

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 fifth edition of the department's annual newsletter. The past year has been a highly productive one. The inaugural scholarships and awards from the department's endowments were announced in Spring 2007. The department as well as several faculty received national recognition, ranked among the top 50 departments in the country with respect to teaching focused research productivity. Assistant Professor Oz Dincer was recognized as runner-up for the Warren Samuels Prize for best paper by the Association for Social Economics. The department in collaboration with the Institute for Regulatory Policy Studies received funding to develop a certificate program in electricity, natural gas, and telecommunications economics. We also hired a new assistant professor, Susan Chen, who specializes in industrial organization and managerial economics. A number of faculty continue their work with various government agencies: Sherrilyn Billger on an interdisciplinary grant from the U.S. Department of Agriculture addressing the impact of rural school closings in Illinois; Dave Loomis on a renewable energy grant from the U.S. Department of Energy; Rajeev Goel 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; and Dave Loomis and Lon Carlson are finishing their work for the Illinois Department of Commerce and Economic Opportunity on broadband mapping for the state of Illinois.

There was a great turnout for the second annual Economics Advisory Board meeting held during Homecoming weekend. A recent alum of the master's program, Brian Prusnek, was recently appointed as Deputy Cabinet Secretary for the California Public Utilities Commission. The department is also excited about the addition of two accomplished members to the Advisory Board: Scott Cooley and Donald Shafer. The accomplishments of our alumni will be recognized with the induction of Craig Bouchard into the College of Arts and Sciences Alumni Hall of Fame in March. It has been a very productive year for the department and from all indications the upcoming year should be eventful as the department returns to Stevenson Hall in August.

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 infor-

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Greetings from the chair... *continued from front panel*

mation 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 newslet-

ter. Just drop me an e-mail (jepayne@ilstu.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 INDUCTEE

Congratulations to College of Arts and Sciences Hall of Fame inductee

Craig T. Bouchard B.S. 1975, M.S. 1977

Advisory Board member Craig T. Bouchard will be inducted into the College of Arts and Sciences Hall of Fame in March. As many of you know, Craig is co-founder and president of Esmark. Under Craig's leadership, Esmark has undergone tremendous growth since its inception three years ago with the acquisition of 10 companies and a revenue stream of over \$4 billion. Prior to assuming the role as president of Esmark, Craig was the president and chief executive officer of NumeriX, a Wall Street software

company managing trading risk exposure associated with financial derivatives, from 1998 to 2003. Prior to his work with NumeriX, Craig's 20-year career at the First National Bank of Chicago included positions as the global head of derivatives trading, head of institutional research, head of Asia Pacific, and senior vice president. 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.

ANNUAL SCHOLARSHIPS AND AWARDS

The inaugural scholarship and awards from the department's endowments were announced in Spring 2007. The Scott M. Elliott Endowment provided the following awards: Undergraduate Scholarships were awarded to Emily Hickey and Brent Heider, Graduate Scholarships were awarded to Utkir Kamilov and Huiting Li, the Undergraduate Research Award went to Steve Sliwinski (Advisor Lon Carlson), Graduate Research Award went

to Richard Connelly (Advisor Rajeev Goel) and James Saunoris (Advisor James Payne), and Faculty Excellence Awards were presented to Lon Carlson and Rajeev Goel. The James V. Koch-Economics Advisory Board Faculty Development Award was given to Rajeev Goel and the Russell-Glasener-Economics Advisory Board Undergraduate Scholarship was awarded to Jake Kramer.

DEPARTMENT TIDBITS

The Department of Economics receives national recognition

In the January 2008 issue of the *Southern Economic Journal*, an article entitled "Ranking Economics Journals, Economics Departments, and Economists Using Teaching-Focused

Research Productivity," recognized the department for its accomplishments in economics education. Based on various measures of citations of published studies in economics education from 1991 to 2005, the department was ranked among the top 50 econom-

ics departments in the country with respect to teaching-focused research productivity. The article lists current faculty member Lon Carlson and retired faculty members Jack Chizmar and Tony Ostrosky among the top 50 economists in the area of economics education.

