



THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

# Economics at Carolina



## The Credential in Quantitative Financial Economics Ramps Up

UNC Economics began a new experiment in advanced undergraduate education in 2016. With the financial support of the Nasdaq Educational Foundation, we created the Credential in Quantitative Financial Economics (QFE). This is a three-course sequence that provides students with the theoretical basis for the outcomes of financial markets and also with practical applications of these outcomes in real-world activities. The first course, Econ 425, is the Introduction to Financial Economics. The second and third courses, Econ 525 (Advanced Financial Economics) and Econ 493 (Practicum in QFE), are designed to work hand in hand: students take the two courses in the same semester and the practical applications of Econ 493 are tailored to provide empirical depth to the theoretical insights of Econ 525.

This has been a popular credential in the last two academic years: 25 students completed the three-course sequence in 2016-2017, and 28 students did so in 2017-2018. This year we are doubling the size of the initiative so that even more of our students can benefit from this real-world learning opportunity.

We asked Professor Michael Aguilar, Director of the Credential, a few questions about the program. Here are his answers:

**What makes the credential unique among our offerings in Economics?** *More so than any other course I've taught at Carolina, this course sequence has at its heart a marriage of practice and theory.*

**What do students tell you is the most rewarding part of the QFE credential?** *I stay in regular contact with graduates of the QFE. They all remark on the range of employable skills they have acquired. From asset pricing, to programming, to data analysis, their prospective employers always find something useful on their resumes.*

**What sorts of jobs do the graduates go on to do?** *The beautiful thing about the program is that we are NOT training "Wall Street quants," as the name of the Credential might suggest. Every field in modern finance needs a deep understanding of quantitative analysis. As such, our graduates are able to acquire and succeed in a range of finance-related careers.*

Our picture includes Professor Michael Aguilar (fifth from left, front row) and most of the Credential recipients for 2017-2018. We'll need a bigger screen for this year's group!

### IN THIS ISSUE:

Letter from the Chair.....	2	Graduate News.....	8
Undergraduate News .....	3	Faculty News .....	10
Shuford Program in Entrepreneurship.....	7	Alumni News .....	14

# A Letter from the Chair



## *Hello from Chapel Hill!*

It is once again my privilege to write to you as the Chair of the Economics Department. The privilege comes from the vantage point—as Chair I get to observe all the excitement, all the activity, and all the creativity associated with educating the undergraduate and graduate students of Carolina. Many of the most creative students, staff and faculty come into Gardner Hall each day, and it is

inspiring to observe them all in action.

Action we certainly have. We had 7000 undergraduate enrollments in our courses in the past year, and over 1300 of our undergraduates have declared a major in Economics. Last May, nearly 1 in 10 of those graduating in their Carolina-blue robes were Economics majors. Meeting the curricular and economics-related extracurricular needs of those students has kept our faculty at their creative best. I hope you'll enjoy our stories that follow about our innovations in the undergraduate major and the Entrepreneurship minor.

Our faculty members have been at their innovative best when it comes both to their instruction and to their research. Our Credential in Quantitative Financial Economics (with financial support from the Nasdaq Educational Foundation) is in its third year of preparing liberal-arts students with the critical thinking skills needed for financial analysis. Our Regulatory and Industrial Studies initiative led by Professor Jonathan Williams creates the shared research space for many of our faculty and graduate students interested in business and managerial economics. Professor Eric Ghysels leads an initiative funded by the Ripple Foundation to explore the ways in which “big data” can be harnessed to answer questions in economics and finance. You will also get to meet the three new faculty members this year with specialties in applied microeconomics, health economics and industrial organization.

The graduate program in Economics continues to train our students for success in academic, governmental and private research positions. As indication of that quality, I hope you'll enjoy the discussion of our two North Carolina Impact award winners. We are among very few departments on our campus to have had two such winners!

My top priority as chair has been to maintain and expand the quality of the undergraduate and graduate programs. I achieve that through reaching three targets: (1) retaining our innovative core faculty members; (2) creating new and innovative undergraduate programs to challenge our students; and (3) making sure that all students have the supports they need to succeed in those programs. These three targets share a common feature: they can only be reached through attracting and using private giving to the Economics Department. Thank you to all of you who have contributed financially. Among our successes this year:

- We outbid three public universities to retain three innovative professors.
- We began the planning for our “big data” initiative.
- We expanded the scope of our EconAid Center so that every student has a place to turn for answers to important questions about their coursework.

We succeed in achieving these targets only with the resources we receive in private support. When you think of Carolina, I hope that you think of the critical-thinking skills and real-world insights that you absorbed in Gardner Hall. More and more students are turning to Economics to understand the way the world works. Please be assured that we in the Economics Department are rising to that challenge with cutting-edge research, innovative teaching and a passion to serve.

**Patrick Conway**  
Professor and Department Chair  
[Patrick\\_Conway@unc.edu](mailto:Patrick_Conway@unc.edu)



## **We would love to hear from you as well!**

Share your stories and experiences with us of life outside UNC.

