

UW Economist Scholz Leads Department

The chairmanship of the University of Wisconsin-Madison Economics Department is a natural progression for John Karl Scholz, who came to the campus in 1988, following his PhD work at Stanford University. Scholz is the Nellie June Gray Professor of Economic Policy. Having been around campus for over 20 years, he knows well what he is entering into as he leads the Department as Professor Ananth Seshadri's successor.

"I look forward to doing my part to further enhance the undergraduate experience in economics and strengthening our outstanding graduate program, while protecting the superb intellectual



John Karl Scholz

atmosphere that has been a hallmark of economics at UW-Madison for decades," says Professor Scholz.

Scholz has extensive and varied experience in economics, including serving as coeditor of the *American Economic Journal-Economic Policy*, past coeditor of the *Journal of Public Economics* and author of *Making the Work-Based Safety Net Work Better*.

Professor Scholz is also a Faculty Research Associate with the National Bureau of Economic Research (1991-2011), he's on the Editorial Board of the *National Tax Journal* and is on the Board of Outside Scholars for the Michigan Retirement Research Center.

His past professional service includes being a senior staff economist at the President's Council of Economic Advisers (1990-91) and the Deputy Assistant Secretary for Tax Analysis at the U.S. Treasury

Department (1997-98). He directed the Institute for Research on Poverty from 2000 to 2004.

Research interests of Professor Scholz include factors affecting wealth accumulation of American households, the effectiveness of anti-poverty programs in the U.S., the effects of financial education in the workforce as well as general issues in taxation and poverty.

Scholz wants to build on past chair Seshadri's efforts that strengthened the department and maintained an environment that attracts and retains the most talented scholars.

"The Economics Department at UW-Madison is an extraordinary place, with creative, dedicated, and driven faculty, staff and students. It is an honor to have a leadership position here," says Chairman Scholz, who will serve a three-year term.



Return on Investment



A View from the Chair

I am honored to take over as chair of the Economics Department from my friend and colleague, Ananth Seshadri. Under Ananth's leadership, the department has continued to thrive.

Highlights include hiring nine assistant professors, one associate professor, and five full professors. The resources to increase the size of the faculty to 33 from 25 resulted, in part, from two successful applications to the Madison Initiative for Undergraduates, a campus-wide competition to improve the quality of the undergraduate experience at UW–Madison. The number of undergraduate economics majors will exceed 900 this year, making economics the 4th largest major at UW–Madison (behind biology, psychology, and political science). We consistently rank among the top 15 departments in the country, receiving a ranking of 8 in one measure of an authoritative study by the National Research Council of the National Academy of Sciences.

We kick off the year welcoming four new faculty members to the department: Kamran Bilir, Alan Sorensen, Dean Corbae

and Bob Staiger, all of whom are profiled in this newsletter.

I have three aspirations for my term as chair: continue our efforts to advance the undergraduate program; improve the quality of our graduate program, particularly as measured by graduate student placement; and bolster the financial health of the department, which will expand opportunities for current and future undergraduate and graduate students. Let me briefly mention each in turn.

In addition to unwanted help from an anemic economy, several programmatic changes have also helped pique interest in the economics major. Our super-trio in the undergraduate office—Allen Reigel, Susan Hering, and Bethany Nelson—provide academic and career advising that is the envy of most units on campus. We have added a number of advanced electives for undergraduate majors, added sections of core bottleneck courses, and raised course enrollment caps, all to improve timely course access. And we continue to have energetic leadership of the Economic Student Association, which is our main vehicle to help interested undergraduates take economics “outside the classroom.”

The department welcomes Kim Grocholski who, along with Jackie Utter, does a terrific job in the graduate office. In a tough job market last year we placed students at Washington University, Carnegie Mellon, the University of Hawaii, and the University of Mannheim (Germany), among other fine institutions. We have excellent classes of current PhD students and we are engaging in a careful review of our program to try to improve the research and teaching skills

of our PhD students. It is an exciting, collaborative process.

