bill said during a recent interview. His new major and university absorbed Bill’s attention and energy, causing him to stay for an additional year to take “a full spectrum of Economics and Accounting classes.” His Business Economics major led him to a career as a CPA “This [career] exposed me to many industries from which I [made] further career choices. I stayed at the CPA firm for exactly three years…long enough to get my certification, a promotion and some great experience.”

Bill’s experience as a CPA exposed him to his future career in real estate. Bill explains that his “academic training allowed [him] to quickly rise from an accounting role to a Finance and Management position.” Bill is Managing Director and Principal of SARES-REGIS Group, where his economics background comes in handy. “Real Estate is a very cyclical business. We constantly monitor economic data to help us anticipate demand, trends and potential market swings.” The SARES-REGIS group provides a full range of services to equity investors and business partners to capitalize on real estate opportunities in commercial and residential development, acquisitions and property services. Bill thinks back to his most memorable class, Environmental Economics, frequently at his firm. “I had never thought of social issues in economic terms. It taught me there are costs and benefits for all decisions. With a limited amount of resources, where are they best deployed? This conceptual question is consistently addressed at our firm.”

Along with being a successful business leader, Bill is also a family man. He encourages all of his children “to identify and pursue their passions. If you are passionate about something, you are more likely to excel in it and have a successful career.” Education doesn’t have to stop at an undergraduate degree either. “The further you go in academics, the higher you will start in the private, or public, marketplace.” However, Bill and his family aren’t only about education and careers. They take time to enjoy the outdoors, and vacation with family and friends.

The Thormahlen Family has been very generous in supporting the UCSB Economics department throughout the years. Bill and his family donated the funding for a new seminar room and developed a Junior Faculty Fellowship program that allows the department to attract bright, young economists. “My tenure at UCSB was a major turning point in my life. It was here that my future came into focus, in a beautiful natural setting, under the guidance of a great faculty. I want to see others receive the same opportunities that I was provided. With State funding reduced so dramatically, this can only be accomplished with private support. My family and I are involved with many philanthropic causes- but UCSB is our clear favorite.”
California’s School Finance System
by Jon Sonstelie

California’s school finance system is a complicated mess. Tax revenue flows to school districts through nearly 100 different channels, each with its own rules and regulations. Similar school districts may end up with quite dissimilar revenue for no apparent reason.

Like most messes, this one has a long history. California’s school finance system is a product of court rulings, popular initiatives, and the response of the state legislature to those rulings and initiatives. The most important ruling is Serrano v. Priest in 1971. At the time, school districts in California levied their own property tax rates. Because property wealth differed significantly across districts, property tax revenue also differed. In Serrano, the California Supreme Court ruled that this system was unconstitutional.

The most important initiative was Proposition 13 in 1978. The initiative capped property tax rates throughout the state and gave the legislature authority to allocate property tax revenue. Armed with that authority and mindful of the Serrano ruling, the state legislature essentially assumed all fiscal responsibility for California’s public schools.

Because of that responsibility, the state has had to respond to the constantly changing needs of school districts. In most cases, it has responded by creating a new revenue program to address a specific need. The state has programs to reduce class sizes in kindergarten through grade 3, to provide summer school for struggling high school students, to reduce class sizes in grade 9, to ensure that 10th graders have a counselor, to support new teachers, and on and on. Every one of those programs has its rationale, but the combination of all of them makes it very difficult for individual schools to address their varying resource needs.

Along with colleagues at the Public Policy Institute of California, I have been working on streamlining that system. We have analyzed the resource needs of schools and how those needs vary across schools in the state. We have also developed a computer model to simulate the effects of alternative methods of financing California’s public schools and recently used that model to analyze a new school finance system proposed by the Governor’s Committee on Education Excellence. Reforming California’s school finance system is moving towards the top of Sacramento’s policy agenda. For an analysis of the reforms proposed by the Governor’s Committee and references to related work, see “Funding Formulas for California Schools II” on the web site of the Public Policy Institute of California, www.ppic.org.

Chair’s Message
continued from page 1

The Experimental and Behavioral Economics Laboratory celebrated its grand opening in February of 2008. The laboratory, directed by Professor Gary Charness, was established in October 2007 to familiarize students and faculty with the techniques of experimental and behavioral economics and to provide a needed research facility for the running of laboratory experiments. This is a growing focus in the department at UCSB.

