



College of Letters & Science

UNIVERSITY OF WISCONSIN-MADISON

Economics matters



News for Alumni and Friends of the Department of Economics

Fall 2016

Econ Online

Web courses let students learn from
anywhere this summer

ECONOMICS DEPARTMENT ON THE WEB



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From the Chair



On the heels of a stunning UW victory over LSU at Lambeau Field, we in economics are excited to begin a new fall semester. Let me first thank Ken Hendricks who served as chair for the past two years. Ken was instrumental in starting our summer online program, which was a roaring success. I am excited to take over, once again, as the chair of the Economics Department.

Despite the trying budget times compounded by the tuition freeze, we have remained a very strong department. Last year, we had eight retention battles to fight as our faculty were sought by several competitors. Thanks to the success of our newly created MS program, which generates needed revenue for the department, as well as the generosity of our alumni, we retained all of them.

Let me thank all of you for your continued support of economics. We also welcome three new faculty

members: Corina Mommaerts and Lorenzo Magnolfi from Yale and Matthew Wiswall from Arizona State University. As you can see from the content in this newsletter, we are thriving and working hard to offer a quality education to our undergraduates.

I have some sad news – one of the giants of our department, Professor Donald D. Hester, passed away July 8, 2016, from complications of Multiple System Atrophy. If you took Don's Money and Banking course or had the good fortune of being supervised by him, he most likely left an indelible mark on you. Indeed, many of his students got together and endowed a Distinguished Chair in his honor. Don epitomized the very best of Wisconsin – someone who deeply valued research and yet cared even more about teaching and making an impression on students. The department will miss him very much.

Contributions to the Department of Economics greatly impact our students, faculty and staff. We can provide new courses for students, reward academic excellence through scholarships, fund career development trips for students, publish student research in our undergraduate journal and much more. For those who are in a position to give back, please consider giving to our annual fund or making a specific-purpose gift that mirrors your passion.

On, Wisconsin!

Ananth Seshadri
Chair, Department of Economics

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Quiz answers: 1) True; 2) 1; 3) False; 4) 2; 5) 1; 6) 1

Welcome, Julie!

The Economics Department is pleased to welcome Julie Anderson as our new Chair's Assistant.

Anderson comes to us from a previous position with the School of Medicine and Public Health as the Chair's Assistant for the Department of Cell and Regenerative Biology (CRB). For the 13 years prior to CRB, Anderson was the Dean's Assistant at the School of Human Ecology.

She is happily married with 2 adult children who both graduated from the University of Wisconsin-Madison. She

loves to be creative in her spare time, either baking sweets, crocheting, or letter writing.

Anderson started in the chair's assistant position last December 2015, and so far has been thrilled to be part of the Department of Economics and is thriving on the energy, passion and respect that she has experienced so far.

"I am so grateful for being included in such a well-oiled, smart, strong team, which truly feels like family."



From the Dean's Desk

I am always amazed by L&S alumni. Not only do you take your L&S experiences out into the world, becoming leaders, innovators and wonderful community members, but you also give back. The generous financial support from L&S alumni amplifies all that makes the College great. But what also touches me is your willingness to help our students.

To date, more than 300 L&S alumni are directly engaged in mentoring, networking and opening doors for L&S students as a part of the ever-growing L&S Career Initiative, launched in 2012.

Many also serve as mentors for our Taking Initiative course (Inter-LS 210), which teaches students how to identify their unique talents and articulate their skills to employers. L&S alumnus Steve Pogorzelski (former president of Monster.com) has been a Taking Initiative mentor since the course was launched in fall 2015.

Why does he give back this way? Pogorzelski says he's had many mentors over the years and is committed to providing guidance for others, whether it's for his two grown children, the boards on which he serves, his employees or UW students.

"I believe that coaching is a gift and one should give it and receive it in that spirit," he has said. "I derive tremendous satisfaction from the whole process."

I get this question a lot: "Dean Scholz, what can I do to help students map their future path?" Your financial support for the L&S Career Initiative is vitally important, of course. We are leading the way among public research universities with our focus on career success for liberal arts graduates, and the entire LSCI is funded by sponsors and donors.

But there are so many ways to be involved! Here are just a few:

- Sign up for the new Badger Bridge online networking program and connect with students exploring careers (badgerbridge.com).
- Post an internship.
- Offer job shadows.
- Help students network.

Visit careers.ls.wisc.edu for more information on all of the above. And know that we are beyond grateful for your support.

On, Wisconsin!

A handwritten signature in black ink that reads "John Karl Scholz".

John Karl Scholz
Dean and Nellie June Gray Professor
of Economics
College of Letters & Science



Economics goes online for the summer

This past summer 2016, the Economics Department offered online courses for the first time ever.

