

Dear Alumni and Friends,

On behalf of the Department of Economics faculty, staff, and students, I offer greetings from the world's most beautiful university campus—the University of Colorado at Boulder. I appreciate your taking the time to read through the newsletter. I view the newsletter as one way to keep you connected and hopefully interested in the department. To this end I am constantly on the lookout for good stories from the lives of our many friends and graduates. If you read through the alumni notes or our alumnus feature story by John Bartholomew and envision your own story there, contact me and I can help turn that vision into reality.

During the past year, I have been reaching out as chair to meet as many of our economics graduates as possible. I go out of my way to make this happen, inviting people to coffee, lunch, or dinner whenever I am on the road or in Boulder. As a “cold caller” I do pretty well. Most of our graduates are glad to meet. I have met with very recent graduates who are just starting their careers, mid-career professionals, CEOs, entrepreneurs, and very comfortable retirees. I have heard some amazing life stories. Our graduates form a very distinguished group, attending prestigious professional and graduate programs at places like Harvard Law, Stanford Economics, Duke Economics, Chicago Business School, Vanderbilt Law, and the list goes on and on. I hate to brag, but I would match our graduates' per capita net worth against any department in the university. Why do our graduates do so well?

I have a standard question I ask our graduates: “How did economics influence your life and career?” A response that often emerges is that economics provides a different and powerful way to think about the world. I could not agree more with this assessment. I am a principal investigator at a National Science Foundation Science and Technology Center, the National Center for Earth-surface Dynamics (NCED). Through NCED I

North Carolina Charlotte, University of Idaho, and University of Colorado Denver. This was especially encouraging given last year's similarly strong placements. Thanks to an increase in graduate fellowship funding, the 2008 incoming PhD class is one of the strongest ever. Our PhD program is getting so strong that in our PhD microeconomics and econometrics courses, our economics students are outnumbered by their counterparts from Leeds Business School and the Political Science department.

One of our PhD students, Samuel Raisanen, was selected to attend the Lindau Nobel Laureates Meeting in Germany. The Lindau Nobel Laureate Meetings provide a globally recognized forum for the exchange of knowledge between Nobel laureates and young researchers. Samuel will get to meet Nobel laureates and exchange research ideas. We are very proud of Samuel for being selected.

Faculty and Staff News

We are pleased to announce that in fall 2008 Brian Cadena will join the faculty as an assistant professor. Brian earned his PhD in economics in spring 2008 from the University of Michigan. Brian is a laboamuel f of

FACULTY NOTES (cont.)

Dissertations Competition and presented work from her dissertation at the AAHHE annual conference in Miami. She was also selected to participate in the Diversity Initiative for Tenure in Economics, a mentoring program funded by the National Science Foundation designed to facilitate the transition of junior faculty members into tenured associate professors.

Francisca published two papers on income mobility and poverty traps in Mexico: "Poverty Traps and Nonlinear Income Dynamics with Measurement Error and Individual Heterogeneity" (with David McKenzie), *Journal of Development Studies*, 43(6): 1057–1083, October 2007; and "Earnings Mobility and Measurement Error: A Pseudo-Panel Approach" (with David McKenzie), *Economic Development and Cultural Change*, 56(1): 125–161, October 2007.

Over the last academic year, she also presented papers at the Northeast Universities Development Consortium Consortium conference at Harvard University, the Population Association of America Annual Meeting in New Orleans, and was a discussant at the American Economic Association Annual Meeting in New Orleans.



Ann Carlos spent the spring semester at the University College Dublin, Ireland. During the past academic year she presented papers and attended conferences in France and the Netherlands.



Charles de Bartolomé published the following papers: "Tax Competition and the Creation of Redundant Products," *Canadian Journal of Economics* 40, 1213–1236, November 2007; and "Community Income Distributions in a Metropolitan Area," (with S.L. Ross), *Journal of Urban Economics* 61, 496–518, May 2007.



Nicholas Flores published several papers: "Cost Credibility and the Stated Preference Analysis of Public Goods"

(with Aaron Strong, PhD
'04), *Resource and Energy
Economics*, 2007, vol. 29, no.

This year he became an editorial board member of the *European Journal of Political Economy*

Over the past 15 years coastal areas along the Gulf of Mexico and Southern Atlantic seaboard experienced rapid population growth. With increased development comes increased exposure to property loss from hurricanes. Hurricane Andrew, which hit Southern Florida in 1992, proved to be a turning point for private insurers offering wind insurance to homeowners and small businesses. A large number of claims for wind damage occurring at once drove some smaller insurers out of business. Surviving insurance companies started refusing to write policies in areas close to the coast, causing an insurance crisis.

