



RICE ECON

News and Views from the Economics Department at Rice

Welcome Back!

We hope that you had a marvelous fall break, and returned rejuvenated and ready to close out a successful semester.

In this issue of the Economics Department newsletter, we continue our focus on some of the new courses that we have added in recent years, as we feature one of our capstone courses for the MTEC major, ECON 497, Research in Econometrics, which will be taught next semester by Professor Xun Tang. Our faculty spotlight shines on our award-winning instructor Professor James Brown, while our “And What Did You Do Last Summer?” feature describes the experience of Lovett College senior Meghana Gaur, who spent the

summer as an intern at the Federal Reserve Bank of New York. We are also delighted to report that our undergraduate economics program was ranked 12th in the nation in the latest rankings of undergraduate degree programs released last month by College Factual.

For those of you thinking about attending graduate school in economics (or any of the other social sciences), be sure to attend the information session on applying to grad school sponsored by the School of Social Sciences, which will be held on Wednesday, November 14 (location to be announced soon).

And check out the story below on the seventh lecture in our RISE Nobel Laureate Lecture Series, which features Professor Edward C. Prescott

of Arizona State University who, along with Professor Finn Kydland of UC Santa Barbara, was awarded the 2004 Nobel Memorial Prize in Economic Sciences for contributions to dynamic macroeconomics, including analyses of the time inconsistency of economic policy and the driving forces behind business cycles. You may also be interested in the upcoming conference on the prospects for economic growth hosted by the Baker Institute’s Center for Public Finance in December. This conference is just one of the outstanding events celebrating the 25th anniversary of the Institute.

We hope the rest of your fall semester goes well!

George Zodrow
Director of Undergraduate Studies

Advising Corner

Fall 2018 Office Hours

Monday

9:45–11:00 a.m.
Maria Bejan, BKH 251

Tuesday

1:00–2:15 p.m.
George Zodrow, BKH 260

Wednesday

4:00–5:00 p.m.
James Brown, BKH 250

Thursday

1:00–2:30 p.m.
Peter Hartley, BKH 262

Friday

10:15–11:45 a.m.
Mahmoud El-Gamal, BKH 240

Economics Undergraduate Program Ranked 12th in Nation by College Factual

Our undergraduate economics program was ranked 12th in the nation in the latest rankings of undergraduate degree programs released last month by the college matching/rating service College Factual. “Our rapid rise in the College Factual rankings – we were ranked 50th only four years ago – has been extremely gratifying,” said George Zodrow, Director of Undergraduate Studies in Economics. “It reflects the commitment of the department, the school of social sciences, and the university to achieving excellence in both teaching and research in economics at Rice, especially as exemplified by the RISE (Rice Initiative for the Study of Economics) program, coupled with high caliber of our hard-working and creative students, who make the most of their educational opportunities here.” For more information, visit the College Factual website at <https://www.collegefactual.com/majors/social-sciences/economics/rankings/top-ranked/p2.html#abs12>.



Great Course on the Menu!

Research in Econometrics (ECON 497) is a relatively new class that is one of our two capstone courses for the MTEC major (the other is ECON 496, Research in Economic Theory). It is taught by Professor Xun Tang, whose research interests include applied econometrics and industrial organization. Xun explains that ECON 497 offers students an opportunity to revisit and further develop the theoretical foundations they learned in their earlier econometrics and applied courses. For example, students will review maximum likelihood and nonlinear least squares estimation methods, developing a deeper understanding of how and why these methods work and learning better how to implement them in a wide variety of empirical settings. The course provides with students with the opportunity to read and understand at a high level the existing econometrics literature as well as develop and implement their own econometrics research project. Professor Tang says that, "I view economics as a fascinating field of science that combines rigorous quantitative methods with substantial policy questions. I find such a combination particularly organic in the field of industrial organization, and this is one of the main concepts I try to get across to the students in the course."

Menu

Main Course: ECON 497
Research in Econometrics

Appetizers: ECON 203,
ECON 310 & ECON 305

Master Chef: Professor
Xun Tang

Dinner is Served: Spring
2019, Mondays and
Wednesdays, 8:30 a.m. to
9:45 a.m.