Email us at: [economics@unc.edu](mailto:economics@unc.edu)

*For more alumni news, visit: [econ.unc.edu/alumni](http://econ.unc.edu/alumni)*



# Undergraduate News



The Women in Economics Club (or WIE, for short) is made up of women with a mission. These are undergraduate Economics majors who love the subject matter of Economics and are surprised that their Economics classes are majority male. (Here at Carolina, as is true nationwide, men make up a larger percentage of Economics majors.)

The Carolina women have taken this as a challenge—and their response is WIE. Its vision is to promote an inclusive community among students of economics, provide women students of economics with resources and opportunities for academic and career development, and advocate for gender equality in economics and on campus more generally.

Natalie Gallo is the president of WIE this academic year, and Professor Kalina Staub is the faculty advisor to the club. They currently have over 200 women—and men—who have expressed an interest in their activities.

The leaders of WIE recognize that a great way to achieve this vision is to demonstrate to Economics majors, and those considering Economics as a major, that there are many well-defined career paths for women economists. On September 20 this year they invited seven women graduates of UNC Economics to speak in a careers panel. Those speakers included:

- Sarah Bass, Elizabeth Brown and Audra Goldstein, all economists at Research Triangle Institute
- Professor Kristin Wilson of the Kenan-Flagler Business School
- Paulina Powierza, graduate student in the Masters in Accounting Program at Carolina
- Christina Benson, formerly of the Office of the Comptroller of the Currency in Washington DC
- Carly Collette, pilot in the Air Force Reserve

Other activities this fall included a job-search discussion with members of the Economics Department Advisory Board in October and a presentation by Kristin Fanarakis in November. Kristin Fanarakis is the author of the best-selling novel “A Debutante’s Guide to Wall.” She worked on Wall Street for years before moving to Charleston, South Carolina to create her own start-up apparel boutique Senza Tempo.

The leadership team has many more activities planned for the spring. In this photo you’ll find the leaders of WIE: Natalie, Laura Hill (Director of Logistics), Professor Staub, Lauren Siegel (Director of Marketing), and Reilly Gallagher (Director of Finance). Not pictured is Sarah Parker (Director of Membership). You can contact them at [wieunc@gmail.com](mailto:wieunc@gmail.com).



## The Fed Challenge Team brings home the hardware.

The College Fed Challenge is a competition designed to bring real-world economics into the classroom. Each university selects a team from among its students. The teams play the role of monetary policymakers. Judges from the Federal Reserve System evaluate the teams both on their analysis of economic conditions and their recommendations of the best monetary-policy response. The teams have a prepared 15-minute presentation, and then are also grilled by the judges with questions designed to test the depth of their understanding.

This year's traveling team includes Zac Gonzalez, Zach Edwards, Tyler Gwinn, Zhizhuo (Ellen) Wang, John Suggs, and Kent Andrews (as pictured above from left to right, after their triumph in the sectional at Wake Forest University this October). They are the performing edge of a team of 20 students who spend the spring and early autumn months working together to prepare for these competitions.

The first-round competition this year was on 20 October. By early October the team was meeting several times a week. They had long Saturday sessions in Gardner Hall with their faculty advisor, Professor Michael Aguilar, quizzing them on practice questions while they refined the content and delivery of their responses.

The team did wonderfully in the sectional at Wake Forest University. They were up against stiff competition from throughout North Carolina. Two former UNC graduate students—Danny Soques of UNC-Wilmington and Andrew Graczyk of Wake Forest University—were mentoring those schools' Fed Challenge teams. It became an intra-family battle, but our students came out on top.

The second round of competition was at the Federal Reserve Bank of Richmond on 16 November. The team did a great job, but the Virginia Commonwealth University team was victorious. The Fed Challenge team came back to Chapel Hill and immediately started planning for the next season.

Professor Aguilar recognizes the learning boost that comes from the Fed Challenge. As he puts it, “Experiential education is a powerful pedagogical force. Add an element of competition, and you have a potent learning tool.” Our students revel in the chance to apply what they have learned to the real world.

During the sectional competition at Wake Forest University, the judges provided the team a theoretical scenario describing the state of the US economy one year from that day. The team's goal was to craft appropriate monetary policy as if they were standing in that environment. According to Professor Aguilar, “Our team handled this wonderfully. So much so, that I personally think the judges ran out of questions. After a long pause one judge asked ‘How would you explain that plan to the President of the United States?’. Everyone, including the judges, laughed.” The team, as usual, gave a sensible, professional, polished, response.



*Team award for 2018 Regional Fed Challenge*

# UNC Economics in Croatia

Professor Rita Balaban led a group of students from the UNC Economics department in a 6-week immersive experience in Croatia from May 14 to June 20, 2018. The academic centerpiece of the trip was Professor Balaban's Econ 485 course, "The Economics of Sport." The students received the same analytical education that they would get in Chapel Hill, but applied it to the very different European sports business model. The students also took a class in European Economic Integration from a professor of Economics at the University of Split in Croatia and learned about the country's transition from socialism to full involvement in the EU.