States responded by creating special state managed risk pools, usually referred to as wind pools, where insurance policies are written in high-risk areas and then state exposure is reduced through reinsurance or requiring private insurers operating in the respective states to take on this exposure as a condition for selling policies in other areas of the state.

Hurricanes Katrina and Rita wreaked havoc on Louisiana and Mississippi insurers, for both state and private insurers. The Louisiana congressional delegation is seeking to expand federal insurance from covering floods through the National Flood Insurance Program (NFIP) to further covering wind damage from hurricanes. In this brief article I want to touch on how a national wind pool could enhance the economic efficiency of coastal insurance and how a national wind pool could diminish economic efficiency.

In considering a possible federal wind pool, it helps to begin with an overview of the NFIP. The NFIP was passed in 1968 and has three main provisions. First, when flood insurance is provided, it is almost always provided at actuarially fair rates where s

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flood plain, they usually do not learn the exact amount of their flood insurance premium until closing. Flood insurance premiums for \$100,000 of coverage can range from under \$200 per year to over \$4,000 per year. Upfront disclosure would definitely enhance the economic efficiency of the NFIP. Despite these failings, the NFIP provides a valuable instrument to help people manage their risk. Most importantly, the NFIP helps to keep flood losses of those who live in the flood plain from spilling over to other citizens who do not live in the flood plain. In a perfectly functioning economic system, the social costs of occupying flood plains are born entirely by those who choose to do so.

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zell, Switzerland, participating in the annual meeting of the foremost European research network, the Centre for Economic Policy Research (CEPR).



Håle Utar presented the paper "Import Competition and Employment Dynamics" at the following events: the July 2007 NBER Summer Institute, in two different group meetings, the Macroeconomics and Productivity Meeting and the International Trade and Investment Meeting; the Cornell/Michigan International Labor Market Conference; the International Industrial Organization Conference; and the Southern Economic Association Annual Meetings in 2007. She was invited to present the paper at the May 2008 World Congress on National Accounts and Economic Performance Measures for Nations in Washington, D.C., and the May 2008 Egon-Sohmen Symposium on "Economic Consequences of Globalization" in Barcelona, together with a select group of trade economists from the United States and Europe. She is scheduled to present the paper at the ASSA Meetings in 2009 in San Francisco.

Her other paper titled "Credit Rationing, Risk Aversion and Industrial Evolution in Developing Countries" (with Eric Bond and James Tybout) has been published as a NBER working paper and been submitted for journal publication.

She has sought and been granted access to a new firm-level data set from Colombia that extends her existing data set to 1998 with additional information on firm-level price and quantity.

In addition, she is working on a new project involving R&D and export decisions of firms under multi-agent setting and aggregate uncertainty with Yi Xu, New York University. She also is working on a project with **Ufuk Devrim Demirel** on the impact of informal labor markets on business cycle fluctuations. The first project involves firm-level panel data

Copenhagen Consensus

Professors Michael Greenwood and Keith Maskus both were invited to write papers analyzing the global importance of specific problems that may require coordinated solutions. The invitation was made by Bjorn Lomborg,



Sylvia Allegretto (PhD '03) spent four years at the Economic Policy Institute in Washington, D.C. In 2007 she joined the Institute for Research on Labor and Employment at the University of California, Berkeley, where currently she is the deputy chair of the Center on Wage and Employment Dynamics.

Cecilia Barsk (BA with honors '03) moved to New York after graduation and worked with anti-money laundering legislation at two of the major financial institutions in New York City.

Department of Economics 2007–2008 Awards

Stanford Calderwood Faculty Teaching Award
Professor Martin Boileau

Stanford Calderwood Student Teaching Award
Watcharapong Ratisukpimol

Graduate Award for Public Policy Research
Craig Kerr and William Olney

Reuben A. Zubrow Fellowship in Economics
**Lauren Calimeris, Daniel Hickman,
Andrew Meyer, and Tianle Zhang**

Morris E. Garnsey Fello

Undergraduate News

Danielle Kaeble (BA '07) accepted a position with the Retail Indicators Branch at the United States Census Bureau in Washington, D.C., after graduation. The branch creates the retail indicator that is released each month for the use of retailers, investors, and policy makers. She loves the excitement of the new city and the new job, and has started a master's program in applied economics at The Johns Hopkins University.

Alexander Logeman (BA with honors '07) will be attending Harvard University Law School in Fall 2008.