*Come enjoy a
gastroeconomical delight!*

RISE Lecture - Nobel Laureate Edward Prescott



The seventh event in the RISE (Rice Initiative for the Study of Economics) Nobel Laureate Lecture Series will feature Edward C. Prescott, who is Professor of Economics at Arizona State University where he is also the W. P. Carey Chair in Economics in the W. P. Carey School of Business. Prescott and Professor Finn Kydland of UC Santa Barbara were awarded the 2004 Nobel Memorial Prize in Economic Sciences "for their contributions to dynamic macroeconomics: the time inconsistency of economic policy and the driving forces behind business cycles." Prescott is an aggregate economist theorist who develops and applies dynamic economic theory to problems in financial economics, economic fluctuations, growth and development, international economics, and public finance. Indeed, students who have taken ECON 483 will no doubt remember that Prescott has written an important recent paper in which he concludes that the large differences in labor supply between workers in the US and in the EU are largely attributable to differences in tax structure, especially the effects on labor supply of the value-added tax that is prevalent throughout Europe.

Prescott will present his RISE Lecture on "Money in the Production Function: Some of the Policy Implications" on Thursday, November 1, 2018 at 5:30 p.m. The event will be held in the BRC

(BioScience Research Collaborative) Auditorium, with a reception following in the BRC Event Hall. We hope to see you there!

Baker Center for Public Finance to Host Conference on Economic Growth

As part of the Baker Institute's 25th anniversary celebration, the Center for Public Finance is hosting a conference on the prospects for future economic growth in the United States, which will be held at the Institute on December 6-7, 2018. The keynote speaker will be Professor Martin Feldstein of Harvard University, president emeritus of the National Bureau of Economic Research and former chair of the Council of Economic Advisers under President Reagan. The program, which will include nine original papers and a concluding panel discussion, features an impressive slate of renowned economists, including Robert Barro, George Borjas, and Jason Furman (all also from Harvard), Alan Auerbach and Ross Levine from UC-Berkeley, Michael Boskin and Timothy Bresnahan of Stanford,



Glenn Hubbard of the Columbia Business School, Steven Turnovsky of the University of Washington, Richard Evans from the University of Chicago, William Gale of the Brookings Institution, Robert Gordon of the Northwestern University, Kenneth Hendricks and Christopher Taber from the University of Wisconsin-Madison, Douglas Holtz-Eakin, President of the American Action Forum, and Laurence Kotlikoff from Boston University, as well as our own Flávio Cunha, John Diamond, Peter Hartley, and George Zodrow.

The Center for Public Finance, which was established in 2017, is directed by John Diamond, the Institute's Kelly Fellow in Public Finance, who received a Rice Economics Ph.D. in 2000. The members of the Center are George Zodrow, Cline Professor of Economics, and Center Fellows Joyce Beebe (also a Rice Economics Ph.D.), Jorge Barro, and Thomas Hogan. Thomas is teaching Financial Markets (ECON 355) and Jorge will teach Economic Modeling and Public Policy (ECON 479) in the spring.

RISE DAY

On April 24, 2018, the Rice Economics Department held its third RISE Day Award Luncheon, its annual celebration that recognizes outstanding achievements by undergraduate and graduate students and exemplary teaching by Economics faculty. Dean of the School of Social Sciences Antonio Merlo and Director of Undergraduate Studies George Zodrow presided over a catered lunch and ceremony for award winners and invited guests, including many alumni and community leaders.

2018 RISE Day Undergraduate Award Winners

Gaston Rimlinger Prize (best research paper written by a graduating ECON or MTEC major in any ECON course): Evan Flack for his paper "Participation in the Women, Infants, and Children Program and Early Childhood Development"

Peter Mieszkowski Prize for Honors Program Research (best research papers written in our honors program sequence (ECON 498/499)): Seung Jae Han for a research project entitled "Direct Response, Gender, and the Effects of Health and Mental Health on Labor Force Participation: The Case of Korea," and Victoria Johnson for her paper "Investigating Potential Growth Effects of the Corporate Income Tax"

Ronald Soligo Public Policy Essay Prize (best undergraduate policy-related research paper): Rafael Butiong for his paper "Examining Credit Spillovers to Health, Education, and Consumption via Household Businesses"

Tax Executives Institute Undergraduate Tax Scholar Award (outstanding research related to tax policy): Victoria Johnson

Malcolm Gillis Prize in Economics (graduating senior majoring in ECON with highest major GPA): Mengia Liu

Malcolm Gillis Prize in Mathematical Economic Analysis (graduating senior majoring in MTEC with highest major GPA): Seohee Kim

Michael D. Maher RISE Award in Economics (rising senior majoring in ECON with highest major GPA): Mai Pham

RISE Award in Mathematical Economic Analysis (rising senior majoring in MTEC with highest major GPA): Yan Li



RISE Day Luncheon

New Members of Omicron Delta Epsilon

Six students were inducted into the Economics Honor Society, Omicron Delta Epsilon, which is one of the world's largest academic honor societies with nearly 700 chapters around the globe. They are: Rafael Butiong, Floria Gu, Agnes Jiang, Victoria Johnson, Siyu Geng, and Win Soon.