The study abroad trip gave the students an opportunity to integrate into the culture and learn about Croatia's rich history. "Croatia is one of two study abroad programs based in Central Europe with the UNC Economics Department," says Professor Balaban. "It gives students a different experience and a chance to see Croatia in all of its beauty."

The class was in Europe during the 2018 FIFA World Cup. Professor Balaban could not have planned it better, because the Croatian team was one of the breakout successes of that competition. The students observed the week-by-week advance of the team and the response of the Croatian population: the economics and passion of sports.



To view the full gallery of last year's trip, visit: <https://econ.unc.edu/croatia2018>

## OMICRON DELTA EPSILON

The International Honor Society for Economics • 2018 Inductees  
April 24, 2018 Induction Ceremony

Hope Allen  
Benjamin Todd Albert  
Sreya Atluri  
Elizabeth Bueche  
Alaina C. Cole  
Bethan Cole  
Walter Creech

Evan Dubail  
Hannah Factor  
Resha Kodali  
Anna Linker  
Cameron McNeill  
Genevieve Molyneaux  
Cedric Nam  
Nathaniel Pritchard

Matthew S. Queen  
John Suggs  
Yina Sun  
Alexandra Sykes  
Ryan Wydra  
Junmyung Yang  
Yuqing Ye

## James Tatter: Selected for 2018 Carolina Blue Honors Fellowship



James Tatter is a third-year student from Winston-Salem, NC with majors in history and economics. He will use the fellowship to cover his expenses for travel to Barcelona, Spain, where he will work with 9inesports, a sports media startup. 9inesports is a platform that seeks to integrate access to sports content such as news, videos and statistics with a social media platform that connects sports fans with each other, their favorite teams, and other brands associated with the sports industry. James hopes to use the experience to improve his understanding of how sports and business meaningfully interact and to gain experience living and working abroad in the heart of Barcelona.

James is a member of the graduating class of 2019. He is currently an assistant sports editor for the Daily Tar Heel and runs cross country and track for the UNC Club team. (Excerpt from the Honors Carolina article, "Two students selected as 2018 Carolina Blue Honors Fellows," January 2018.)

## The PHI BETA KAPPA Society AWARDS 2017-2018

Benjamin Todd Albert  
Sundus Alfi  
Sandy Ellen Alkoutami  
Hope Louise Allen  
Hunter Steele Baehren  
Agustin Baler  
Sarah Jacqueline Bass  
Ryder Kendall Best  
Grace Suzanne Breazeale  
Christopher Lee Brenes  
Grace Harper Buie  
Andre Bicalho Ceccotti  
Jimmy Rene Chin  
Will Joseph Duncan  
Mary Margaret Evans  
Riley Bingham Foster  
Kate Goldenring  
Anna Colleen Goodnight  
Margaret Louise Hassel  
Kelly Lauren Hughes  
David William Katibah  
Eric Hanlin Lee  
Catherine Marie Machanic  
Lucas Oliver McCallen  
Geoffrey Calvin McGee  
Nicholas William McHenry  
Anna Claire McQuillin  
Chedomir Milic  
Stenn Hollis Monson  
Lukas Joseph Pisel  
Yi Sun  
Emily A. Venturi  
Claire Elizabeth Weintraub  
Shuhan Xia  
Jeff Yang

## 2018 Economics Undergraduate Honors and Awards

### Undergraduate Prize in Economics 2018

Xiao-Song Wang

### Best Thesis Award

Jimmy Rene Chin

### Highest Honors in Economics

Jimmy Rene Chin  
Lucas Oliver McCallen  
Benjamin Lewis Roberts

### Honors in Economics

Christopher Stephen Arceo Burris  
Jiaxi Li  
Joe Qiao  
Katie Youngae Rha  
Bill Wang  
Xuhum Xia  
Zicheng Ye



# Shuford Program in Entrepreneurship

## Entrepreneurship in Silicon Valley

Economics is the home for the Shuford Program in Entrepreneurship, a College-wide initiative that offers the Minor in Entrepreneurship. The E-Minor, as it is known on campus, is a five-course sequence that combines the rigor of our liberal-arts programs with practical applications and an internship. This brings the academics to the real world. It has become increasingly popular over the years, with 121 graduates in May 2018 and over 500 students, from first-year to senior, currently declaring their participation.

The Research Triangle is a hotbed of entrepreneurial activity, and our students on campus are well-integrated into that. When you bring up the idea of entrepreneurship, though, one location springs to mind: Silicon Valley. We have taken that to heart in developing an innovative semester-long program that combines the E-Minor with residence in Palo Alto: the quality academics of Carolina with the unmatched opportunities for mentoring and internships in Silicon Valley.

Students participating in this program spend a semester in Palo Alto. They complete 15 credit hours towards graduation while completing four of the five courses required for the E-Minor. They intern for an innovative enterprise. They also experience the strong entrepreneurial culture associated with the Bay Area. Trips to venues such as the Stanford Design Lab,

the Y-Combinator Incubator, and iconic companies such as Apple, Google, Twitter, and Uber are incorporated into the curriculum. Local entrepreneurs provide additional mentoring for the students.