Natalie Lyon (BA '03) After graduating from CU with a degree in economics and international affairs, Natalie accepted a job as a research analyst with TransMontaigne, an oil and gas supplier, in Denver. In this role she analyzed physical and futures oil prices and trends. The firm's traders then used this analysis to hedge the firm's product inventory and place discretionary trades. After spending a year and a half in this position she left just before Morgan Stanley acquired the firm. In February 2006 Natalie moved to New York and began working as an associate portfolio manager with Alliance Bernstein. Currently working in the firm's Blend Strategies group she manages portfolios of global equities and currency forwards for institutional clients. This fall she will be enrolling in the MA International Affairs program at Johns Hopkins' School for Advanced International Studies, studying international development and hoping to focus on designing

The following economics majors have been inducted into Phi Beta Kappa, the nation's oldest and best known academic honorary, on December 2, 2007.

Naomi S. Alford
Caitlin Bryan
Harry W. Robertson

Laura Kathleen Bate
Paul Joseph Pokrandt
Jacqueline Anne Strenio

Congratulations to these outstanding students!

This is a high honor, with selection based on study in the liberal arts with a very high academic level of achievement at CU-Boulder, and on trust in the high moral standards of those considered. Learn more about the Phi Beta Kappa Society at www.pbk.org and about the Boulder Alpha of Colorado Chapter at www.Colorado.edu/ArtsSciences/pbk.

Graduate Student Placement

Anwar Al-Shriaan (PhD '08)—assistant professor, Kuwait University, Kuwait City, Kuwait

Yiting An (PhD '07)—at Ernst & Young, San Jose, California

Stephen Billings (PhD '08)—assistant professor, University of North Carolina, Charlotte, North Carolina

Namsuk Choi (PhD '08)—assistant professor, Dordt College, Sioux Center, Iowa

Woong Tae Chung (PhD '07)—research fellow, Korea Energy Economics Institute, Euiwang, Republic of Korea

Bradley Graham (PhD '08)—assistant professor, Grinnell College, Grinnell, Iowa

Nam Trung Hoang (PhD '07)—visiting assistant professor, Purdue University, West Lafayette, Indiana

Jirapa Inthisang (PhD '08)—policy analyst, Ministry of Agriculture and Cooperatives, Thailand

Erik Johnson (PhD '08)—assistant professor, Quinnipiac University, Hamden, Connecticut

David Kritzberg, (PhD '07)—visiting assistant professor, University of Colorado at Denver, Denver, Colorado

Christina Peters (PhD '08)—assistant professor, Metropolitan State College of Denver, Colorado.

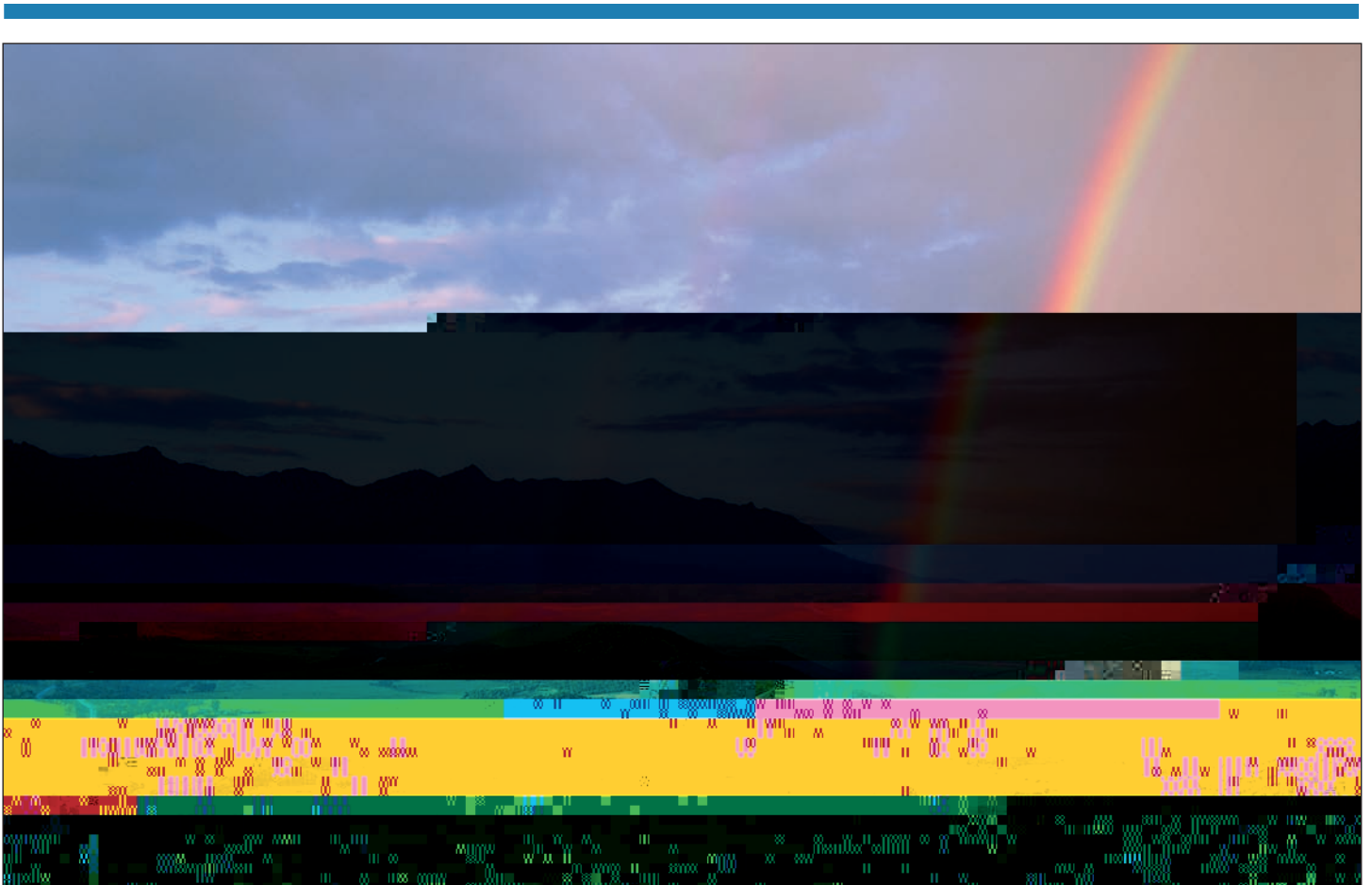
Michael Snipes (PhD '08)—assistant professor, Eastern New Mexico University, Portales, New Mexico

