

E NEWS

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Newsletter of the Department of Economics

THIS ISSUE

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Greetings from the chair

James E. Payne

Welcome to the fourth edition of the department's annual newsletter. The past year has been as busy as ever for the department. Two new courses were added to the curriculum in energy economics and health economics. We also hired two new assistant professors: Oguzhan Dincer, who specializes in public economics, growth, and development, and Scott Findley, who also works in public economics and macroeconomics. A number of faculty have garnered external recognition. Sherrilyn Billger is working on an interdisciplinary grant from the U.S. Department of Agriculture addressing the impact of rural school closings in Illinois. Rajeev Goel continues as an invited grant reviewer for the State of California as well as the Government of Canada in the administration of research grants related to tobacco control. Dave Loomis, Lon Carlson, and Rajeev Goel recently received a grant from the Illinois Department of Commerce and Economic Opportunity to study broadband mapping for the State of Illinois.

In October, the first Economics Advisory Board meeting was held during homecoming weekend. With the help of the advisory board members, three endowments were established to fund undergraduate and graduate scholarships, research support, and faculty development activities. The department is also excited about the addition of two accomplished members to the advisory board: Warren Harden and Don Zimmerman. The accomplishments of our alumni were recognized with the induction of Scott Elliott, Steve Graham, and Virginia Owen into the College of Arts and Sciences Alumni Hall of Fame. It has been a very productive year for the department and from all indications the upcoming year should be eventful as well with our temporary move to Williams Hall as Stevenson Hall undergoes renovations.

I appreciate the support of the faculty and alumni in advancing the teaching, research, and service mission of the department. I would also like to thank the many alumni for contributions to the department's Excellence Fund; the funds have been critical in maintaining the quality of our academic programs. As a means to not only keep in touch with our alumni, but also provide valuable information that can be used in the assessment of our programs, I encourage you to complete the alumni survey distributed by the University. On behalf of the department I invite you to share your news and accomplishments with us so that we can share them with others in future issues of the newsletter. Just drop me an e-mail (jepayne@IllinoisState.edu) with "Alumni News" in the subject line. All issues of the newsletter are available on the department's Web site, www.econ.ilstu.edu, where you can also check out the "Alumni" section.

HALL OF FAME INDUCTEES

Congratulations to College of Arts and Sciences Hall of Fame inductees

Scott M. Elliott '85

Scott Elliott is senior vice president, partner, and director of asset allocation strategies at Wellington Management Company. As director, he oversees Wellington Management's active and strategic asset allocation efforts. Scott manages global asset allocation and commodity portfolios for mutual fund sponsors and institutional clients around the world. He is a frequent lecturer at industry conferences on issues related to asset policy. Prior to joining Wellington Management in 1994, Scott worked at Callan Associates, where he was head of quantitative consulting from 1990 to 1993. After earning his B.A. in economics and sociology, with honors, from Illinois State University, he received his M.A. in economics and statistics from the University of Illinois in 1989. Scott serves as a member of the Department of Economics Advisory Board.

Steve H. Graham '75, M.S. '76

Steve H. Graham is the director of strategic investments at Caterpillar Inc., the world's leading manufacturer of construction equipment, headquartered in Peoria. In his position, Steve leads Caterpillar's mergers and acquisitions department. His most recent assignment was in Europe; from 2000 to 2005 he served as general manager of European shared services based in Geneva, Switzerland. In that role he led the European Shared Services Group in support of Caterpillar's European operations in areas such as information technology, economics, accounting, tax, treasury, and public affairs.

Prior to that assignment, Steve served in a variety of commercial manager and business manager roles in the United States, Belgium, and Switzerland. He is a former member of the board of directors at the American International Club in Geneva, Switzerland, and is a supporter of Habitat for Humanity and the Peoria Rescue Ministries. Steve received his B.S. in mathematics and M.S. in economics from Illinois State University and serves as a member of the Department of Economics Advisory Board.

Virginia Lee Owen '62

Virginia Lee Owen is professor emerita of economics at Illinois State University. After receiving her B.S. in mathematics, she received her M.S. and Ph.D. in economics from the University of Illinois. She also holds a certificate in urban economics from the Massachusetts Institute of Technology. Virginia has served Illinois State University in a wide range of roles—professor of economics (1964–1998), chair of the Department of Economics (1978–1981), dean of the College of Arts and Sciences (1982–1993), and interim director of the Center for Economic Education (1994–1997). Her professional activities have included stints as Great Lakes regional director of the Association for Cultural Economics, trustee of the Economic and Business Historical Society, board of editors of the *Journal of Cultural Economics*, and board of directors of the Association for Cultural Economics International. Virginia is the chair of the College of Arts and Sciences Emeritus Faculty Advisory Board.