Conrad Ma, current E-Minor student, was a participant in the semester in Silicon Valley last year. His courses, his internship (at Go-Daddy) and his camaraderie with mentors and other students all were extraordinary. In his words, the E-semester in Silicon Valley “introduced our students to tech businesses and UNC alums in the Bay Area both personally and professionally. It instilled the spirit of innovation deeply in our soul.”

They leave having completed the requirements of the E-Minor degree and with an extraordinary experience. Madrid Danner-Smith, Silicon Valley participant, put it this way: “In a 10-mile radius, there are probably 500 entrepreneurs trying to be the next big thing. Confidence is being able to do something you’re not sure you are able to do. Confidence is taking that leap of faith.” How does one get that confidence? The E-semester in Silicon Valley is a good place to start.

*To learn more about the E-semester, visit: <https://vimeo.com/265183147>*



Photos courtesy of “UNC in Silicon Valley” on Vimeo: <https://vimeo.com/265183147>



# Graduate News

## 2018 Impact Award honors Economics grad students Teresa Zhou and Josh Horvath

This year, the Graduate School recognized two Economics grad students among the 17 recipients of the Impact Award. Congratulations to Teresa Zhou and Josh Horvath!

The UNC Graduate School provides awards annually to graduate students whose research has the potential to improve the quality of life in North Carolina and beyond. These awards, known as the Impact Awards, single out the Carolina graduate students who through their research are giving back to the state, to the nation, and to the world. As the Graduate School explains, “Doctoral and Masters students, working in close collaboration with their faculty mentors, pursue promising new ideas. They then apply their new knowledge to improving human health, strengthening communities and creating greater understanding of our world’s biggest challenges.”



**Teresa Zhou** is a doctoral student in the Economics Department with specializations in health economics and labor economics. Her research focuses on the unequal distribution of physicians in North Carolina.

In 2015, The Sheps Center of UNC-Chapel Hill published a description of the number and distribution of physicians in North Carolina. Its conclusion: the state has an adequate number of physicians, but they are not well-distributed across the state, either in terms of location or in terms of field of specialty. This is a critical quality-of-life issue for many residents of North Carolina.

In an effort to understand location and specialty maldistribution of N.C. physicians, Teresa used an econometric technique on physician characteristics between 2003 and 2012 to determine what attracts physicians to under-served communities and encourages them to stay. Her results have important implications for policy. Loan forgiveness policies are less

effective at attracting physicians to underserved communities than an increase in the reimbursement rate for their services. Crucially, an increase in registered nurses in rural areas significantly increases physician retention in the same rural area.

Teresa graduated year with a Ph.D. in Economics, and has taken a job as Economist at Capital One in Washington, DC.



**Josh Horvath** is a doctoral student in Economics, with interest in education, labor and health economics. His research examines the effects of the introduction of charter schools in a school district on the performance of students at the traditional public schools.

The North Carolina legislature authorized the establishment of charter schools in 1996, and there has been a spirited public-policy debate since then about the impact of those charters on the students who remain in the traditional public-school system. Josh used a data set on math and reading test scores for every student in public school from 1997 to 2016 to determine if the opening of a charter drawing students from the existing school system has affected the performance of students remaining at the public schools. Here’s how Josh characterizes his results:

“Results show competition from higher-achieving charters has small positive effects and does not increase achievement gaps for disadvantaged students in traditional public schools. Lower-achieving charter competition has zero to small negative effects and increases achievement gaps for some disadvantaged populations. This suggests that the growth of higher-achieving charters does not negatively affect student achievement or disadvantaged students left behind, and may even be beneficial!”

Josh also graduated this year with a Ph.D. in Economics, and he has taken a job at CNA.

# Incoming Graduate Class—Fall 2018

For a directory of all of our current graduate students, visit: <https://econ.unc.edu/people/administration/graduate-students>

## Introducing our Fall 2018 entering graduate students.

**Lu Huang, M.A. Duke University, B.S. Sun Yat-sen University**  
Interests: health and labor economics. She worked as a research assistant in the Department of Psychiatry and Neuroscience while at Duke.

**Chan Kim, M.A. and B.A. Yonsei University**  
Interests: theory and applications of industrial organization.

**Boyuan Li, B.A. Reed College**  
Interests: Development and Labor Economics. Recently completed a study of the timing of women's retirement in China.

**Noah Lyman, B.A. Berry College**  
Interests: financial forecasting, modeling and time series analysis. He has experience as a financial analyst with First Data Corp.

**Megan McCoy, B.S. Eckerd College**  
Interests: gender-focused research on hiring by commercial and academic employers.

**Toria Mullen, B.S. Southern Methodist University**  
Interests: quantitative analysis and modeling. Her recent research examined the economic impact of Brexit.

**Daniel Nikolic, B.S., M.A. George Washington University; B.A. University of Arizona;**  
Interests: the economics of higher education. He worked recently as a research assistant at the Federal Reserve Board of Governors.

**Katsuiko Nishiyama, M.A. and B.A. University of Tokyo**  
Interests: Health and labor economics. He worked recently with Mizuho Information and Research Institute in Tokyo.