The summer was even more exciting than usual due to the American Economic Association’s Summer Training Program (AEASTP). This is a brand new program, directed by Prof. Doug Steigerwald. Undergraduate and graduate students from around the US with disadvantaged backgrounds spent eight weeks on campus, taking part in an intensive program with the goal of preparing them for a Ph.D. in economics. The students took part in classes, seminar and had the chance to interact with Ben Bernanke. It is really an honor to have this national program based here at UCSB (previously it was at Duke). It seemed to me like a spectacular success. We look forward to hosting the program for at least two more years.

Our department cannot thank our donors enough for their continued support. Two very generous gifts are of particular note. Professor Emeritus Walter Mead, along with his wife Thelma, have very generously donated $1,000,000 to establish an endowed chair position in Walter’s honor. In addition, the department has established the Thormahlen Family Junior Faculty Fellowship program, of which Heather Royer is the first recipient. Both gifts are extraordinarily important in allowing us to attract the very best economists to our department as faculty. These gifts make such an important difference.

Finally, you may be wondering what happened to Peter Kuhn. I assure you, he is alive and very well, on sabbatical in Berkeley. Peter stepped down as Chair of the department this summer after four great years of service and I have taken his place. I have been at UCSB since 1994 and specialize in environmental economics and industrial organization. I received my PhD from Stanford in 1982 and was on the faculty of the University of Illinois before joining UCSB. I look forward to meeting as many of you as I can over my term as Chair.

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For patients who suffer from leukemia or other blood diseases, a stem cell transplant is often literally a life saver. The transplant must come from a healthy donor whose immune system is compatible with that of the recipient. Finding a compatible stem cell donor is vastly more difficult than finding a match for blood donation. About one third of all patients in need of a donor have a sibling who is a compatible donor. Other patients must seek matches from the population at large. The probability that two randomly selected persons of the same race are compatible for a donation is less than one in ten thousand. For many genetic types, this probability is less than one in a million. Persons of different races are much less likely to match than persons of the same race.

A remarkable set of institutions has developed for matching needy patients with compatible donors. In the past twenty years, the U.S. and other countries have developed national bone marrow registries. These registries maintain a list of potential donors who have been DNA-typed and who have promised that if any patient of their type is in need of a transplant, they will be willing to make a donation. At the time of registration, a saliva sample is collected and analyzed to determine the registrant’s DNA type. The outcome of the test is stored along with the donor’s contact information.

Joining the registry is painless, but making a donation is a more serious matter. There are two alternative procedures by which stem cells are collected. The traditional method is to “harvest” bone marrow from the donor’s pelvis by means of insertions of a large needle. This operation is performed under general or regional anesthesia.

A more recently developed procedure transfers stem cells collected by filtering from the donor’s bloodstream. Both methods require the same type of genetic match. Donation by either method entails inconvenience and discomfort, and some temporary side effects for the donor. Neither procedure is likely to have long term detrimental health effects. About 5 million people in the U.S. and about 11 million people worldwide have joined bone marrow registries.

In “One Chance in a Million: Altruism and the Bone Marrow Registry,” available at http://repositories.cdlib.org/ucsbcon/dwp/3-07/, we explore the altruistic motives of those who are willing to undergo significant pain, risk, and inconvenience to save the life of a stranger.

We also conduct an economic benefit-cost analysis, to explore whether the current bone marrow registries are “large enough.” We use available data on the distribution by race of HLA types, numbers of patients seeking transplants, and survival rates of these patients to estimate a functional relation between registry size and the expected number of lives saved. We apply standard economic measures of the value of a statistical life and thus compute expected benefits from an additional registrant. We compare these expected benefits to the costs of increasing the registry. We estimate that an optimal registry would have about three times as many whites and nearly ten times as many African Americans as are currently registered.

The U.S. bone marrow registry requires new registrants to pay a fee of about $50 to join the registry. Our estimates suggest that this is unfortunate, given that social benefits of a larger registry greatly exceed costs. There seems to be a strong case for increased government funding of national bone marrow registries, with the funds used to recruit and pay the costs of adding new registrants of all races.

