



Economics at Carolina

A Letter from the Chair

2008

As I write this letter to friends and alumni of the Economics Department, I realize this is the beginning of my ninth year as Chair. It is a beautiful autumn day in Chapel Hill, and the sun is literally shining in my office window that faces Polk Place. The football team has exceeded all expectations, and life is good.



I realize this is the beginning of my ninth year as Chair. It is a beautiful autumn day in Chapel Hill, and the sun is literally shining in my office window that

faces Polk Place. The football team has exceeded all expectations, and life is good. Our nine new faculty members seem to be settling in well. We had an exceptional recruiting year. Though we started with seven approved positions, we were able to recruit two more outstanding candidates, thanks to the Dean's office. Read more about the new professors in this newsletter.

Our enrollments and number of majors continue to grow. Even with new faculty members, we remain understaffed and must continue recruiting. The aging "Baby Boom" generation of faculty continues, and competition with other universities for faculty members to replace those who retire is very intense. While North Carolina has been generous with funding, budget constraints in 2008-09 allow us to search for only one faculty member this academic year.

The department's Minor in Entrepreneurship continued to grow and receive recognition at UNC and elsewhere. I encourage you to read more about the exciting program in this issue. This past summer, 77 students had internships through the minor, with

16 of them in Beijing, China. John Stewart, Director of the Minor, Genny King, Internship Director, and I all spent time in Beijing with our interns. As in past visits, we were impressed with both the intelligence and the

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The Minor in Entrepreneurship



[An Important Milestone - The First Graduating Class, page 8](#)

Enrollment Doubles as Students Complement Liberal Arts Studies

Inspiring enthusiasm and a spirit of fun and creativity, the Minor in Entrepreneurship in the College of Arts and Sciences seems to be energizing everyone involved in the program, said John Akin, Chair of Economics, home to the minor.

"This society is really about people going out and starting things. A liberal arts education gives students the ability

to think and operate in society. A liberal arts education helps individuals become entrepreneurs," said Akin. "The minor's coursework helps students learn the technical steps such as accounting and setting up a business plan, that they need to turn their idea into a successful business."

Now in its fourth year, the Minor in Entrepreneurship in the College of Arts and Sciences has grown dramatically. Undergraduate enrollment nearly

See **Enrollment**, page 5

The University of North Carolina at Chapel Hill

ECONOMICS RESEARCH

Because of the importance of faculty research in a major research university, this section has traditionally focused on an in-depth discussion of the ongoing research agendas of several of our faculty members to make you aware of the nature and variety of research being pursued in the Department. Because of the unusually large number of new professorial faces in the Department, this year this section is devoted to providing a brief overview of our new faculty, their individual specialties in economics and their research interests.

Michael Aguilar is an econometrician who joined the faculty this summer as a fixed-term lecturer. His teaching interests include intermediate and advanced macroeconomics, financial markets, and econometrics. His



dissertation focused on the modeling of equities. Mike did his undergraduate work at SUNY-Binghamton where he double majored in math and economics. He has a master's degree in economics from New York University and received his Ph.D. from the University of North Carolina at Chapel Hill in 2008. Prior to joining our Ph.D. program, he worked for the Congressional Budget Office in Washington, D.C. and then as the staff economist for Seligman Investments. Mike and his wife Kelly reside

in Chapel Hill with their one-year-old daughter Amanda. He enjoys playing guitar, albeit "poorly." Mike will serve as the coach for this year's Federal Challenge Team.

Anusha Chari, an international economist, joined the faculty this summer as an assistant professor. Her research examines how



financial developments (e.g. financial liberalization, mergers and acquisitions) affect growth in developing countries. Anusha did her undergraduate work at the University of Delhi and Oxford. She received her doctorate in International Finance from the Anderson School at UCLA. Prior to joining us, she taught at the University of Michigan, University of Chicago's Graduate School of Business, and

The Haas School of Business at Berkeley. Her teaching interests are in international economics. She enjoys cooking all types of foods and watching movies. She and her husband Nathan reside in Chapel Hill with their two-year-old daughter Dharma, who loves to watch basketball. Given Dharma's interests, it looks like they have found the right home in Chapel Hill!

Saraswata Chaudhuri joined the faculty as an assistant professor this



summer. He is an econometrician whose research interests lie in econometric theory. Saraswata did his undergraduate work at Presidency College in Calcutta where he majored in statistics. Saraswata earned a masters degree in statistics from the Indian Statistical Institute with a specialty in bio-statistics. He recently received his Ph.D. in economics from the University

of Washington. His teaching interests are in graduate and undergraduate econometrics. Saraswati enjoys playing and watching cricket and jokingly claims to be the best economist among cricketers. He and his wife, Paramita, were married in November 2007.



Lutz Hendricks a macroeconomist, recently joined our faculty as an associate professor. His research interests include macroeconomics, human capital, economic growth, and wealth inequality. Lutz did his undergraduate work at the University of Cologne. He earned a masters degree in economics from American University and his Ph.D. in economics from the University of Pennsylvania. Prior to joining us, he held appointments at Iowa State University, University of Sydney and Arizona State University. He currently serves as a Fellow at CESifo (University of Munich) and a Research Fellow at the Center for Financial Studies (Goethe University).

Jonathan B. Hill joined our faculty this summer as an Assistant Professor after spending the previous year as a Visiting assistant professor in our department . His research interests are econometric theory; extreme value theory; robust estimation; non-parametrics for dependent, heavy-tailed time series; and mathematical statistics. Jonathan has a B.A. in economics, sociology, and anthropology from the University of Colorado and a Ph.D. in Economics from the University of Colorado-Boulder. Prior to joining our faculty he was an Assistant Professor at Florida International University, and had previously held positions at China Agricultural University and the University of California-San Diego. Jonathan has lived in Germany, Spain, China and Nicaragua, and more U.S. states than he cares to admit. He loves to travel and says that he loves Europe and statistics just about equally. He reads and writes poetry and is “married” to his partner, Liz.



John McCallie joined our faculty this summer as a visiting assistant professor. His teaching and research interests are in monetary theory and international economics. John has a M.A. degree in Agricultural Economics from the University of Tennessee, and received his Ph.D. in economics from Auburn University in 1990.