**Junsu Pan, M.A. Tongji University; B.S. Southwestern University of Finance and Economics**  
Interests: Agricultural economics, policy and pricing.

**Christina Park, B.A. University of Virginia**  
Interests: income and wealth inequality. She worked recently as a research assistant in the Federal Reserve Board of Governors Division of Consumer and Community Development.

**Carly Shin, B.S. George Washington University**  
Interests: psychological theory, modeling, and data analysis. She also studied abroad at Bocconi University in Italy.

**David Simon, M.S. New York University, B.S. West Virginia University**  
Interests: quantitative methods and financial economics.

**Panagiotis Stylianidis, M.S. Pierce College; M.S. and B.S. National & Kapodistrian University of Athens**  
Interests: formal studies in Economics and Finance. He is a Physics specialist who has decided to transition to Economics.

**Lu Yi, M.S. and B.S. Simon Fraser University**  
Interests: Financial economics. Lu was awarded a Doctoral Merit Scholarship at UNC this year. She has previous experience at Moody's Analytics.

**Haoran Zhang, M.A. Duke University; B.S. Central University of Finance and Economics**  
Interests: Education policy and analysis.

**Isaac Zylstra, B.S. Calvin College**  
Interests: Mathematical economics. He has previous experience as an instructor in high school and mentored a chess club there.

## Recent Economics Graduate Placements (Fall 2017 – Summer 2018)

GRADUATE	PLACEMENT	ADVISOR
Gonzalo Asis	Bank of America Merrill Lynch	Anusha Chari
Jose Alfonso Campillo Garcia	Freddie Mac	Jonathan Hill
Josh Horvath	Center for Naval Analysis (CNA)	Jane Fruewirth
Rayan Joneydi	Abt Associates	David Guilkey
Ryan Leary	Brattle Group	Anusha Chari
Alexander Pearson	KPMG	Simon Alder
Jennifer Rhee	FDIC	Anusha Chari
Teresa Zhou	Capital One	Donna Gilleskie

# Faculty News

## 2018 Triangle Microeconomics Conference



In April 2018 we hosted the third annual Triangle Microeconomics Conference. We welcomed scholars from California-Berkeley, Colorado, Columbia, Northwestern, Penn, Texas A&M, Texas, and Yale for a day and a half of research presentations and discussion. In addition to speakers, conference participants included faculty and graduate students from Triangle universities' economics departments and business schools, plus scholars from a variety of universities and government offices throughout North America. Support

for the conference was generously provided by UNC's College of Arts and Sciences, UNC's Kenan-Flagler Business School, and Duke University.

The conference's unifying theme was industrial organization (IO), which studies firms' strategies, consumers' choices, and public policies that affect relationships among firms and consumers. Our invited speakers offered a range of theoretical and empirical perspectives on IO and applied microeconomics more broadly.

The conference's lead organizers were UNC professors Fei Li and Jonathan Williams. The conference was dedicated to the memory of UNC Professor Tiago Pires, who co-organized the first Triangle Microeconomics Conference and passed away in April 2016.

For more information on the 2018 Triangle Microeconomics Conference, please visit the conference website: <http://econ.unc.edu/workshops/triangle-microeconomics-conference/>

## 2017-2018 Teaching Awards



**Andrea Otero Cortes**

Vijay Bhagavan Award  
for the Outstanding  
Econ 101 TA



**Aisling Winston**

Award for Outstanding  
TA Instructor in  
Undergraduate Course



**Jonathan Williams**

Excellence in  
Undergraduate  
Teaching



**Andrii Babii**

Jae-Yeong Song/  
Chunuk Park Award  
for Excellence in  
Graduate Teaching



**Andrew Hanson**

Best TA in a Graduate  
Level Course

# Faculty Research Initiatives



**Eric Ghysels**, Bernstein Distinguished Professor of Economics, will co-lead a new research initiative to support academic research, technical development and innovation in blockchain, cryptocurrency and digital payments. This multi-university initiative is called the University Blockchain Research Initiative (UBRI), and includes 17 universities around the world,

including MIT, Princeton, University of Pennsylvania, University of California-Berkeley, the University of Texas-Austin, as well as eleven universities overseas. The financial-services start-up Ripple has provided \$50 million in funding, with about \$4 million coming to the UNC campus. UNC's team will be based in the Kenan Institute of Private Enterprise.

“Academia has traditionally been a critical driver of technical innovation. The University Blockchain Research Initiative is an acknowledgment of the vital importance of the unique role universities will play in advancing our understanding and application of cryptography and blockchain technology,” said Eric van Miltenburg, senior vice president of global operations at Ripple. Ripple connects banks, payment providers, digital asset exchanges and corporations to send money globally.

The blockchain technology is at its heart a distributed ledger: a database held and updated independently by each participant in a large network. The distribution is unique: while there may be thousands of participants in a blockchain the ledger of transactions is not downloaded from a central authority. Instead, the ledgers are independently constructed for each transaction and are held in common by every participant.