Eric Stuen (PhD '08)—assistant professor, University of Idaho, Moscow, Idaho

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Rainbow Over Dallas Divide, Colorado, Robert Castellino (BA Econ '85), www.robertcastellinophotography.com, e-mail: rlcastellino@gmail.com

Department of Economics 2007 Graduates

PhD

Yiting An
Woong T. Chung
Nam T. Hoang

David C. Kingsley
David O. Kritzberg
Shuichiro Nishioka

Jason A. Pearcy
Azim M. Sadikov

Aric P. Shafran
Lei Yang

Xiaofei Yang
Mei Yuan

Master of Arts

Lauren M. Calimeris
Po-Lu Chen
Daniel C. Hickman

Nune Hovhannisyian
Craig A. Kerr

Guanyi Li
Ying Li

Ha Manh Nguyen
Megumi Nishimura

William W. Olney
Sasiwimon Warunsiri

Bachelor of Arts

Christopher J. Abuan
Ariel Y. Adler
Semin Ahn
Andrew W. Aitchison
Michael B. Allen
Benjamin J. Anesi
Brett A. Annunziato
Vinnie C. Ash
Joslyn B. Au
Brian T. Baker
Gregory D. Bean
Jacob H. Beck
Zachary B. Bellinger
Bryan G. Bennett
Jeannette P. Berkowitz
Philip J. Bird
Evan R. Blaisdell
James M. Bohannon
Steven M. Bonner
Erin K. Borcheller
Philip J. Bradley
Beau A. Braunger
Sean R. Bromley
Tyson A. Burch
Bryce F. Byers
Peter I. Cabrera
Bradley D. Caldwell

with distinction

William M. Cameron
Claire D. Canfield
Nicholas A. Cantillo
Christopher M. Caro
Brandon W. Carpenter
Colin A. Castro
Hersh J. Chaitin
Scott L. Chamberlin
Michael D. Chambers
Cindy Chan
Patrick S. Chang
Myung H. Cho
Stephen J. Choi
Sarah R. Christenson
Andrew M. Christopher
Kenneth W. Coakley
Benjamin A. Connors
Andrew R. Cope
Garrett M. Cotter
David F. Cowles
David A. Crowe
Steven M. Cryer

magna cum laude

Taylor M. Davison
Aaron M. Deitz
Jonathan T. Delk

Nicholas J. Demakes
Robert J. Derdiger
David R. DeVecchio
Anthony M. Di Censo
Matthew T. Dority
cum laude
Brian R. Dougal
Katherine J. Duffield
Claire E. Duquennois
with distinction
Andrew S. Edelston
Dennis R. Ednalino
Benjamin G. Edwards
Abigail L. Ehler
Chad A. Eicher
with distinction
Jacob R. Ellington
Tovah G. Ellner
Jason F. Ely
Matthew D. Enders
John K. Ernst

**University of Colorado at Boulder
College of Arts & Sciences
Department of Economics**

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