Sangsoo Park joined the faculty this summer as an assistant professor. He received his Ph.D. in economics from Vanderbilt University in August 2008. His research focuses on the estimation and inference on partially identified parameters. Sangsoo received a B.S. in physics from the Korean Military Academy and a M.A. in economics from Korea University. After completing his masters and prior to starting the Ph.D. program at Vanderbilt, Sangsoo was a Lecturer at the Korea Military Academy and later served as an Evaluation and Analysis Officer in the Korean Army.



Geetha Vaidyanathan joined the faculty this summer as a fixed-term lecturer. Her teaching and research interests are in macroeconomics, international economics and economic development. Geetha has a Bachelor of Commerce degree from Mysore University and an M.S. and Ph.D. in economics from the University of Kentucky. Prior to joining our faculty she taught at UNC-Greensboro for 15 years. Geetha has been living in the Chapel Hill area since 1992. She has two sons, a senior majoring in Computer Science at UNC and an eighth grader. She is a volunteer chess coach at Smith Middle School in Chapel Hill. She is very excited about teaching here and is looking forward to some wonderful experiences both inside and outside the classroom.



Brian McManus joined the faculty this summer as an Assistant Professor. His research is in empirical industrial organization where he has examined models of firm entry, price discrimination, and competition among health care providers. Much of his recent work has been on why firms try to convince consumers they are socially responsible where he has found that these promises of “good deeds” may be strategically motivated. Brian received his undergraduate degree from William and Mary and his Ph.D. in economics from the University of Virginia. He worked for a software firm outside of D.C. before starting his graduate studies. Prior to joining our faculty, Brian was an Assistant Professor at Washington University’s Olin Business School. Brian is married with two children (Connor and Shannon). He enjoys spending time with his family, cooking, and running and says that Chapel Hill seems like a fantastic place to do all three.

Holsenbeck Establishes Fund to Recruit and Retain Young Faculty

As an industrial relations major at UNC in the early 1960s, Howard Holsenbeck '63 enjoyed the economics courses he took with professors like Paul Newman Guthrie and Dell Johannesen. So last year, when he decided to create an endowment to support faculty at UNC, he chose the Department of Economics in the College of Arts and Sciences.



Holsenbeck, student

Holsenbeck, who owns a commercial real estate company in Houston, Texas, is no stranger to giving to UNC—he has supported the University Library, Ackland Art Museum, and the Kenan-Flagler School of Business in addition to the College.

Holsenbeck said he created the Howard Holsenbeck Faculty Excellence Fund in the Department of Economics specifically with young faculty in mind. The fund is designed to provide support for summer research, academic travel, hiring research assistants, course development grants and more.

“My ultimate goal is to help junior faculty in the economics department,” said Holsenbeck, who has contributed \$133,000 to the fund. “I know that our junior faculty are not getting enough support, and we’re having trouble holding on to them. Junior faculty become senior faculty, so hopefully we can get a better caliber of junior faculty to move up the line and stay with us.” Last year, income from the fund was used to help provide startup packages for six new faculty, according to John Akin, Austin H. Carr Distinguished Professor and Chair of the Department

of Economics. The Department shares the cost of the startup packages with the provost’s and dean’s offices.

The Department has been hit hard in recent years, as many faculty members have retired or been recruited to other schools. Akin says that without the startup packages, they would be unable to compete with other institutions for economics professors. The packages include up to three years of summer research funding, a general research fund for academic travel and research materials and a relocation allowance.



Howard Holsenbeck (center) with John Akin (left) and Brian McManus (right)

Brian McManus, who joined the Economics Department in July, was one of the faculty who benefited from the Holsenbeck Fund. His current research focuses on products associated with charitable causes or other public goods, empirical models of firms’ entry and exit decisions, and health care markets. He sees Holsenbeck’s support of young faculty like himself as beneficial to students’ academic experiences.

“Donations like Mr. Holsenbeck’s help UNC remain a school that attracts excellent students through its outstanding academic environment,”

McManus says. “His support for new faculty strengthens parts of UNC that have great immediate effects on our students.”

As department chair, Akin appreciates the permanence of Holsenbeck’s support. “One good thing about the Holsenbeck Fund is that it’s flexible, and we’ll have it continuously,” Akin said. “It gives the department a source of predictable funds that are available every year.”

Private support like Holsenbeck’s is even more important now for the Economics Department, as state budget cuts have limited the department’s ability to hire new faculty. The Department currently has five vacant faculty positions, and the current budget only provides funding to hire one.

“We just really appreciate the Holsenbeck Fund. He’s been willing to support us, trusting our judgment to use the money for our most important need—recruiting faculty,” Akin said. “With it we have been highly successful—it helped us have our biggest recruiting year ever in terms of numbers.”

For Holsenbeck, supporting the Economics Department is just one more way he can show his gratitude for his Carolina education and help ensure academic excellence at the University for generations to come.

“I’m a firm believer in the old adage that the value of your education is the academic reputation of the university today,” he said. “That’s pretty important when you’re going to interview for any job at any age. When you say you graduated from Carolina, people know that’s a good solid school.”

Enrollment Doubles as Students Complement Liberal Arts Studies

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doubled over the course of two years—from 46 in 2005-06 to 88 in 2007-08. It is currently capped at 100 new students each year to ensure greater student development and provide an internship with an entrepreneurial organization for each participant. The program enables students in the liberal arts and sciences to complement their major course of study.

The minor consists of four tracks—commercial, social, scientific, and artistic entrepreneurship—and requires five courses: “Principles of Economics,” “Introduction to Entrepreneurship,” a course in the student’s chosen entrepreneurship track, an elective, and an internship, along with its accompanying capstone course. In addition to visiting instructors who are successful

entrepreneurs, students are taught by faculty in the Departments of Economics, Public Policy, Chemistry, and Communication Studies, among others.