Interest in this technology has spread far beyond the towers of academia, as businesses, governments and individuals have recognized the possible gains in security and privacy from having such decentralized record-keeping. Our Economics students will benefit from the intensified attention to blockchain on campus due to the UBRI. As Ghysels says, “This interdisciplinary approach stands to benefit our Economics students, who bring both the technical expertise and the critical-thinking skills necessary to link coding with privacy and economic efficiency concerns.”



The Center for Regulatory and Industrial Studies (CRIS) began in 2017 as an initiative to support research in the field of industrial organization. UNC's College of Arts & Sciences and the Economics Department generously provided seed funding for the initiative. Professor Jonathan Williams is the founding director, but he has the support of a large

community of collaborators in the Economics Department whose research is related to industrial organization. We have also seen a surge in interest from graduate students who are writing their Ph.D. dissertations in the area of industrial organization and regulation.

Three recent initiatives illustrate the scope of the Center:

- Pat Bajari, chief economist of Amazon, visited the UNC campus in October 2018. He gave a well-received talk on campus and also met with our graduate students and faculty to discuss new research collaborations. Dr. Bajari is a fan of UNC Economics from his time at neighbor Duke University, and he expressed interest in partnering with the Center for upcoming research activities. (He also wanted our Ph.D. students to speak with Amazon about a job after graduation!)
- Professors Williams and Brian McManus received a research grant from the National Science Foundation in September 2018 to study the pricing practices of internet service providers in their related sales of television and internet access.
- Charles Duncan, Executive Vice President of Westjet (the second largest Canadian airline), came to campus in October 2018 to speak in undergraduate classes and meet with Carolina Economics faculty and grad students. Duncan graduated from Carolina with a major in Economics back in the day, and was able to provide the faculty and students with an applied glimpse of how regulation and competition intertwine to drive the commercial air travel market.

The Center is just getting started, but we can already see great potential for faculty collaboration and for academic connection to business and policy-makers worldwide. Those connections will deepen our students' understanding of how the world works.

# Meeting our new Economics professors.

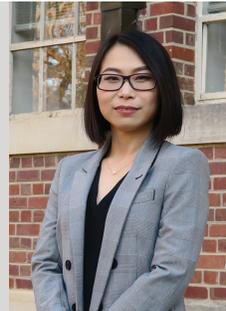
Three researchers joined the Economics faculty in July 2018 as assistant professors.



**Qing Gong** is a 2018 Ph.D. recipient from the University of Pennsylvania. Her recent research explores how physicians learn over time from their treatment decisions.



**Luca Maini** is a 2018 Ph.D. recipient from Harvard University. His research has focused on competition in pharmaceutical markets, and specifically pharmaceutical pricing within the European Union.



**Can Tian** is a 2014 Ph.D. recipient from the University of Pennsylvania. She has recently been interested in what determines the firm decision to enter the market, and to leave the market, during the course of a business cycle.

These are three world-class scientists, and they complement our current faculty members very well. Both Qing (pronounced “ching”) and Luca add to our ability to explore the economics of health care in our classrooms and our research projects. They will also find willing collaborators across the Carolina campus, from the Kenan-Flagler Business School to the School of Medicine to the School of Global Public Health. Can (pronounced “tsan”) serves as an excellent collaborator for our macroeconomics faculty wishing to establish the microeconomic foundations for the events they observe.

Qing, Luca and Can have been in Chapel Hill for nearly half a year, and so are old hands at their new location. I asked them a few questions about themselves; I think you’ll find their responses interesting.

## What do think is the most interesting question that economists are currently working to answer?

**Qing:** As an applied microeconomist with a strong interest in health, I find the most interesting question to be why there are large variations in the choice of care provided across the US, even after accounting for differences in patient characteristics and preferences. For example, the utilization rate of common surgeries like coronary artery bypass grafts is as low as 40% the national average in some places, but as high as over 200% in others. That physicians “just have different practice styles” is hardly a satisfactory answer to an important question like this, especially considering its implications on both the cost and the quality of care.

**Can:** It’s very difficult to pick just one... but to me one of the puzzling and therefore fascinating phenomena is business cycles. What drives the ups and downs, especially the downs (recessions), of the aggregate economy? Are they a natural part of “the circle of life” and therefore we should simply leave them be, or should we try to prevent (at least some) recessions from happening? There is no simple answer.

**Luca:** Within my fields of industrial organization and health economics, I think the most important question economists are working on is: how do we measure and encourage productivity and innovation? Economists have been able to leverage increasingly detailed data to tackle these questions with increasing precision. As we learn more about what makes firms productive, we’ll be able to address important issues such as what is the most efficient way to deliver healthcare to patients in need, and how can we manage affordable healthcare spending while preserving quality and access?

## What do you read when you are not reading Economics working papers or journal articles?

**Qing:** A variety of things: fictions and non-fictions by or about surgeons, SCOTUS opinions, and anything by C. S. Lewis and Leo Tolstoy.

**Can:** A wide variety of things, including but not limited to, comic books, cookbooks, drawing, painting and special-effects makeup techniques, fictions/novels, new developments in STEM and medicine, among others.