2018 RISE Day Undergraduate Teaching Award

Congratulations to Professor Yunmi Kong for winning the **Malcolm Gillis Award for Distinction in Undergraduate Teaching**. Yunmi has been teaching our Applied Econometrics course, ECON 209, to rave reviews since she arrived at Rice in 2016 after receiving her Ph.D. from New York University. Her research interests include empirical industrial organization and applied microeconometrics and applied microeconomics. Her latest work focuses on the empirical analysis of auctions including applications relating to the leasing of oil and gas tracts.

DeNicco Wins Two Awards for Outstanding Teaching

Congratulations to Dr. James DeNicco who was presented with two university teaching awards last May – the Nicholas Salgo Distinguished Teaching Award, which is voted on by current junior and senior students and is Rice's oldest teaching prize, and the Sarah A. Burnett Teaching Prize in the Social Sciences. Jimmy has been the Director of the Principles of Economics Program since his arrival at Rice in 2015 and his Principles of Economics (ECON 100) course has been one of the most popular classes on campus since its inception. His research interests are in macroeconomics and applied macroeconomics, especially the relationship between GDP growth and labor dynamics. Jimmy is also a faculty associate at Baker College, where he was named Outstanding Faculty Associate in 2016 and received the Garside Award for Service last year.



Spotlight on our Faculty



James Brown, Professor of Economics

Research Interests: Measurement error in spline estimating equations, multiparty bargaining strikes and wages in the printing industry, and substance abuse among adolescents

Long recognized as one of Rice's best teachers, Professor James N. Brown received two highly prestigious teaching awards this year. Last spring, he was awarded the George R. Brown Certificate of Highest Merit for lifetime achievement in teaching at Rice, a fitting capstone to an exceptional career that has included George R. Brown Awards for Superior Teaching in 2004, 2006, 2007, and 2013, the Sarah Burnett Teaching Prize in the Social Sciences in 2010, and the ultimate prize of the George R. Brown Award for Excellence in Teaching in 2009 and again in 2017. Subsequently Brown was honored by the Minnie Piper Stevens Foundation, which named him a Piper Professor, one of ten outstanding teachers at the college/university level so honored in the state.

How have all of these teaching awards over the years impacted your approach to teaching?

These awards haven't really changed how I approach teaching. An unchanging thing for me has been that in each class I've taught, I've met so many great people who have been eager to learn. When you have such students, you want to do all you can for them. Everything else follows from that. At a broader level, though, Rice's commitment to excellence in teaching has fostered an environment in which I've been encouraged each semester to try to improve on what I've done before. I know that many other members of the Rice faculty have been impacted similarly.

How did you first get interested in economics?

I've always been interested in issues that social scientists study. My interest in economics was sparked when I first realized that economic theory gave me the tools to think for myself and to think more effectively about important social issues. I was lucky enough to encounter Gary Becker's work early on, and that changed everything for me; my interest in economics quickly became a love of economics. A few semesters later, I was asked to help a student who was having trouble understanding demand functions, and I was able to help her. This moment was a real revelation for me, because I saw how rewarding it can be to help another person understand something. So, knowing that I would love teaching, and knowing already that I loved studying economics and applications of economics in research, it was an easy decision for me to go on to graduate school in economics. Not knowing what would follow from that

decision, I just figured that I would stick with it as long as I loved it. Happily, I love it more and more each year and never get tired of it!

You've been teaching at Rice for a while now. What are some of the noticeable changes in the typical undergraduate student that you've observed over the years?

It's a little difficult to tell, because I've taught different courses over the years, and my classes now are more likely to include students in their first few semesters at Rice. I think some students nowadays may be accustomed to a more-structured and guided approach at each step of the learning process. If this is a trend, however, it is comparatively mild at Rice and not specific to Rice. With reference to my own experience at Rice, a much more distinct change has been the increased presence of international students, who have added so much to my courses, both as students and subsequently as teaching assistants.

What are some of your favorite parts of teaching? What are some of the hardest parts of teaching?