This fall welcomed 100 students to the “Introduction to Entrepreneurship” course taught by



Buck Goldstein '70 ('76 J.D.), University Entrepreneur in Residence; Lowry Caudill '79, adjunct professor, chemistry, and co-founder and retired CEO of Magellan Laboratories; Julia Sprunt Grumbles '75, visiting scholar and retired corporate vice president of Turner Broadcasting Company; and John Stewart, professor, Economics.

Students in the class learn about the essential concepts in entrepreneurship, such as strategy, marketing and finance. Inspiring and

successful entrepreneurs speak to the students about their experience and share important lessons they learned along the way. Guest entrepreneurs included Ted Turner of Turner



Broadcasting, LaurieAnn Goldman of Spanx, Tom Darden of Cherokee Partners, and Gary Hirshberg of Stonyfield Farm. A newly expanded capstone course provides students with deeper insight into entrepreneurial finance, sales, team building and company culture.

In the summer of 2008, 77 students interned at entrepreneurial ventures around the world. While many students were based at internships in North Carolina, others found opportunities in Chicago, Washington, D.C., Los Angeles, and New York. Twenty students went abroad for their internships in Africa, Asia, Europe and Latin America.

Students were placed in a range of businesses, including an Ethiopian firm focusing on microfinance initiatives, an organization that uses science to explore alternative energy sources, an agency that has a record label for low-income artists rooted in the southern musical tradition, an investment banking firm that focuses on the teaching and training industry, and a public relations firm in Beijing.

Companies hosting Carolina interns in the minor are happy with the results. “We are fortunate in the private equity business to have access to the best talent available,” said Douglas A.P. Hamilton '69, managing partner at Hamilton Investment Partners LLC, in New York. “Our prior interns have all come from leading graduate business programs. Our UNC undergraduate outperformed them all. We enthusiastically welcome him back full-time upon graduation.”

The Campaign for the Minor in Entrepreneurship

Funded initially with a generous \$3.5 million grant from the Ewing Marion Kauffman Foundation—its largest ever—to further the study of entrepreneurship at a university, the program is now seeking continued private funding to support the minor.

As the Kauffman grant expires, the College is launching a campaign to raise \$10 million for the Minor in Entrepreneurship. That goal includes \$7 million in endowment and \$3 million in expendable funds over the next five years to maintain and expand this highly innovative and exciting program. The new funds will endow professorships for tenure-track and visiting faculty, support entrepreneurs-in-residence for the programmatic tracks, and provide internships and other real-world opportunities to students enrolled in the minor.

The Minor in Entrepreneurship seeks both endowment and expendable funding for:

- 1) Professorships to recruit and retain inspiring teacher-scholars.
- 2) Entrepreneurs-in-Residence to direct the minor, provide student advising and team-teach courses.
- 3) Expanding the reach of the program to enable College of Arts and Sciences faculty from beyond the minor’s core faculty to offer courses in entrepreneurship and exposing students to new ideas and perspectives.
- 4) Summer internships for 100 students.
- 5) Speaker series to bring world-renowned entrepreneurs to campus.
- 6) Discretionary “venture” funding for the program director to respond quickly and creatively to emerging opportunities.

For more information about named giving opportunities, contact Ishna Hall, assistant director of capital gifts, Arts and Sciences Foundation, 919/843-4885, ishna.hall@unc.edu.

Undergraduate Majors

News from the Director of Undergraduate Studies

The undergraduate program of the Economics Department continues to grow. For the 07/08 academic year we had 211 graduates and 787 declared first and second majors. The number of declared majors has increased by about 25% since last year. This trend is likely to continue as Economics majors are counter-cyclical. The worse the economy, the more students choose to major in Economics. This trend tends to put the one-two punch on the department with bad economic times meaning more majors and tighter budgets.



The Department will be reviewed by an external committee next spring. These reviews occur about every ten years and offer the Department a chance to stop and consider its strengths and weaknesses and develop a strategy to improve its programs. In preparation for this review, we are very interested in hearing current students' and recent graduates' opinions about what the department did well or poorly in terms of our undergraduate programs. If you have thoughts on these issues, I'd love to hear them. You can reach me through email, jfstewar@email.unc.edu.

The spring semester brings another graduation. Graduating seniors are reminded to check with your Arts & Sciences academic advisor to verify that you have met all College requirements for graduation and to complete the necessary paperwork. Students can use the on-line "Degree Audit" to check their progress. The "Degree Audit" is available at Student Central on the UNC-CH website. If you have questions about meeting your economics major requirements, stop by the office or send us an email.

THE ECON CLUB

The Carolina Economics Club has been flourishing with a current listserv with 450 members and a Facebook group containing 238 members. One of the Club's main goals is to provide a forum to discuss a wide array of economic issues, ranging from the economics of everyday life to hot topics and current events. Some of the formal meetings in 2008 addressed such issues as the respective economic plans of then-candidates and now President-elect Barack Obama and Senator John McCain; graduate programs for economics majors; various job opportunities for economists; and entrepreneurship, broadly considered. The Club also sponsored "The Economics of the Bailout," a talk by Michael Munger, Economics Professor

ECONOMIST IN TRAINING

I graduated from Carolina in 2008 with a degree in Economics and Latin American Studies, and since then have been working as an Economic Research Analyst at Research Triangle Institute (RTI) in the Public Health Economics Program. RTI is one of the world's leading non-profit research institutes, dedicated to improving the human condition by turning knowledge into practice. To date, I have collaborated on projects that evaluate the economic costs of obesity and chronic diseases, the impact of child maltreatment on Medicare costs and the effectiveness of youth dating violence prevention programs.



I admit it was difficult for me to decide whether to go straight to graduate school or to gain some "real world" experience first, but now that I have spent some time working, I am convinced I made the right choice. My work at RTI is allowing me to put the skills I gained at Carolina to good use. On any given day I might be running regressions, analyzing data, conducting a literature review, collecting field data or even writing a project proposal. I am fortunate to have the opportunity to work with world-class economists and statisticians on projects that have direct health care policy implications. When the time comes to go back to school, my experience at RTI and at Carolina will be my greatest assets.

Kiersten Strombotne

and Chair of the Department of Political Science at Duke. Prominent entrepreneur Joseph Kampf, a UNC economics alumni, shared insights he gained during his personal entrepreneurial journey and the successes he enjoyed during his multi-faceted career.