DEPARTMENTAL TIDBITS

First endowments of the Department of Economics established

The Department of Economics has been very fortunate to have the support of alumni and the Economics Advisory Board in establishing three

endowments. The Russell Glasener-Economics Advisory Board Undergraduate Scholarship provides a scholarship for an undergraduate student of academic promise and financial need. The Scott M. Elliott Endow-

ment supports undergraduate and graduate scholarships, research, and a faculty excellence award. The James V. Koch-Economics Advisory Board Faculty Development Fund provides financial support for faculty development activities.

Faculty win best paper competition

James Payne and George Waters won the “Best Paper Competition” at the annual meeting of the Academy of Economics and Finance in Jacksonville, Florida, for their paper entitled “The Prime Rate and Federal Funds Rate: Interest Rate Pass Through and Asymmetric Adjustment.”

USDA grant to study rural school closings in Illinois

Sherrilyn Billger extends her research interest on the economics of education as a member of an interdisciplinary team at Illinois State working on the impact of rural school closings in Illinois. The research project is sup-

ported by a \$500,000 grant from the U.S. Department of Agriculture.

Fulbright Senior Specialist award

James Payne recently received a Fulbright Senior Specialist short-term grant award to the Institute of Economics in Zagreb, Croatia, to conduct seminars related to the institute’s research agenda, program development, and curriculum design.

Broadband mapping in Illinois

The Institute for Regulatory Policy Studies received a \$75,000 grant from the Illinois Department of Commerce and Economic Opportunity for a study on broadband mapping in Illinois. Dave Loomis, Lon Carlson, and Rajeev Goel will be undertaking the study with the assistance of graduate students in the electricity, natural gas, and telecommunications sequence of the master’s program.

ALUMNI SPOTLIGHT

Craig T. Bouchard '75, M.S. '77

Craig T. Bouchard is the co-founder and president of Esmark. His responsibilities include the management of financial and legal oversight, labor relations, acquisitions, and strategic planning. Though Esmark started just three years ago, the company has purchased 10 companies with more on the horizon and projected revenues in 2007 of \$4 billion with an employee base of 5,500. From 1998 to 2003, Craig was the president and chief executive officer of NumeriX, a Wall Street software company managing trading risk exposure associated with financial derivatives. Prior to his work with NumeriX, Craig was a senior vice president at the First National Bank of Chicago. During his 20-year career at the bank, Craig was the global head of derivatives trading, head of institutional research, and



head of Asia Pacific. Craig received his B.S. in social science education and M.S. in economics from Illinois State University and an M.B.A. from the University of Chicago. He has been a member of the board of trustees of Boston University and the foundation of the University of Montana. Craig serves on the Department of Economics Advisory Board.

Rick Klemme '76

Rick Klemme has been appointed as interim dean and director of cooperative extension at the University of Wisconsin-Madison. In his previous position as associate dean and program leader for the Agriculture and Natural Resources Extension at Wisconsin-Madison, he was responsible for extension programming in agriculture and natural resources throughout the state. Rick received his B.S. in economics and mathematics from Illinois State University and his M.S. and Ph.D. in agricultural economics from Purdue University. Rick serves on the Department of Economics Advisory Board.

TWO NEW ASSISTANT PROFESSORS

Oguzhan C. Dincer

Oguzhan (goes by Oz) received his B.S. in economics from the Middle East Technical University in Ankara, Turkey, and his Ph.D. in economics from the University of Oregon. Prior to his appointment at Illinois State University, he was a senior lecturer at Massey University in Auckland, New Zealand. His research deals with the role institutions play in the areas of economic growth and development and public economics. His work has been published in *International Tax and Public Finance*, *Industrial Relations*, and *Applied Economics*. Oz and his wife Christi are looking forward to returning to the United States.



Scott Findley

Scott received his B.A. in liberal arts and sciences, his M.A. in political science, and his M.S. in applied economics from Utah State University. He is completing his Ph.D. in economics from Colorado State University. Scott's primary research interests are in the fields of public economics and macroeconomics, with much of his current work focusing on social security and life-cycle consumption theory. He has a forthcoming article in *Public Finance Review* dealing with the long-run solvency problems of social security. Scott and his wife, Emily, have two children: Gracie, 4 years old, and Andrew, 2 years old.