Herb Kay Lecture
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operating officer of MySpace.com, the leading online lifestyle portal. MySpace created a new platform for a generation to communicate and discover culture, based around the self expression and connectivity of the site’s 120 million active users. Josh Berman is currently the Co-President of Slingshot Labs Inc. Slingshot Labs, a division of News Corporation, is a web incubator dedicated to building new Internet companies. Slingshot Labs will employ a portfolio approach to the development and launch of businesses, and plans to nurture four to five ventures per year. Josh Berman formerly co-founded and managed successful Internet companies, ResponseBase Marketing, and Xdrive Technologies. Prior to his start up life, Berman was a management consultant with PricewaterhouseCoopers, and an international marketing manager and a senior financial analyst at Twentieth Century Fox.
Olivier Deschenes Wins the Albert Rees Prize

UCSB Economics is delighted to announce that Olivier Deschenes, has been awarded the Albert Rees Prize, jointly with Assistant Professor Erica Field of Harvard University. The prize is awarded every two years for the Princeton Ph.D. dissertation, completed within the last six years, judged to have made the greatest contribution to labor economics. The prize commemorates Al Rees's great contributions to labor economics at Princeton as a scholar, teacher, mentor, colleague, and friend. Professor Deschenes joined the UCSB faculty in 2001 and is the current recipient of the William Garlock Faculty Fellowship.

Grand Opening of the Experimental and Behavioral Economics Lab

Chancellor Henry Yang and Dean Melvin Oliver were both present at the grand opening of the Experimental and Behavioral Economics Laboratory (EBEL), February 8, 2008. Experimental and behavioral methods are gaining popularity in economics and social science in general. Many social scientists now view these as the most promising and novel approaches today. EBEL was established in October 2007, under the directorship of Professor Gary Charness. The focus of the Laboratory is to promote research in experimental and behavioral economics, as well as to employ experimental economics more effectively as a pedagogical tool. A primary goal of the laboratory is to enhance the familiarization of students and faculty with the techniques of experimental and behavioral economics and the possibilities for using these techniques to further their research.

Department Welcomes Two New Junior Faculty

Zachary Grossman
Ph.D., University of California, Berkeley, 2008

Zack's research interests are in behavioral and experimental economics, game theory, and social preferences. He will be teaching game theory and intermediate microeconomics, as well as a graduate course in behavioral economics over the coming academic year.

Heather Royer
Ph.D., University of California, Berkeley, 2004

After 4 years in the Midwest – 2 years as a Robert Wood Johnson Health Policy Scholar at the University of Michigan and 2 years at Case Western Reserve University, Heather returns to California. Her research interests include health and labor economics. During the 2008-2009 school year, Heather will teach econometrics and health economics.

In Memoriam

The department is deeply saddened by the sudden loss of emeritus professor, Dr. Alec P. Alexander. Alec was born in San Francisco on September 21, 1923. When Dr. Alexander was four years old his family returned to Greece, where Alec lived until 1945. He fought against the Germans during WWII, and has written a book of memoirs regarding that period in his life, which is pending publication. During that time he earned two Gold Medals of Valor and was promoted to 2nd Lieutenant. After the war, Alec focused on receiving a college education and was admitted to UC Berkeley, where he received his BA and Ph.D. in Economics. From 1960 until his retirement in 1991, he served as Professor of Economics at the University of California, Santa Barbara. During his tenure he served as Chair of the Department of Economics (1965 to 1970), Dean of the College of Letters and Science (1971 to 1973) , Vice Chancellor of Academic Affairs (1973 to 1978) and as Acting Chancellor from July 1977 to December 1977. Dr. Alexander played a key role in the ascendance of the Economics Department and UCSB. He will be greatly missed by all who knew him.

Department Reception

January 3, 2009 – San Francisco

The American Economics Association’s annual meeting is scheduled for January 3-5, 2009 in San Francisco. If you are planning on attending the meetings or will be in town please join us for a cocktail reception – Saturday, January 3, 2009 at 6:00 pm in the Union Square 19 meeting room of the Hilton San Francisco (O’Farrell Street). It would be great to see old friends and colleagues. For more information on the event, please contact Joan Giovannone at (805)893-3569.
Brianna Briggs studied under Peter Kuhn in the field of labor economics. She has accepted a position at Welch Consulting located in Los Angeles as a Senior Economist.

Nicolas Burger worked under Robert Deacon on Environmental & Natural Resource Economics and Labor Economics. He has joined the RAND Corporation as an Associate Economist.

Insook Cho studied under Kelly Bedard in the field of Labor Economics and her research focused in the area of gender issues in education. She has joined the faculty at Sacramento State University in the Department of Economics as an Assistant Professor.