The UNC College Federal Reserve System Challenge Team, a subset of the Economics Club, has had a very successful year after winning the Charlotte Office Competition for the second straight year. The Fed Challenge Team will move on to the second level of competition at the Richmond Fed on November 18, 2008.

The strong leadership of co-presidents Samuel Brice and Rishabh Kirpalani resulted in their being jointly re-elected to further the Club's goal of expanding its influence on campus and in the Chapel Hill community. Future events for the Club will be posted at <http://studentorgs.unc.edu/econclub/>. Be sure to check out our schedule

and consider attending an upcoming event. In November, "Fixing the Economy," will feature a panel of three UNC Economics and Political Science professors discussing current economic problems around the globe and possible cures for them.

RESEARCH FUND

Undergraduate research funds are available through the Herbert B. Mayo Undergraduate Research Fund. These funds are used to support undergraduate research by covering costs of data collection, travel necessary for undergraduate research, computer software, etc. Interested students should contact John Stewart, Director of the Undergraduate Program in Economics, jfstewar@email.unc.edu.

LIFE AFTER CAROLINA

Upon graduating from Carolina in 2007, I went to work for the strategy and technology consulting firm Booz Allen Hamilton in their civil finance division. The civil finance team works with the IRS, the Department of the Treasury, and FDIC as well as other financial regulatory agencies on strategy, organizational structure, and program deployment issues. In my time at Booz Allen, I have had the opportunity to work on a workload transition project at the IRS, a strategy piece concerning Treasury's financial regulatory overhaul, and an ID card issuance program at the Department of the Treasury.

My economics background has given me a strong foundation in both analytical thinking and quantitative methods. I quickly found myself in leadership roles relating to data analysis and forecasting and I've been able to apply the statistical techniques I learned as an Econ major to our work at the Treasury Department. The flexibility of the job has also been a perk. The firm paid for me to attend a week long MIT training course on designing randomized trials and I have had enough free time to continue the research I started as an undergraduate on agricultural markets in Uganda. I would recommend Booz Allen to anyone interested in a private sector job that also has a strong social mission – namely, to improve the functions of government so that it may better serve the tax paying public.



Chaz Littlejohn

2008 HONORS STUDENTS

Thirteen of our top majors successfully completed the Senior Honors Program this past year. The program consisted of completing two seminar courses (Econ 691 and 692), completing an honors thesis under the direction of a faculty advisor, and passing an oral defense. This past year the honors program was directed by Professor Rita Balaban. The award for Best Honors Thesis was given to **Robert Andrew Butters** who worked under the supervision of Professor Vijay Krishna.

Highest Honors

Richard Andrews II, "Victim Gender and the Decision to Seek the Death Penalty in Federal Cases"

Emmanuel Bello, "Revisiting the Davis Thesis: Preliminary Evidence of Stock Market Impact on Industrial Concentration"

Robert Butters, "The Effect of the Learning Curve on the Optimal Dynamic Contract"

Charles Littlejohn, "Household Marketing Decisions in the Ugandan Coffee Trade"

Luke Martin, "The Impact of BMI on Adolescent GPA"

Rebecca Martin, "The Effect of an Introductory Economics Class on UNC Student Economic Rationality and Perception of Risk"

Meghan Morris, "The Effect of Sexual Education on Women's Labor Force Participation"

Dmitry Rashkeev, "Affinity of eBay Bidders for More Populous Auctions: Evidence for a Herding Effect"

Honors

Chris Litchford, "Preliminary Evaluation of TIPS Yields as Predictors of Future Inflation"

Matthew Darch, "The Effect of the Interstate 40 Extension on North Carolina Municipal Economies"

Katelyn Gallagher, "Follow the Mortgage-Backed Road"

James Harford, "Education, Investment, and R&D Expenditures: Relative Factor Significance in an Empirical Endogenous Growth Model"

Sarah Simon, "Race, Attractiveness, and Relative Income of Women"

UNDERGRADUATE PRIZE

Special Department recognition was given to **Meghan MargEva Morris** who was awarded The Undergraduate Prize in Economics, presented annually to the top graduating Economics major.

2007/2008 Phi Beta Kappa

In the 2007-2008 academic year, 211 students received undergraduate degrees in Economics. The quality of our students remained high and 18 of our majors were inducted into Phi Beta Kappa.

*Andrew P. Atkins
Annalee H. Bloomfield
Emily J. Elliott
Andrew W. Jones
Richard T. McCotter
Aaron L. Marcus
Rebecca L. Martin
Meghan M. Morris
Emily E. Nix
William C. Pittman
Jessica J. Raynor
Marc P. Sanchez
Sarah K. Simon
Sophie E. Solomon
Hope F. Thompson
George L. Timmons
Jacob Wang
Andrea S. Young*

Omicron Delta Epsilon

ODE was led this past year by President Tatevik Sekhposyan and Faculty Advisor, Professor John Stewart. The annual induction was held on April 16, 2008 and well attended by inductees, family and friends. Membership is open to outstanding junior and senior economics majors as well as graduate students in economics.

Professor Patrick Conway received the annual ODE Outstanding Economics Professor Award. Since joining the University of North Carolina faculty in 1983, Patrick Conway has made numerous contributions to the department and the university. He has taught introductory, international and development economics, as well as macroeconomics, to undergraduate and graduate students. He also has taught a senior honors seminar. Dr. Conway has developed a number of new courses for undergraduates, including the first-year seminar "The Economics of North Carolina." He researches the international aspects of trade and finance with developing countries. He has been an economic adviser and research associate for the U.S. Department of State and the World Bank and a visiting scholar for the International Monetary Fund.

During his tenure at UNC, Patrick Conway has won numerous awards for teaching excellence at both the undergraduate and graduate levels. Most notably he was awarded a Pew Fellowship in International Affairs by the John F. Kennedy School of Harvard University in 1991 in recognition of his innovative teaching. At UNC, he received the William C. Friday/Class of 1986 Award for Excellence in Teaching in 2001. In 2006, he was awarded the Bowman and Gordon Gray professorship for teaching excellence, among the university's most prestigious awards for excellence in undergraduate teaching.