**Luca:** I like to keep up with the news, and I tend to prefer fiction to non-fiction. The last book I read is *The Suitcase*, by Sergei Dovlatov. I highly recommend it.

## Where did you live previously to Chapel Hill? How does that place compare to Chapel Hill?

**Qing:** I lived in Philadelphia, PA for six years. The winters can be more brutal there, but the cheesesteaks are superb!

**Can:** I have just come from Pullman, Washington – it’s very rural. Before that I lived in Shanghai – it’s extremely cosmopolitan. Need I say more?

**Luca:** Before living in Chapel Hill I lived in Boston for seven years. It was very different! I probably drove more in my first week in Chapel Hill than I ever did in Boston. And my winter coats are still safely in storage.

**What is your favorite thing to do in Chapel Hill (or the Triangle as a whole) on the weekend?**

**Qing:** Exploring the area, walking/jogging when the weather is nice, hanging out with friends.

**Can:** I am an artist, and I play in my workshop with a charcoal pencil or brush (or sometimes saw, hammer or drill) in my hand. I also enjoy binge watching shows or movies like a proper couch potato. But this is really independent of being in Chapel Hill.

**Luca:** I love food, so I've been spending some time exploring

restaurants and farmers' markets all around the Triangle. (Cucciolo in Durham is my current favorite).

**The one thing that I'd most like to add to Gardner Hall is...**

**Qing:** a lounge with a large whiteboard (which students and faculty can use to talk about research), a bookshelf (where used books can be placed and read by others), and simply space for people to have coffee and exchange ideas.

**Can:** A café... or just a lounge where students and faculty can relax, eat, have coffee, and talk less formally.

**Luca:** ... an espresso machine?

They've put me on the spot. How can I get more caffeine into their lives?

We are very pleased to have Qing, Luca and Can join us in Chapel Hill.



## Donna Gilleskie: President of Southern Economic Association

Donna Gilleskie, currently a full professor in our department, received her undergraduate degrees in economics and

mathematics from UNC-CH in 1989. This Tarheel “born and bred” returned to UNC-CH as an assistant professor in 1994. This past year she served as President-Elect of the Southern Economic Association (SEA). Dating back to 1928, the SEA is one of the oldest economics associations in the U.S. As President-Elect, Professor Gilleskie organized the association’s 1800-person, 500-session annual meeting held in Washington DC. A few highlights of this 88<sup>th</sup> annual meeting were Distinguished Guest Lecturer Professor Glenn Lowry (Boston University), Association Lecturer Professor Rachel Kranton (Duke University), and Professor Chris Ruhm (University of Virginia), who gave the Presidential Luncheon Address. This upcoming year Professor Gilleskie will serve as SEA President. Only six women have served as

president of the SEA in its 89 years, with the most recent being in 2005-2006. As President, she will chair two Board of Trustee meetings in Spring and Fall of 2019 and give the Presidential Address at the November 2019 conference. She will then serve on the Board of Trustees for two more years as a Past President and will chair the Kenneth G. Elzinga Distinguished Teaching Award Committee. Despite being born in the South, having attended an undergraduate institution in the South, and currently teaching in the South, any correlation between her involvement (and that of many others) with the Southern Economic Association and “the South” stops there. While the annual conference is always held in a Southern location and many of the editors of the *Southern Economic Journal* work at Southern institutions, the first president of the association wrote in 1940 “while it is regional in its memberships, its interests as well as its annual program extend beyond the region which it serves and encompass the nation.” Indeed, the SEA includes a diverse set of scholars, with a range of substantive interests and methods of inquiry. She has retained her southern accent, however.

# Alumni News



## Donor Profile: Mel Williams

Mel Williams '88 has the career he envisioned for himself as a student at Carolina. The entrepreneur, venture capital investor, and co-founder and general partner of TrueBridge Capital Partners has taken his Carolina education and

turned it into a successful business career.

"In a lot of respects, I have ended up doing professionally what I wanted to do when I was a student at Carolina," Williams said. "Characteristics of what I do today match directly with the goals I had when I was at UNC. My education at UNC has helped propel me into the place I am today."

### Laying the Groundwork

Williams believes that UNC is such a special place in part because of the caliber of students it attracts. "One of the things that I loved about the educational experience at Carolina was the quality of my peers and the breadth and depth of experiences they had upon arriving at UNC," he said. "I learned a lot from just being in an environment with a diverse set of people who were all smart, intelligent and driven."

The opportunity to learn from some of the industry's pre-eminent experts laid the foundation for his professional career.

"The quality of the professors was remarkable," Williams recalls. "They were all leaders in their fields from both an academic standpoint and a research standpoint, and many from a practical standpoint as well. They were all dedicated to their craft of teaching. I had very strong relationships with some professors, especially within the economics department, who provided both academic and professional advice."

During Williams' college years, he exhibited an entrepreneurial mindset when he and a friend started a business on campus and were able to earn course credit for it. Their business, Carolina Cakes and Cookies, delivered store-bought birthday cakes and care packages on campus.