Alum named deputy cabinet secretary for the California Public Utilities Commission

California Gov. Arnold Schwarzenegger recently appointed alum Brian Prusnek, M.S. 2001, as his Deputy Cabinet Secretary of California's Public Utilities Commission. Brian previously served as chief of staff to former Public Utilities Commissioner Susan Kennedy from 2005 to 2006, energy advisor from 2003 to 2005 and regulatory analyst from 2001 to 2003.

Runner-up for the Warren Samuels Prize

Assistant Professor Oz Dincer received recognition as runner-up for the Warren Samuels Prize for best paper by the Association for Social Economics at the American Economic Association meetings in New Orleans.

Certificate program in electricity, natural gas, and telecommunications economics

The department, in conjunction with the Institute for Regulatory Policy Studies, received funding from Illinois State's Extended University to develop a certificate program in electricity, natural gas, and telecommunications economics.

ALUMNI SPOTLIGHT

John Mackowiak B.S. 1975

John Mackowiak is vice president of business development at OilTanking, Inc. in Houston, one of the largest bulk liquid logistic firms in the world. After receiving his bachelor's degree in economics at Illinois State, John went to work at First National Bank of Chicago where he also continued his studies at Northwestern University, receiving his M.B.A. and, more recently, his C.P.A. From First National Bank of Chicago, John moved to Union Carbide as a financial analyst. From there, he moved to GATX, where he was involved in strategic planning

along with profit and loss responsibilities and corporate acquisitions. After more than 20 years at GATX, John followed his entrepreneurial spirit in starting his own firm, Bomack Capital, which has ownership interests in a number of small companies and provides merger and acquisition advisory services as well as marketing technology to clients. John has fond memories of his experience at Illinois State, both as a student and rugby player, and continues his involvement with the University by serving as a member of the Department of Economics Advisory Board.

NEW ASSISTANT PROFESSOR

Susan Chen

Susan Chen received her B.S. in management information systems from Zhejiang University of Industry and Commerce in China, and her M.A. and Ph.D. in business economics from the Kelley School of Business at Indiana University. Prior to her appointment



at Illinois State University, she was an assistant professor in the Department of Economics at the University of North Dakota. Her research deals with the role of information in online markets in the area of industrial organization and managerial economics. Her work has been published in *Economic Inquiry*, *B.E. Journal of Theoretical Economics*, and *Advances in Applied Microeconomics*.

TWO NEW MEMBERS OF THE DEPARTMENT OF ECONOMICS ADVISORY BOARD

The department welcomes two new members to the advisory board: Scott Cooley and Donald Shafer.

Scott Cooley was named chief financial officer of Morningstar, Inc. in 2007. Scott has been co-chief executive officer for Morningstar Australia and Morningstar New Zealand since 2006. He joined Morningstar in 1996. Formerly the editor of Morningstar, Inc.'s flagship print product, *Morningstar Mutual Funds*, Scott was a senior manager for Morningstar's U.S. Web site, www.morningstar.com, and was the lead fund analyst for Fidelity, Vanguard, and Oakmark funds. Scott became chief executive officer for Morningstar Australia and Morningstar New Zealand in 2003 and then co-chief executive officer following the acquisition of Aspect Huntley in July 2006. Before joining Morningstar, Scott was a bank examiner for the Federal Deposit Insurance Corporation (FDIC), where he focused on credit analysis and asset-backed securities. Scott received his bachelor's degree in economics and social science in

1990 and a master's degree in history from Illinois State in 1995.

Donald Shafer has been the executive vice president and market manager for Heartland Bank and Trust Company in Peoria, Illinois, since 2004. Don received his bachelor's degree in economics in 1976 from Illinois State and began his career at Commercial National Bank in Peoria as a bond trader. He served the bank in a variety of positions, including investments, consumer lending, brokerage, business development and commercial lending. After 20 years at Commercial National Bank, Don went to work for McGladrey & Pullen in business development from 1997 to 1999, when he assumed the position of senior lender and executive vice president at First Capital Bank in Peoria from 1999 to 2004. Don has been actively engaged with Illinois State over the years, serving as president of the Alumni Association and as a new member of the Department of Economics Advisory Board.