Omicron Delta Epsilon 2008 Inductees

*Andrew P. Atkins
Evgeniya S. Bakunova
Annalee Bloomfield
Noah Elliot Brisbin
Kaylan A. Christofferson
Steven Couper
James F. Eubanks
Charles Walker Feagan
Justin Garnett
Wesley Harris
William Ryan Hobbs*

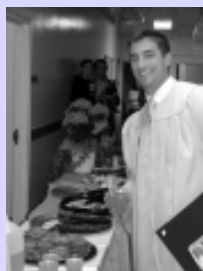
*George Bennett Hodgkin
Ji Hoom Kim
Matthew Knepper
Thomas Paul Koester
Erek William Latzka
Kathleen E. Mason
Richard Trent McCotter
Meghan MargEva Morris
Yun Jeong Nam
Christie E. Nunamaker
Darshan Patel*

*Rachel K. Rose
Marc Sanchez
Matthew A. Schroeder
Jeong-Beom Seo
Christina Smith
Sophie E. Solomon
Kaela A. Swartz
Hope F. Thompson
Jacob Wang
Megan A. Wing*

An Important Milestone in the Entrepreneurship Minor — The First Graduating Class

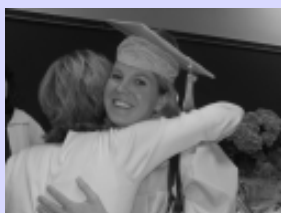
On May 11, 2008, the Minor in Entrepreneurship honored 55 students, who graduated from the program in Gardner Hall. Chancellor Holden Thorp and University Entrepreneur in Residence Buck Goldstein facilitated the Minor in Entrepreneurship's first commencement ceremony. 19 majors were represented in the Minor in Entrepreneurship's graduating class of 2008. Economics was the most common major among the graduates with nearly 30 percent of the class receiving their Bachelor's degree in Economics.

Three students from the graduating class, Braden Rawls, JT Vaughn and Anna Wyatt, spoke about their experience with the Minor in Entrepreneurship at the ceremony. Braden Rawls, who is currently working on an entrepreneurial venture internship experience in Beijing and how the shaped her Carolina experience. Braden stated, "experience, because it allowed me to live the businessman faces." Braden also said, "the influential program that I



Carolina." JT Vaughn, who is now working with Cherokee Gives Back in Ethiopia, discussed the Minor's impact on him and his desire to use entrepreneurship as a means to improve the world. Anna Wyatt, who is studying at UNC's School of Pharmacy, stated, "what I have gained from this program is two-fold: a vision for how we can, as entrepreneurs, address the needs of our society, and (a) community of curious and innovative peers and mentors to work and play with along the way." The three students eloquently expressed the positive impact the Minor in Entrepreneurship had on their college experiences and future careers.

The ceremony was standing room only and provided a great opportunity for faculty members, graduating students and the family members to gather and reflect on their experiences with the Minor in Entrepreneurship.



ceremony. Braden Rawls, who is in the Triangle Area, discussed her Minor in Entrepreneurship program "the internship was a fantastic dramatic ups and downs that a young Minor in Entrepreneurship was the most was involved with during my years at

Carolina." JT Vaughn, who is now working with Cherokee Gives Back in Ethiopia, discussed the Minor's impact on him and his desire to use entrepreneurship as a means to improve the world. Anna Wyatt, who is studying at UNC's School of Pharmacy, stated, "what I have gained from this program is two-fold: a vision for how we can, as entrepreneurs, address the needs of our society, and (a) community of curious and innovative peers and mentors to work and play with along the way." The three students eloquently expressed the positive impact the Minor in Entrepreneurship had on their college experiences and future careers.



UNC Student Interns Work in Entrepreneurial Ventures from North Carolina to Beijing

Chapel Hill, N.C. — Seventy-seven students in the minor in entrepreneurship return this fall from summer internships from The Research Triangle Park™ in North Carolina to Ethiopia to Beijing, China, where they fulfilled their requirement for the minor in entrepreneurship.

Interns launched marketing campaigns, helped micro-entrepreneurs start businesses and managed projects for a wide range of for-profit and nonprofit organizations.

Josh Tuch interned in Ethiopia for Cherokee Gives Back, the charitable outreach program and foundation of investment fund Cherokee Investment Partners, co-founded by UNC alumnus

Tom Darden. Tuch was supervised by



Amon Anderson, former Director of the Internship Program for the UNC Minor in Entrepreneurship. His activities included working with a group of recent graduates of Addis Ababa University who wanted to launch a computer education program for group homes for orphans in the city. He worked with them on creating a

business plan and finding funding.

"We went from having nothing but a one-page plan to submitting a request for computers and software to an NGO to being approved, installing computers in group homes, and training orphans in these homes about computer skills," Tuch said. "It was really rewarding to see how our plans and work were affecting the lives of the children in the group homes. Many of the kids had never used a computer before, and the excitement on their faces was impossible to miss."

Tuch also helped graduates trying to start other ventures, such as a soap-making business. "Watching young professionals my age try to navigate

through the difficulties of poor governance and lack of infrastructure makes me realize how truly wealthy the United States is," he said.

UNC alumnus Tom Mercolino, vice president of development for Global Vaccines in The Research Triangle Park, N.C. hosted two interns. Global Vaccines is a nonprofit that uses state-of-the-art science and innovative business strategies to design and develop affordable vaccines for people in poor countries. Interns Andy Robertson and Sharon Kim created a campaign called "Global Vaccines Connect" to raise awareness about the company's efforts.

"Andy and Sharon created GV Connect specifically to draw attention to vaccine technologies that could become breakthroughs in global health if they were to receive seed funding," Mercolino said.

Robertson and Kim created an interactive addition to the company's web site where visitors can donate or get more information. "We wanted to make it accessible rather than just an information dump," Robertson says.

They also ramped up Global Vaccine's presence on the "cause engine" of social networking site

Facebook. "We're college students, so we're active Facebook users," Robertson says. "We used our network and connections to start building a base and it snowballed pretty well from there. Global Vaccines was a great atmosphere in which to work. Everyone there was very driven and were



receptive to our ideas."