Xiaojuan Hu studied under Stephen LeRoy in Mathematical Economics and Finance. She has joined the faculty at Shanghai University of Finance and Economics in the School of Economics as an Assistant Professor.

Niklas Hunter worked under William Comanor researching Industrial Organization. He has accepted a position as an adjunct professor at California State University - Channel Islands in the Department of Economics and is also employed as the staff economist for the Mogin Law Firm in San Diego.

Takuya Kawanishi studied under Ted Bergstrom in the area of differentiated markets. He currently is a Visiting Research Associate at the Waseda University - Graduate School of Law in Tokyo, Japan.

Alok Khare studied under Rajnish Mehra in the area of applied financial econometrics. He is currently employed as a consultant for LECG in Emeryville, CA.

Bryan Lim studied under Steven LeRoy in the area of public finance. He has joined the faculty at the University of Melbourne in the Department of Finance as an Assistant Professor.

John Lynham studied under professors Robert Deacon and Christopher Costello in the area of Environmental & Natural Resources. He has joined the faculty of the University of Hawaii (Honolulu) at Manoa as an Assistant Professor.

Eric Matolo studied under Clement Krouse researching intellectual property and investment. He is working as a Senior Economist in Nathan Associates' litigation support practice in Orange County, California.

James Nachbaur worked under Robert Deacon on Environmental and Natural Resource Economics. He is working as a Post-Doctoral Fellow in the Policy & Institutions Division of the International Water Management Institute.

Oddgeir Ottesen studied under Stephen LeRoy in the areas of Finance and Mathematical Economics. He has joined the faculty of Reykjavik University - School of Business in Iceland as an Adjunct Professor.

Huseyin Ozbilgin worked under Henning Bohn in the area of International Economics. He has joined the Turkish Central Bank as a Real Estate Economist.

Damien Sheehan-Connor worked under Ted Frech in the area of Health Economics. He has joined the faculty of Wesleyan University - Connecticut as one of its newest Assistant Professors in the Department of Economics.

Ying Sun studied under Stephen LeRoy in the area of Finance and Money and Game Theory. She is now an Assistant Professor at Felician College - School of Business in Rutherford, New Jersey.
Does Daylight Saving Time Save Energy?

by Matthew J. Kotchen

The well-known mnemonic of “spring-forward, fall-back” describes the annual ritual of Daylight Saving Time (DST): turn clocks forward one hour in the spring, and turn them back one hour in the fall. DST is currently practiced in 76 countries and directly affects more than 1.6 billion people, making it perhaps the most widely applied policy on the planet.

But why do we practice DST? A common misperception is that DST is an agricultural policy, but DST is in fact a policy designed to save energy. Benjamin Franklin is credited with the basic idea after observing that people were sleeping during sunlit hours in the early morning and burning candles for illumination in the evening. He argued that if people adjusted their schedules to earlier in the day during summer months an immense sum of tallow and wax could be saved by the “economy of using sunshine rather than candles.”

Franklin’s idea finally took hold during World Wars I and II, when the need for energy conservation heightened and many countries implemented DST. It was not until 1966 that DST became an annual policy in the United States, and the dates of practice have changed several times since then. Most recently, the Energy Policy Act of 2005 extended DST for one month beginning in 2007 with the intent of further energy savings.

Despite the widespread practice of DST, surprisingly little is known about whether it actually saves energy. To learn more, Laura Grant (a PhD student at UCSB) and I set out to estimate the effects of DST on residential electricity demand. Our research takes advantage of the unique history of DST in the state of Indiana. While some counties have historically practiced DST, the majority have not. This

changed with a state law that required all Indiana counties to begin practicing DST in 2006, and the policy change provided a natural experiment to estimate the DST effect electricity consumption.

Our results indicate that the overall DST effect on electricity consumption runs counter to conventional wisdom: DST results in an 1-percent overall increase in residential electricity demand. We also find that the effect is not constant throughout the year. In particular, DST causes the greatest increase in consumption later in the year, with October estimates of the consumption increase ranging from 2 to nearly 4 percent. Consistent with Benjamin Franklin’s original conjecture, DST is found to save on electricity used for illumination, but there are increases in electricity used for heating and cooling.

A final component of our analysis is the calculation of costs associated with DST. We find that the policy costs Indiana households an average of $8.6 million per year in increased electricity bills. We also estimate social costs of increased pollution emissions that range from $1.6 to $5.3 million per year.