"It was a neat experience in terms of understanding a market and a market need, understanding consumers and consumer demand, and understanding how we can build a product and a service to meet those needs. Executing the business was a good experience. UNC provided the framework for all of that to happen."

### Into the Market

With all of the valuable knowledge gained from his time at UNC, Williams knew what he wanted to do.

"While I was a student, I came to the conclusion that I wanted to have a career associated with the capital markets," he said. "I wanted to end up as a principal investor, and I wanted to work overseas—have an international experience or an international component to what I did professionally. I thought I would end up at a merchant bank somewhere because that's what principal investing looked like back in the 80s. I thought if I could do that, and have an international component to that role, that would be incredibly exciting."

After earning his MBA from Harvard University, working in the industry for a time, and co-founding two venture-backed companies, Williams became a founding member of the UNC Management Company. He credits his time with the organization that manages UNC's endowment as the most intellectually engaging time of his career. It allowed him to move from operations to the investment side of the table.

After six years, his desire to build his own company resurfaced. He left the UNC Management Company to found TrueBridge Capital Partners with longtime friend and fellow Carolina graduate Edwin Poston '89.

"When I look at what I do today, I've ended up squarely in the capital markets, albeit in the technology sector. We are principal investors at TrueBridge Capital Partners, and we have a huge international component to what we do because we invest capital around the world with a heavy emphasis on China and India. That gives me the opportunity to have a broad, global perspective, as well as travel internationally and experience different cultures and people, which I find fascinating."

## Tangible Support

Once back in Chapel Hill, Williams wanted to become involved with the department that helped shape his career. He has co-taught courses, participated as a guest lecturer, and now serves on the Economics Department Advisory Board.

“The advisory board gives me a fulfilling opportunity to directly support a department within the university that was critical to my success in a tangible way,” Williams said.

He wants to do what he can to provide financial support for the department of economics as well.

“The university is an amazing place,” he said. “It has an amazing global reputation and changes the lives of everyone who passes through its doors. At the same time, the needs are significant. As I got to know more about the needs of the university in terms of maintaining its academic standing and reputation and continuing to do good work, I felt compelled to support the university in another tangible way—with dollars.”

It is his aim that his gifts and others’ will sustain the department into the future.

“My hope is that the department can use that capital to continue to maintain the academic reputation of the university, maintain the academic reputation in the size, scale, and scope of the economics department and continue to impact the lives economics students at UNC.”

As the third most popular major in the College of Arts and Sciences, the future of economics at UNC is promising.

“Seizing those opportunities to continue to strengthen the economics department and its role in the academic life at UNC requires capital. If my capital and others’ capital can help the department seize those opportunities to continue to build on its recent success, then that’s a win-win for everybody. It’s a win for me. It’s a win for whomever is going to contribute. It’s a win for students. It’s a win for the university.”

With the support of dedicated alumni like Williams, one can imagine that this vision, like Williams’ professional goals, will come to pass.

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- Contributed by Mary Moorefield

## Peter Blair Henry: this year’s Distinguished Alumnus Award

On University Day each year, we recognize alumni and alumnae of the University who have made distinguished contributions to our state, our country and the world. This year the University recognized one of our own: Peter Blair Henry, 1991 graduate with a B.A. degree in Economics. His expertise, insights and accomplishments in understanding the workings of international financial markets make him an excellent recipient of this Distinguished Alumnus Award.



Peter began at Carolina as an Economics major and a reserve tight end for the football team. (He was also a finalist in the annual slam-dunk contest.) He went from Chapel Hill to Oxford as a Rhodes Scholar, and then on to the Massachusetts Institute of Technology for a Ph.D. in Economics in 1997.

His professional career began at the Graduate School of Business at Stanford University where he obtained tenure and became the Konosuke Matsushita Professor of International Economics. In 2010 he became the Dean of the Stern School of Business at New York University and served in that role until recently. In addition to his many publications in Economics journals,

his 2013 book “TURNAROUND: Third World Lessons for First World Growth” describes the economic principles associated with international economic success. He argues that the secret to emerging countries’ success (and to the future prosperity of the developed world as well) is discipline—a sustained commitment to a pragmatic growth strategy.

Peter currently serves on the boards of Citigroup, General Electric and Nike. Additionally, he is a board member of the National Bureau of Economic Research and the Economic Club of New York. In 2015, Henry was awarded the Foreign Policy Association Medal, the highest honor bestowed by the organization.

Peter led the external economics advisory group for then-Senator Barack Obama’s presidential campaign in 2008. Following Obama’s victory on November 4, Henry was chosen to lead the Presidential Transition Team’s review of international lending agencies such as the International Monetary Fund (IMF) and the World Bank. Peter’s expertise in the areas of emerging markets and international finance has made him a regular speaker at the IMF and has led him to testify before the United States Senate Committee on Foreign Relations and before various ambassadors to the United Nations. Additionally, Henry has served as a macroeconomic advisor to the governments of Ghana and Jamaica.

***Congratulations, Peter!***

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## ***Questions?***

Contact Ronda Manuel at 919-962-7266 or [ronda.manuel@unc.edu](mailto:ronda.manuel@unc.edu)

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