Fourteen students interned in Beijing, China. Several were supported by special programs. Richard Johanson and Erin Burns were Phillips Ambassadors, a UNC Study Abroad program. Two other students, Jennifer Yuen and Will Miller, were CIBER Scholars, funded by UNC's Center for International Business Education and Research (CIBER).



Burns worked for CAI, a nonprofit that aims to improve the education and confidence of migrant children in Beijing. She worked alongside CAI's founder, Judy

Shen, who started the organization while on leave from her law firm. "This is just the type of organization I have dreamed about starting," Erin said. "CAI was certified as a nonprofit just two weeks before I started interning, so I was involved in a truly entrepreneurial organization."

Burns said she couldn't begin to describe all that she learned. "I have come to realize the difference in social responsibility between China and the United States. I learned grant-writing skills and how to put together an awareness campaign, how to evaluate the program, how to recruit volunteers and raise donations. Without CEI, I never would have challenged myself to intern on the opposite side of the world, and without interning in China I would not have gained the confidence I have to fulfill my dreams of starting my own organization in the future."

The minor, offered by UNC's Department of Economics for undergraduates in the College of Arts and Sciences.

For more information on the minor and internship opportunities for companies and students, visit www.unc.edu/cei/ minor or contact Internship Director Genny King, (919) 843-8824 or Genny.King@unc.edu.



*Reprinted from CEI Newsletter
September 2008*



Graduate Program News

2007-2008 Ph.D. Recipients

Charles Braymen, "Essays on International Trade and Plant Behavior" (Advisor: Patrick Conway)

Kristie Briggs, "Three Essays on Intellectual Property Rights in Developing Countries" (Advisor: Alfred Field, Jr.)

Raymond Farkouh, "Are Children Normal or Inferior Goods? Evidence from Indonesia's Financial Crisis of 1997" (Advisor: David Guilkey)

Hamilton Fout, "The Role of Labor Market Rigidities in Explaining US Macroeconomic Behavior" (Advisor: Michael Salemi)

Ryan Goodstein, "Essays on the Labor Force Participation of Older Men" (Advisor: David Blau)

Tiffany Green, "The Effect of Maternal Health Inputs on the Incidence of Pediatric Asthma Diagnosis and Management" (Advisor: Donna Gilleskie)

Volker Grzimek, "Demand for Statutory Health Insurance in Germany 1996 to 2002 Following the Deregulation in the 1990s" (Advisors: John Akin and Helen Tauchen)

Bidisha Lahiri, "Three Essays on the Interaction of International Trade and Environmental Outcomes and Policies" (Advisor: Patrick Conway)

John MacDonald, "An Examination of Airline Pricing: Testing the Effects of Mergers and Uncertainty on Average Fare and Dispersion" (Advisor: John Stewart)

Ronald Oertel, "College Entry, Dropout and Re-enrollment: The Role of Tuition and Labor Market Conditions" (Advisor: Wilbert van der Klaauw)

Emil Rusev, "The Relative Effectiveness of Welfare Programs, Earnings Subsidies, and Child Care Subsidies as Work Incentives for Single Mothers" (Advisor: Wilbert van der Klaauw)

Yan Shi, "Two Essays on Information Economics" (Advisors: Gary Biglaiser and Sergio Parreiras)

2007-2008 Master's Recipients

Frimpomaa Ampaw

Philip Gear

Zhicheng Guo

Marina Krylova

Jose Romero

Catalin Stefanescu

Courtney Wicher

Murat Yilmaz

We welcomed 21 new students to Chapel Hill this fall, and they began Math Camp in the last week of July. By now, they are well into micro, macro, and statistics with Professors Krishna, Francis, and Renault. This year, we are continuing quantitative methods into the fall semester, providing students with more opportunities to develop their math skills but also giving them another set of homework problems and exams. We also instituted formal workshop seminars at which dissertation students regularly present their research.

Our graduate students' hard work and accomplishments have been recognized by the university. Each spring the Graduate School recognizes students who have received competitive funding from non-university sources. For the second year in a row, the Economics Department was at the top of the list.

Fortunately, graduate school life is not all work. We enjoyed the annual faculty-graduate student picnic in September and an earlier potluck picnic in August. Our flag football team was reorganized this year as the Cobra Kia and reached the Elite 8 of a 68 team

tournament. The team is now led by a starting quarterback with tackle football experience and outscored their opponents 87-27 in the last three games of the regular season. The team's offensive and defensive coordinators were disappointed to learn, however, that the Graduate School has no plans to include the 40 yard dash times on its new application forms.

We hope that you will keep in touch, and you may update us by phone (919-966-2383), mail, e-mail tauchen@unc.edu, or the web form <http://www.unc.edu/depts/econ/alumni/feedback.htm>. If you are in Chapel Hill, please stop by the department.

Best for 2009.



*Helen Tauchen
Director of Graduate Studies*

**RENEW OLD
ACQUAINTANCES AT THE
AEA MEETINGS**

If you are planning to attend the American Economics Association Meetings in San Francisco in January 2009, we hope you will take the opportunity to socialize with us old friends. The Department will host a reception on Saturday, January 3, 2009, in the Sierra Suite E of the Marriott, from 6:00 p.m. until 7:30 p.m. We look forward to seeing many of you there.