TWO NEW MEMBERS OF THE DEPARTMENT OF ECONOMICS ADVISORY BOARD

The department welcomes two new members to the advisory board: Warren Harden and Donald Zimmerman.

After receiving his Ph.D. from Indiana University, Warren Harden came to Illinois State University in 1954. Warren was the first chair of the Department of Economics and had a reputation as a challenging instructor. (Just ask James Koch and Virginia Owen, who were his students.) Warren proceeded to assume various administrative posts within the University. He was appointed as coordinator of Academic Planning and developed the first academic plan for the University. Warren then became the coordinator of Academic Planning and director of Institutional Research. As the University underwent restructuring, he assumed additional responsibilities as the associate vice president for Business and Finance and shortly thereafter the vice president for Business and Finance. In addition to his various administrative roles at Illinois State University, Warren also served

as chair of the University Council for six years. During his watch as chair, a number of milestone achievements took place, ranging from the restructuring of the University into colleges and departments to the renaming of the University. Since his retirement in 1991, Warren continues to be active with involvement in his community and consulting, not to mention his passion for golf.

Donald L. Zimmerman is executive vice president of ICF International. He assumed this position in 2005 as part of the ICF's acquisition of Synergy Inc., a professional services company, where he was a partner/owner and CEO. Don is also the chairman of the ICF Security Council and continues to be actively involved in strategic client engagements around transformation with senior leadership of the U.S. Air Force, Joint Forces Command, and other agencies. While CEO at Synergy, the firm doubled in size by establishing successful lines of business in sophisticated information technology while

Continued on back panel

Two new members... *continued from interior panel*

retaining and significantly improving Synergy's dominant strengths in Department of Defense logistics, command and control, resource management, and operations/plans arenas. During 2002, he served as CEO of Synergy and as the senior vice president in charge of a large IT division at SOZA (now part of Perot Systems). Before assuming the positions as executive vice president and presi-

dent at Synergy, he also served as a senior economist at the White House and the Federal Trade Commission. Don has over 30 years of experience in applied defense analysis, program management, and corporate leadership. Don holds both a B.S. and an M.S. in economics from Illinois State University and doctoral work at Virginia Polytechnic Institute and State University.

SELECTED PUBLICATIONS OF THE FACULTY

Rajeev K. Goel, "The Effectiveness of Anti-Smoking Legislation: A Review," with Michael A. Nelson, *Journal of Economic Surveys*, 2006.

Rajeev K. Goel, "On Coordinating Environmental Policy and Technology Policy," with Edward T. Hsieh, *Journal of Policy Modeling*, 2006.

David G. Loomis, "Improving Forecasting through Textbooks—A 25 Year Review," with James E. Cox Jr., *International Journal of Forecasting*, 2006.

Hassan Mohammadi, "Are Adjustments in the U.S. Budget Deficit Asymmetric? Another Look at Sustainability," with James E. Payne, *Atlantic Economic Journal*, 2006.

Hassan Mohammadi, "Savings-Investment Correlations: Evidence from Transition Economies," with James E. Payne, *Applied Economics Letters*, 2006.

James E. Payne, "Government Expenditures and Revenues: Evidence from Asymmetric Modeling," with Bradley T. Ewing, Mark A. Thompson, and Omar M. Al-Zoubi, *Southern Economic Journal*, 2006.

James E. Payne, "Efficiency in the National Basketball Association: A Stochastic Production Frontier Approach with Panel Data," with Richard A. Hofler, *Managerial and Decision Economics*, 2006.

Rati Ram, "State of the 'Lifespan Revolution' between 1980 and 2000," *Journal of Development Economics*, 2006.

Rati Ram, "Growth Elasticity of Poverty: Alternative Estimates and a Note of Caution," *Kyklos*, 2006.

George A. Waters, "The Dangers of Commitment: Monetary Policy with Adaptive Learning," *Journal of Economics and Finance*, 2006.

Kevin H. Zhang, "Does FDI Help Rural Poverty Reduction in China?", *The Chinese Economy*, 2006.

Kevin H. Zhang, "FDI and Host Countries' Exports: The Case of China," *Economia Internazionale/International Economics*, 2006.

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