The online course options offered to students included Econ 101: Principles of Microeconomics, taught by David Johnson, as well as Econ 102: Introductory Macroeconomics, taught by Gwen Eudey. The online courses, which reached an enrollment total of 170, were taught back-to-back this summer, giving students the option to complete both if they chose.

One of the goals of these intensive six-week courses was to offer students a high-quality educational opportunity in a virtual space. Both Johnson and Eudey created just that using several strategic tools and carefully crafted lesson plans.

In Johnson's course, students could access online chat office hours daily, participate in weekly live video problem-solving sections or pose a question to the site's online forum,

which became quite a popular venue for student support and discussion.

Eudey also focused on student engagement by creating pop-up questions throughout her lectures that students had to answer before continuing the video. These quiz questions helped reinforce lecture content and focused the viewer's attention during the lectures. Not only was this "active learning" approach effective, but Eudey also says it was a big hit with students.

Another benefit to the online course structure is the flexibility. Online courses allow students to complete coursework without having to physically be on campus – ideal for international students and students completing internships or working summer jobs. All components of the course were administered online – the lecture videos, home-work, quizzes and exams – the only requirement being a good internet connection. The online courses also allowed students flexibility

on how they approached the material. "Students were able to work at their own pace," Eudey says, "so it was even possible to take a mini-break from the course for a few days before coming back to catch up."

Though this was the Economics Department's first attempt at online courses, the courses were overall very well received by students and student feedback showed positive experiences. Emma McCurdy, a sophomore at UW-Madison who took both online courses this summer says, "My favorite thing about taking both the courses online is that I could study and complete the requirements for the class at my own pace. I was able to focus more on sections that I enjoyed and dig deeper into real-world issues that were occurring with that particular topic. I was able to make connections between what I was learning in the course and what was going on in the real world. These classes also improved my study habits,

as I had to be 100 percent accountable for all my actions.”

Next summer the Economics Department is looking to expand its summer online program to offer several more classes. Along with Econ 101, Johnson will be teaching Econ 301: Intermediate Microeconomic Theory, and Eudey is set to teach Econ 302: Intermediate Macroeconomic Theory. The department also plans to offer Econ 310, an economics statistics course taught by Christopher McKelvey, as well as Econ 522, a law and economics course taught by Professor Dan Quint.

“I was able to focus more on sections that I enjoyed and dig deeper into real-world issues that were occurring with that particular topic.

I was able to make connections between what I was learning in the course and what was going on in the real world.”

– Emma McCurdy
Sophomore

Economics Connections Across the Country

Wisconsin Economics students spend the summer spread out across the country and beyond for internships, work or classes. The Wisconsin Economics Young Alumni Council (WEYAC) saw this as the perfect opportunity to connect with students in their own city and launched the Economics Summer Socials.

“These summer socials are a great way to unite Badger econ students and alumni in multiple cities,” says WEYAC president Richard Qian (B.A.’10, Economics and Mathematics). “Last year, 35 people attended across four cities and we generated very positive feedback.”

This year the socials grew to include five cities: New York, Chicago, Madison, Minneapolis and Milwaukee. They are low-key events at restaurants or outdoor spaces, designed to give students and alumni a chance to connect. If Students have questions about their new city, it can be helpful to talk with someone who lives and works nearby. “We hope to continue to grow the Economics Summer Socials each year and engage more students and alumni in each city,” says Qian.



Let us know if you are interested in hearing more about Economics Summer Socials near you in 2017.

Email Elizabeth Foste at foste@wisc.edu.

ISTOCK PHOTO: JEFF MILLER



Scholarships Support Student Excellence

Each semester, Economics is able to award several scholarships to many hard-working and well-deserving undergraduate students.

In fall 2015, we awarded 13 scholarships to our economics undergraduate majors, including the Ed Draminski Scholarship, Meek Bishop Scholarship and Lorraine A. and W. Dwight Stone Scholarship.

Spring 2016 saw 13 scholarships awarded, including the Ammerman Research Award, Warnock Family Award, Gerald Konz Scholarship, Mary Claire Phipps Scholarship, Veldor Kop-itzke Scholarship, Everett Smith Scholarship and the Academic Excellence Award.

Through the generosity of several anonymous donors, we also awarded nine undergraduate student scholarships this past summer 2016.

To honor and celebrate these 35 scholarship recipients, the department held its annual award ceremony in April 2016. Students were individually recognized in front of friends, family and generous donors.

The Economics Department and scholarship recipients are extremely appreciative of our scholarship donors, as these scholarships have an enormous impact on students and their families.