While our study focuses on Indiana, further work is underway to extrapolate our results to other parts of the United States. The need to better understand the DST effect on energy consumption is immediately policy relevant, as the Energy Policy Act of 2005 requires that research be conducted to estimate the actual conservation benefits of DST, and Congress retains the right to repeal the recent extensions if the intended benefits are not realized. What is more, with worldwide energy demand expanding rapidly, along with concerns about climate change, it is increasingly important to know whether DST should be considered part of the problem or part of the solution.

Professor Matthew Kotchen (affiliated faculty member) and Economics and Environmental Science Ph.D. student Laura Grant’s work on daylight savings has earned them mention in the Wall Street Journal and New York Times.
American Economic Association Summer Program Comes to UCSB

The department was full of life this summer – due in part to the Summer Training Program in Economics, sponsored by the American Economic Association (AEA) and the National Science Foundation. Undergraduate and graduate students from all over the country converged on North Hall for an eight week program of classes, seminars and fun!

The annual program, which began in 1974, seeks to prepare talented undergraduate students for doctoral programs in economics and related disciplines. UCSB is the 10th university to host the summer program. The program will remain in Santa Barbara through 2011. Previous host universities included Duke University; the University of Colorado at Denver; the University of Texas, Austin; Stanford University; Temple University, the University of Wisconsin, Madison; Yale, Northwestern, and UC Berkeley.

The students were kept not only intrigued, but entertained throughout the whole program. As in past sessions, the program emphasized economic theory, quantitative skills, and a research project. In addition, this summer’s students participated in a teleconference with Ben Bernanke, Chair of the Federal Reserve, a day long visit to RAND, and professional interviews with Moody’s Corporation and the Boston Federal Reserve.

Although the program is open to any United States citizen or permanent resident, preference is given to members of underrepresented minority groups who have demonstrated financial need. While approximately 12 percent of bachelor’s degrees in economics are earned by members of underrepresented minority groups, these groups earn only about five percent of doctorates in economics. The AEA, which serves as the leading professional body of academic economists in the United States, is committed to addressing this gap. The purpose of the AEA’s separate scholarship program is to increase the number of African-Americans, Hispanics and Native Americans who earn doctorates in economics.

UCSB has a top Ph.D. program and an economics faculty renowned both for teaching and research in economic theory, econometrics and a variety of applied fields. Adding to the University’s strength was its partnership with the University of Texas-Pan American and North Carolina Agriculture and Technical State University.

Program sponsors include the National Science Foundation, Moody’s Foundation and publishers MIT Press, Princeton University Press, and Cengage Learning.
ANNUAL UNDERGRADUATE AWARDS CEREMONY
The department recognized the following undergraduate students at an awards ceremony on June 13, 2008.

Distinction in the Major
Tomer Yitzhaki
Kevin Patrick Moran
Memorial Scholarship
Natasha Susoev
Wall Street Journal
Scholastic Achievement Award
Rachel Goldman
Dean Ramstad
Scholarship Fund
Justine Wang
Sean S. Weld
Memorial Scholarship
John Zandi
Robinsons-May Award to an Outstanding Senior
Jason Crowley
Norman Habermann Award in Entrepreneurial Economics
Gilad Platzker

Jenkins-Stark Scholarship
Su-Mi Kim
John O. Lewis Memorial Award
Matt Rexroth
Faculty Achievement Award
Tomer Yitzhaki

Outstanding Scholaristic Achievement
Economics
Katharine Bullman
Mau Kwong Chan
Evan Smith
Economics-Mathematics
Kevin Ferrel
Frederick Kwan
Business Economics
Brian Andrews
Kate Antoine
Megan Antoine
Michael Boden
Dylan Hallerberg
Anglea Mantoine
Bradley Margol
Joseph Napel
Mark Ninyo
Gilad Platzker

Accounting Program News
by Lisa Maass
The UCSB Accounting Program completed another very successful year, continuing to graduate more than 300 students. The primary goal of the Program is to provide a curriculum with sufficient scope and depth to prepare students to become well-rounded, well-educated professionals. The Program offers a full range of courses, including our intense ten-week summer Professional Preparation Program to ready students for future professional practice and certification.

Our course in Forensic Accounting, designed and taught by Don Loster, was offered for the first time in Spring 2008. The course was well received and is scheduled again for winter 2009. In spring 2009 we will offer International Accounting, taught by Don Loster with guest lecturers from PricewaterhouseCoopers.