SELECTED PUBLICATIONS OF THE FACULTY

Sherrilyn Billger, "Principals as Agents? Investigating Accountability in the Performance and Compensation of School Principals," *Industrial and Labor Relations Review*, 2007.

Sherrilyn Billger, "Does Attending Predominately Female Schools Make a Difference? Labor Market Outcomes for Women," *Journal of Economics and Finance*, 2007.

Raymond Cohn, "Immigration and Emigration Patterns in the Industrial Revolution," in the *Encyclopedia of the Age of the Industrial Revolution, 1700-1920* Volume 1, Greenwood Publishing Group, 2007.

Oz Dincer, "The Effects of Property Rights on Economic Performance," *Applied Economics*, 2007.

Oz Dincer, "Ethnic and Religious Diversity and Corruption," *Economics Letters*, forthcoming.

Scott Findley, "OutSMARTing the Social Security Crisis," with Frank Caliendo, *Public Finance Review*, 2007.

Rajeev K. Goel, "The Master Settlement Agreement and Cigarette Tax Policy," with Michael A. Nelson, *Journal of Policy Modeling*, 2007.

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Selected publications ... continued from inside panel

- Rajeev K. Goel**, "Cooperative and Noncooperative R&D with Spillovers: The Case of Labor-Managed Firms," with S. Haruna, *Economic Systems*, 2007.
- David G. Loomis**, "A Managerial Approach to Using Error Measures in the Evaluation of Forecasting Methods," with James E. Cox, Jr., *International Journal of Business Research*, 2007.
- Dave G. Loomis**, "The Telecommunications Industry," in *The Handbook of Computer Networks*, Wiley Press, 2008.
- Hassan Mohammadi**, "Capital Mobility and Foreign Debt Sustainability: Some Evidence from Turkey," with Murat Cak and Demet Cak, *Applied Economics*, 2007.
- Hassan Mohammadi**, "Wagner's Hypothesis: New Evidence from Turkey Using the Bounds Testing Approach," with Murat Cak and Demet Cak, *Journal of Economic Studies*, 2008.
- James E. Payne**, "Interest Rate Pass Through and Asymmetries in Adjustable Rate Mortgages," *Applied Financial Economics*, 2007.
- James E. Payne**, "Have Equity REITs Experienced Periodically Collapsing Bubbles?" with George A. Waters, *Journal of Real Estate Finance and Economics*, 2007.
- Rati Ram**, "IQ and Economic Growth: Further Augmentation of Mankiw-Romer-Weil Model," *Economics Letters*, 2007.
- Rati Ram**, "R&D Spending and Economic Growth in the United States: A Disaggregated Approach," with Rajeev Goel and James E. Payne, *Journal of Policy Modeling*, 2008.
- Douglas Schwalm**, "Implications of the Medicaid Undercount in a High Penetration Medicaid State," with Dek Terrel and Kirby Goidel, *Health Services Review*, 2007.
- Neil T. Skaggs**, "Less than an Ideal Type: Varieties of Real Bills Doctrine" in *David Laidler's Contributions to Macroeconomics*, Routledge, 2008.
- Neil T. Skaggs**, "An Enquiry into the Nature and Effects of Henry Thornton's Christian Faith on the Existence and Content of His Economics," *History of Political Economy, Annual Supplement*, 2008.
- George A. Waters**, "Regime Changes, Learning and Monetary Policy," *Journal of Macroeconomics*, 2007.
- George A. Waters**, "An Evolutionary Game Theory Explanation of ARCH" with William R Parke, *Journal of Economics Dynamics and Control*, 2007.
- Kevin H. Zhang**, "China's Industrial Competitiveness in the World" with Zhongxiu Zhao, *The Chinese Economy*, forthcoming.
- Kevin H. Zhang**, "International Production Networks and Export Performance in Developing Countries: Evidence from China", *The Chinese Economy*, forthcoming.



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