The favorite part for me is when the light bulb goes on. Even though I'm lecturing to a group, I'm still teaching individuals, and the greatest thing is to be there when a student finally figures something out after having struggled with it. The most challenging thing for me lies in finding ways to make complex material more understandable – ideally, so understandable that it can never be forgotten – and in finding the content and presentation that best serves students who may differ substantially

in preparation and interests. Because lectures cannot be tailored to each student, individualized (and typically more effective) teaching generally happens outside of class. For this reason, I always encourage students to talk to me outside of class, whether or not they are having trouble understanding course material. It is in these one-on-one settings that light-bulb moments most often occur.

Do you have any advice for current freshmen and sophomores just beginning their studies in economics?

I always urge students to try to find something they love and that really interests them. If you don't love something, you're not going to want to spend enough time on it to become really good at it. It's also important to realize that it's perfectly okay to be in a constant state of confusion when you're learning something new and difficult. But you should remember to enjoy the pursuit of knowledge and learn how to ask questions that will take you a little bit closer to a better understanding. I typically advise students to take classes that can equip them with more tools, such as coursework in mathematics and statistics, in addition to economics. It's also a really good thing for students to make an effort to reach out to their professors, more advanced students, and TAs. One of the great things about Rice is that we're all co-learners and are here to help you.

For more information on Professor Brown's research projects, including his current working papers and his C.V., see the [Faculty Page](#) on the Economics Department website.

And What Did You Do This Summer? An Interview with Meghana Gaur, '19



Meghana Gaur is a senior at Lovett College, majoring in MTEC and Math, and grew up in Austin, Texas. She served as an intern this past summer at the Federal Reserve Bank of New York. Meghana

has also held positions at the Federal Housing Finance Agency in Washington D.C. and the Texas State Legislature in Austin, Texas.

What kind of internship did you have this past summer?

This summer, I interned in the Data and Statistics function in the Research and Statistics Group at the Federal Reserve Bank of New York in New York City. During my time at the Bank, I worked on analyzing and visualizing several of the Bank's large financial datasets, including the treasury international capital (TIC) dataset. TIC data are directly utilized in the calculation of balance of payments, so working with this dataset was really exciting! I also worked on automating several of these processes, primarily using Python, SQL, and R. Over the course of the summer, I was able to meet with several economists and frequently attended research seminars delivered by the Bank's visiting scholars. I even got

the opportunity to have lunch with the current President of the New York Fed, John Williams!

What have you done at Rice that prepared you for this position?

I found that my coursework in econometrics and statistics at Rice prepared me well to understand and discuss economic papers and presentations with economists and research analysts at the Bank. However, proficiency in a variety of programming languages and statistical packages was definitely the most directly applicable skill that I brought to my daily work at the Fed. The course at Rice that first got me excited about research in economics was ECON 200 with Professor Brown. Although it might seem strange that I looked for an internship at a central bank if my main research interests are in microeconomics, the New York Fed's research group actually has an entire function dedicated to policy-oriented research in microeconomics.

How did your internship affect your future plans?

Getting firsthand exposure to policy-oriented economic research this summer cemented my decision to pursue graduate studies in economics. In fact, I recently accepted an offer to return to the New York Fed as a full-time research analyst after graduation, with the ultimate intention of pursuing a PhD in economics.

Although I will mostly be working with micro- and labor economists in my future work at the Fed, my internship this past summer taught me a lot about how massive data collection directly informs monetary and financial policy decisions in our country. However, my most proud takeaway from the summer just might be my newfound ability to navigate the New York City transit system.

What was your favorite part about working at the Bank and living in NYC?

One of my favorite parts of working at the Bank was the people. Everyone that I met was incredibly knowledgeable, civic-minded, and approachable. My coworkers were always willing to help out with my projects, as well as share a little bit about their own work. I also really enjoyed getting to know the other interns, who had research interests similar to my own, but had diverse academic backgrounds and were from universities across the country. My other favorite part of working at the Bank was living in NYC during the summer. From the museums to the live music, free performances, and great food, there was always something to do. One weekend, a bunch of Rice seniors who were all interning in the Northeast region even managed to reunite in NYC. We are pictured below, hanging out on a rock in Central Park!



Back row, left to right: Nina Killuri (Brown), Priya Kane (Hanszen), Akin Bruce (Lovett), Sydney Stocks (Lovett), Emily Rychener (Lovett)
Front row, left to right: Tess Gabert (Lovett), Meghana Gaur (Lovett)