2007-2008 Job Placements

Michael Aguilar -- University of North Carolina at Chapel Hill
Charles Braymen -- Kansas State University
Kristie Briggs -- Creighton University
Xilong Chen -- SAS
Raymond Farkouh -- Research Triangle Institute
Ryan Goodstein -- Federal Deposit Insurance Corporation
Tiffany Green -- University of Wisconsin
Volker Grzimek -- University of Richmond
David Jones -- Mathematica
Jason Jones -- Furman University
John MacDonald -- Wake Forest University
Steven McMullen -- Calvin College
Ronald Oertel -- Western Washington University
Sergiy Peredriy -- SAS
Arthur Sinko -- University of Manchester, UK
Alica Sparling -- Davidson College
Kellin Stanfield -- DePauw University

2008-2009 Entering Class

Azrina Abdullah Al-Hadi, University of Malaya
Ezequiel Cabezon, University of CEMA
Christopher Cronin, Georgetown College
Thomas Elworth, Creighton University
Emiliyan Enev, American University in Bulgaria
Alfonso Finot, University of Chile
David Frazier, University of North Florida
Stephen Goldberger, University of Rochester
Matthew Harris, George Mason University
Wonchul Hwang, Seoul National Univ. & Korea National Open Univ.
Gazi Kara, Bogazici University
Dimitris Katsoridas, Virginia Tech
Kentaro Koyama, University of Tokyo
Ruchita Manghnani, Jawaharlal Nehru University
Gregory McAtee, Tulane University
Kathleen Miller, University of Maryland
Hye Young Min, Yonsei Univ. & Korea National Open University
Leonardo Morales, Universidad Del Valle
Maria Popescu, American University in Bulgaria
Yuichi Watanabe, Keio University
Onur Yeni, Hacettepe University

Faculty and Staff News

Recent Activity

Professor Patrick Conway was appointed Director of the Center for Faculty Excellence effective July 1, 2008.

Professors Vijay Krishna, Sergio Parreiras, and Boone Turchi are each receiving a one-semester research and study leave during 2008-2009.

While on leave, **Sergio Parreiras** will work on three studies and collaborate with colleagues at the University of Colorado, the University of Arizona, and Leicester University in the United Kingdom.

Vijay Krishna will work on research with his co-author Kaylan Chatterjee at Pennsylvania State University.

Boone Turchi will work at UNC on a long term research project of creating an exceptional data base and begin to carry out empirical evaluations using the data.

The Research Group of the Federal Reserve Bank of New York welcomed **Eric Ghysels** to its Program for Resident Scholars for 2008-09. The Research Group established its Program for Resident Scholars in 2004 to attract to the New York Fed outstanding researchers with an international reputation. The scholars are selected from the top academic and policy institutions in areas related to the Bank's broad policy interests. Resident scholars pursue their own research agendas while participating fully in the Research Group's activities. They work closely with the director of research, contribute to policymaking discussions, and provide intellectual leadership by advising and collaborating with the Group's economists.

AWESOME INSTRUCTION

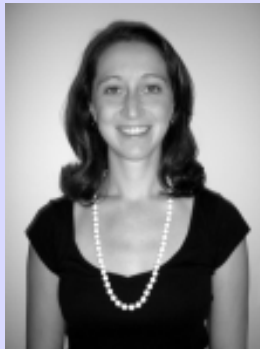
Department teaching awards were presented to two faculty and three graduate students at our annual spring Department reception. The awardees were selected by voting processes carried out by the Undergraduate Economics Club and the Economics Graduate Student Association.



Professor Patrick Conway received the Department of Economics Award for Excellence in Undergraduate Teaching.



The Jae-Yeong Song/Chunuk Park Award for Excellence in Graduate Teaching was awarded to **Eric Renault**.



Kristie Briggs received the Department of Economics award for the Outstanding Teaching Assistant awarded to a graduate student teaching an independent section of a class.



John Kavekos received the Vijay Bhagavan Award for the Outstanding Teaching Assistant in Econ 101.



The award for the Best Teaching Assistant in a graduate level course was presented to **Stanislav Khrapov**.

Alumni News

Jamie D. Clark ('90) currently resides in Hilton Head Island, SC, where he is the founder of Sandpiper Trust, a product development and design company with three products currently on retail shelves and two new products in the design stage. He noted that he was very pleased to learn about the establishment of the entrepreneurship minor. Having experienced the benefits of being an exchange student in Australia he was very positive about the international aspects of the intern program which is being developed in connection with the Minor.

Charles Ou (Ph.D. '69) writes that he is currently living in McLean, VA, and still working as a senior economist with the Office of Economic Research at the U.S. Small Business Administration in Washington, D.C. He expressed sadness at learning of the death of Joe Crews and passed on his support for the Gallman Scholarship Fund.

Frank DeFelice (Ph.D. '66) has primarily worked as a consultant-"broadly defined"-since leaving Carolina. However, he also has taught at UNC-Greensboro, NC A&T and Francis Marion College. He presently is going into the vacation rental business and has property for rent on Lake Norman. He currently resides in Mooresville, NC.

George Gellman ('69) currently resides in Amhearst, NY, where he serves as CEO of the Benchmark Group, an integrated real estate management, development and investment group that he helped found in 1983. A "self described" social entrepreneur, he and his wife co-founded the Symphony Scholars Program in Buffalo, NY. In addition he helped form the P2 Collaborative of WNY, Inc., whose mission is to promote healthy lifestyles, implement best medical practices, and provide incentives to providers and consumers. More recently he and his wife recently helped sponsor the 29th Minority Health Conference at the UNC-Chapel Hill School of Public Health.

Joe Kampf ('66) returned to campus in October as an invited speaker for the Carolina Economics Club. Joe is a co-founder of CoVant, a private equity partnership headquartered in McLean, Virginia, and serves as its Chairman and Chief Executive. Prior to forming CoVant, he was President and Chief Executive Officer of Anteon International Corporation, a diversified government technology services firm based in Fairfax

Virginia. He also is currently a member of the Board of Directors of Deltek Systems, Inc, and the Board of Directors of the Wolf Trap Foundation for the Performing Arts.

John Kendrick (MA '37) writes that he and his wife have recently moved into a retirement residence in Falls Church, VA. They are enjoying life there with many of their good friends. Being 90 years young, he hopes to live to become a centurian!

Michael Quinn (Ph.D. '02) was promoted to Associate Professor with tenure at Bently College this past spring.

Frank Warnock (Ph.D. '99) is currently

a professor at the Darden Business School at the University of Virginia and a member of the NBER. He returned in April to present a recent paper at a joint Department International and Macroeconomics Workshop.

Jim Wetzel (Ph.D. '74) stopped by the Department to catch up. He is still at Virginia Commonwealth University and a fan of UNC football and basketball. His daughter graduated from Carolina with a double major in Econ and Math and then went on to earn a Ph.D. in Economics from Wisconsin. She is now working for the CBO.