Thank you for your continued support of our outstanding economics undergraduate students.

Students Game for Applying Economics Coursework Outside of the Classroom

Last semester over 60 economics students participated in the first-ever Economics Case Competition. Under the guidance of Economics Department faculty, teams of students worked for two weeks to come up with solutions to a real-world business problem posed by the outdoor retailer Cabela's.

Senior economics major Mandi Kalmon says, "I have never been a part of anything like this before and learned a lot about working as a team, time management and public speaking." She adds, "It was difficult to accomplish everything in only two weeks and balance this with classes, jobs and other commitments."

All teams presented their solutions to the Cabela's leadership team to select a winner. Using concepts from their economics coursework, students

impressed Cabela's with their analyses and their creative solutions.

"It was wonderful working with the Economics Department," writes Cabela's brand specialist Molly Herwhe. "The students were amazing and their answers were just brilliant!"

"The students were amazing and their answers were just brilliant!"

Molly Herwhe
Cabela's brand specialist

Feedback from students was also overwhelmingly positive. "Looking back on my junior year," says Kalmon, "this was one of the things I've accomplished that I'm most proud of. I would absolutely encourage

other students to take part in this opportunity in the future!"

The Economics Department is eager to build on this success with future case competitions. If your organization is interested, please contact Elizabeth Foste at foste@wisc.edu.

Mourning the Loss of Donald Hester

Professor Donald Hester, a world-renowned economist and one of the Economics Department's most beloved and influential teachers, passed away this past summer 2016.

Originally from Cleveland, Ohio, Hester received his B.A. and Ph.D. degrees in economics from Yale, where he later joined as faculty in 1960. In 1968, he joined the faculty at the University of Wisconsin. After 32 years of teaching, Hester became an emeritus professor in 2000, staying actively involved with research, travel and student mentorship. Hester published several books and numerous

articles on money and banking and taught in Bombay (Mumbai), Rome, Florence and Beijing. He was especially passionate about teaching and received several awards; most recently, he was honored with a chair in his name.

Hester was an incredibly valuable member of the Economics department who inspired generations of students. He was a dedicated faculty member and one of the department's strongest advocates, as well as a popular teacher and mentor. He leaves an indelible mark on the department and will be missed by many.



SUBMITTED PHOTO

Lowell and Leila Robinson Professorship in Economics

Lowell Robinson's (B.A.'71, Economics) generosity in endowing the Lowell and Leila Robinson Professorship in Economics will ensure that young faculty will be supported for generations to come.

As an alumnus and advisory board member, Lowell was savvy and understood the importance of a professorship, saying, "I always feel indebted to the Economics department and the fine education I received. The faculty were extremely generous with their time. I feel very fortunate to endow a professorship in the Economics department."

Fostering young talent is a core tenant at any university. In the Economics Department, we believe this is true not just for our students, but for extremely talented and hard-working faculty starting their careers. We are incredibly grateful to award the Lowell and Leila Robinson Professorship to Marzena Rostek, who has proven herself an invaluable member of our faculty.

The Department is grateful to the Robinsons and looks forward to welcoming talented faculty to UW Economics in the future.

"I always feel indebted to the Economics Department and the fine education I received. I feel very fortunate to endow a professorship."

Lowell Robinson, B.A.'71, Economics

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For more information, contact
Torine Pasek: (608) 572-2999
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Test Your Knowledge with the Economics 102: Macroeconomics Quiz

The following are questions from one of the Interactive Lecture Quizzes given during the Summer 2016 online course. Students answered these questions during the lecture to reinforce their understanding and retention of the material.

1. True or false? People who earn less during their working life get a smaller Social Security check from the government in retirement.
2. The “pay as you go” setup in Social Security means:
 1. Social Security benefits are paid for by current tax collection from people of working age.
 2. Social Security benefits come out of each individual’s personal government savings account.
3. True or false? Social Security is under-funded by 25%, but government has to find a way to make those payments because they are Entitlements.
4. European-style “socialized medicine” is a bigger burden on their government budgets than the U.S. system is:
 1. True: Government-financed health care doesn’t provide any incentives to cut costs.
 2. False: Our per-person government expenditures on health care are higher than in Europe.
5. If education has positive externalities, then the private market would lead us to:
 1. People getting too little education relative to the economic optimum.
 2. People getting too high a quality of education relative to the economic optimum.
6. People earning over \$120,000 a year pay less in Social Security taxes but more in income taxes:
 1. True: Social Security payroll tax contributions cap at \$120,000 but income taxes are progressive.
 2. False: Everyone pays the same payroll tax there is just a maximum social security benefit that caps at \$120,000.

How did you do? Check your answers on page 2.