Our students continue to be heavily recruited by companies including the Big Four and many regional and local accounting firms. Each of the Big Four has designated UCSB as a key recruiting school, which allows our graduates to be hired into offices throughout the United States.

We would like to recognize the outstanding fundraising efforts of Ernst & Young. Keith Lupton, an Ernst and Young partner and UCSB alumnus, has been instrumental in these efforts. Through their alumni matching gift program, the firm and its employees made donations of over $50,000 to the Accounting Program this year. These donations have enabled us to expand the Accounting Program computer lab, and have helped fund the honors sections that we teach.

We are proud to announce that our UCSB team won second place among the five finalist campuses at the KPMG National Audit Case Competition in New York City in April 2008. Congratulations to the students on the team – Matt Dunaj, Zach Gould, Tyler Patterson, and AnnMarie Stuart – who did an outstanding job of performing research, reaching strongly supported conclusions, and presenting this information to a group comprised of audit committee members from large public companies throughout the United States. Thank you to Bob Anderson, who served as the team's faculty advisor. We would also like to thank the KPMG Foundation, who made a donation of $15,000 to the Accounting Program as a result of the UCSB team's performance.
UCLC Emeritus Professor Walter Mead and his wife, Thelma, have made a $1 million gift to establish the Walter Mead Chair in Economics. Prior to his retirement in 1991, Professor Mead had a distinguished 34-year long career at UCSB as a natural resource economist. In 2006 Walter and Thelma Mead established the Mead Fellowship program at UCSB, which provides support for promising entering PhD students.

Professor Mead’s research interests have turned increasingly toward crude oil markets and energy policy. His specific areas of expertise included the role of public policy in subsidizing and protecting the US oil industry, the economics of offshore oil and gas leasing, the structure and economic effects of energy price controls and the influence of OPEC in world energy markets.

In 1968 Professor Mead was elected President of the Western Economic Association, the profession’s largest regional organization. During 1972-73 he served as director of economics for the Ford Foundation’s Energy Policy Project, a major research effort directed toward rationalizing US energy policy. Over his career Professor Mead presented expert testimony before Congressional committees and state legislative bodies numerous times. He also held several important posts on the UCSB campus, including a stint as Chair of Economics, a two-year term as Chair of UCSB’s Academic Senate, and service as chair of several of the most important faculty committees on campus.

Professor Mead received his PhD degree in 1952 from the University of Oregon after completing an MA degree at Columbia and he joined the UCSB faculty in 1957. Early in his career his research addressed policy issues in the forest industry, including investigations of competition in the US lumber industry (published as a book from the University of California Press) and policy related to auctions of timber from public lands. Starting in the late 1960s and continuing through the years of turmoil in energy markets, Professor Mead’s research interests turned increasingly toward crude oil markets and energy policy. His specific areas of expertise included the role of public policy in subsidizing and protecting the US oil industry, the economics of offshore oil and gas leasing, the structure and economic effects of energy price controls and the influence of OPEC in world energy markets.

In January 2009, the Department of Economics will host a one-day event to celebrate Professor Mead’s intellectual and financial contributions to the Department and the UCSB campus and to express appreciation for Walter and Thelma Mead’s most generous gift. Further details on this symposium, which will bring to campus many of Walter’s former graduate students, can be found on the Department’s website at: www.econ.ucsb.edu.

UCSB Chancellor Henry Yang expressed deep gratitude for Walter and Thelma Mead’s generosity, noting, “The endowed chair will enable us to honor Walter for his world-renowned research in resource economics, for his leadership as department chair, and for the thousands of brilliant and grateful minds he taught.” Former Department Chair Peter Kuhn noted that “Walter is held in great esteem by his colleagues and former students for path-breaking research in economics and his role as a teacher, mentor, and leader.”

Emeritus Professor and Spouse Establish Endowed Chair in Economics
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.

For more information on giving opportunities to UCSB Economics, please visit http://econ.ucsb.edu/giving/index.html. 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:

**ECONOMICS DEPARTMENT**
North Hall 2127, Mail Code 9210
University of California
Santa Barbara, CA 93106-9210

Donations can also be made by credit card by contacting:
Brian Boyer at (805) 893-7262
Any questions about making a donation can be directed to:
Joan Giovannone (805) 893-3569 or email: joan@econ.ucsb.edu

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