In Memoriam

John R. Rawling ('70) passed away on June 25, 2008, in Phoenix, AZ, of complications following brain surgery. He received his degree in economics from Carolina in 1970, and a law degree from the University of Virginia in 1973. Upon graduation he joined the law firm of Fennemore Craig in Phoenix, AZ, and later became the President and General Manager of Robertson Aviation. In 2005 he received the Bronze Award from the Army Aviation Association of America. He is survived by his wife, children Maggie and Zachary, and three grandchildren. John maintained strong ties to the Department over the years and was a generous supporter of the Newsletter in recent years. He made a special point to stop by the Department in summer of 2007 and catch up with several of the faculty from his undergraduate years.

Peck, Donald D., 83, a resident of Meadowood retirement community in Worcester, died Sunday January 13, 2008 due to complications of Alzheimer's. He was the beloved husband of Doris (Layton) Peck to whom he was married for over 58 years.



Born September 11, 1924 in Philadelphia he was the son of the late Mark and Ida Peck.

Mr. Peck served in the US Navy during WWII. After his time of service he earned his bachelors degree in Economics from the University of North Carolina at Chapel Hill, where he was the captain of the tennis team. He was also an Eastern States tennis champion in the 1940's. Mr. Peck was the president of Fleer Corporation in Philadelphia, maker of Fleer baseball cards and Double Bubble gum. He was responsible for breaking the antitrust baseball card monopoly with Topps Company. Mr. Peck was the president for 17 years until his retirement in 1988. An avid golfer, he enjoyed spending summers for 50 years at his vacation home in Ocean City, NJ.

In addition to his wife, he is survived by his children; Pamela Frakes and her husband Allen of Langhorne, Steven M. Peck and his wife Janice of Malvern; grandchildren Matthew Frakes, Brooks Peck, and Lauren Peck..

Relatives and friends were invited to attend his memorial services on Wednesday, January 16, 2008 at 1:30PM from Meadowood at Worcester Library. Contributions may be made in his memory to the Alzheimer's Disease Association, Robert Morris Bldg. 100 N. 17St. 2nd Floor, Phila, PA 19103. Arrangements made by the R.L. Williams, Jr. Funeral Home, Inc. Skippack.

FROM THE EDITOR



I hope you have enjoyed the 10th edition of the Economics Department Newsletter. As is obvious from the content of this newsletter, it has been an exciting year. From the infusion of talent and enthusiasm from our new faculty, the successful achievements of our Ph.D. students, the accelerating momentum of the Minor in Entrepreneurship, and the growing interest in the economics major to the overall campus enthusiasm stemming from the exciting success of our many athletic programs and the appointment of a true North Carolinian Chancellor it has been an outstanding year. Since I will become an “emeritus” (one of the truly old guys) on July 31, I want to take this opportunity to express my appreciation to all of you for providing personal information, suggesting ideas to improve our academic programs and contributing generously to the Economics Department over the time I have been editing this newsletter. I have particularly enjoyed the times spent communicating with those of you who have made it a point to keep in touch and urge you to continue maintaining contact with us and being financially supportive of Department activities. I hope that you will continue to feel welcome to stop by and visit us when you are on “the Hill,” and I urge you to pass on information about what is happening in your lives to the Department. You can do this by snail mail or by emailing me at afield@email.unc.edu through June and the Department Chair thereafter. On that note, I wish for all of you the best in the coming year in a challenging economic environment, and hope you have a happy holiday season.

Al Field

A Letter from the Chair

from page 1

energy of the students. I feel compelled to mention that every time I deal with UNC undergraduates, I am impressed with the quality of young people we are able to attract to UNC. They are bright, lively and just such “good people.”

Besides our football team having a winning record and the return of most of the basketball players from the group that went to last year’s Final Four, there is other good news from Chapel Hill: Patrick Conway, Bowman and Gordon Gray Distinguished Term Professor of Economics, was appointed Director of the Center for Faculty Excellence; J. J. Raynor, an economics major, is the newly elected Student Body President; 18 economics majors have recently been initiated into Phi Beta Kappa; 887 undergraduates have declared an economics major; and Ralph Byrns continues to advise the Economics Club and spend hundreds of office hours on the steps of Gardner Hall.

Our newly installed chancellor, Holden Thorp, brings energy and

vision to the position and will undoubtedly lead Carolina to levels of accomplishment beyond our wildest hopes. Two years ago, Holden taught a workshop for science majors as one of the Minor in Entrepreneurship courses. Because of his involvement in the minor, he sometimes tells people that I used to be his boss!

In the College of Arts and Sciences’ Dean’s office, Karen Gil, senior associate dean for the social sciences, and Bruce Carney, interim dean of Arts and Sciences and former chair of Physics and Astronomy, are providing important leadership for us during the chancellor and dean transitions.

I continue to believe that UNC deserves to have the best Economics Department in the world. We know that resources for that level of excellence only come with the aid of donors. State funds alone simply will not allow us to compete for faculty and graduate students with the more well-endowed economics departments that we consider. Without excellent faculty and graduate students we will not be able to provide an excellent education to our undergraduate students.

Please consider what the department and your economics training has meant to your professional and personal success, and the importance of supporting Economics training for other UNC students in the future. Both faculty and student welfare are improved considerably by all amounts of flexible funds provided by donors. If you are interested in discussing the possibility of a major gift (or a smaller one) please contact me at john_akin@unc.edu, (919)843-9452, or Ishna Hall at the Arts and Sciences Foundation, ishna.hall@unc.edu, or (919)843-4885. Any gifts to the University, including those to the annual giving campaign, can be designated to “The Department of Economics.”

You and your accomplishments are an important component of the Department’s contribution to society and to success. Please send us updates on you and your families when you can. And drop in at the office, if you are in Chapel Hill. We are still in Gardner Hall, right in the middle of campus.

I wish all of you a good year.

John Akin, Chair

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Please mail all gifts to the Arts and Sciences Foundation at 134 East Franklin Street Chapel Hill, NC 27514 or give online at <http://college.unc.edu/foundation>.

Contact Ishna Hall at 919-843-4885 or ishna.hall@unc.edu if you have any questions.