It is clear that the economic landscape for comprehensive public research universities is changing. For a century these have been the paragon for societies around the world, providing access to high quality higher education for all citizens, as well as offering an environment where research and innovation can flourish in the physical sciences, social sciences and humanities. UW–Madison must adapt to retain its preeminence, even though fiscal conditions remain difficult. The evolving fiscal model will require a three-way partnership between the state, our alums, and those in the department (and university). The citizens of Wisconsin and the families of students will continue to step up, as they did with the Madison Initiative for Undergraduates. We in the department will continue to use resources efficiently and, in all our actions, embrace our core values: excellence in undergraduate and graduate education and research. The third leg of future success depends on our alums. The generosity of Economics Department alumni will make the difference for future generations of students. Your gifts are instrumental in providing scholarships, innovative teaching materials, opportunities to bring economics outside the classroom, and competitive offers that allow us to maintain our status as one of the nation's preeminent economics departments. We are extremely grateful for your support.

On Wisconsin!

John Karl Scholz
Professor and Chair

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Publication Aspirations Enhanced with Gengler Fellowship

We're all familiar with advertising to influence candidate selection, but can political ads generate campaign contributions? That's one of the questions fourth-year graduate student Carly Urban is investigating. Urban, the 2011-12 Gengler Fellow, is interested in the field of public economics, and enjoys writing papers exploring the political market. "This fellowship will allow me to spend more time polishing my research papers to prepare them for journal publication," says Urban.

Alice Gengler, for whom the fellowship is named, earned her degree in 1928, but her yearbook erroneously listed her as a home economics major. It may have been incomprehensible to the yearbook staff back then that a woman would complete an economics degree! A focus on labor economics during her college years strongly influenced Gengler's successful career interest in improving the lives of individuals.

Leading "Thinker and Doer" Durlauf Honored

The Economics Department's Steven Durlauf has earned the Vilas Professorship, one of the University's most prestigious honors for scholarly achievement. Professor Durlauf received the designation based on significant contributions to the research



Steven Durlauf

mission of the University and recognition of his research quality, both nationally and internationally. His research expertise includes economic growth, inequality and poverty and economic policy.

Durlauf also achieved another notable milestone, having been

elected into the American Academy of Arts and Sciences. The Academy is an independent policy research center that focuses on interdisciplinary studies. Each year, the Academy honors the leading "thinkers and doers" from academia, business, public affairs, as well as the arts and humanities.

Stay connected!

Let us know what you've been up to by sending a note to econalum@ssc.wisc.edu. You can find all alumni updates and more at www.econ.wisc.edu. To ensure you receive future issues of Economics Matters and e-mails from the department, update your information at uwalumni.com/directory.



Robert Baldwin Remembered as "Role Model, Superb Researcher"

Some people you just never forget. "It was a banner day for me when I became Bob Baldwin's research assistant in 1966," recalls Larry Weiser, Professor of Economics, Emeritus, University of Wisconsin-Stevens Point. "He was a wonderful role model of a superb researcher, teacher, and mentor," adds Professor Weiser.

Robert E. Baldwin, Hilldale Professor of Economics, passed away April 7, 2011. Gifts can be made in his memory by contacting development director, Ron Luskin, UW Foundation, 608-265-3526 or via Ron.luskin@supportuw.org.

Young Alumni to Advise Economics Student Association Leadership

The undergraduate economics experience is improving at the University of Wisconsin. And it's going to get even better, thanks to a small corps of successful alumni dedicated to this mission. They have now formed our Economics Student Association Advisory Council (ESAAC). It consists of young alumni who have graduated within the past six years. The ESA has made vast improvements in building and maintaining alumni relations and connections to potential employers.

Now, with the advisory council in place, the members will serve as a sounding board to ESA leadership and develop new ways to promote ESA and the economics major. They will help the student association connect with companies interested in speaking at ESA events and hiring our students. If you would like to promote your company in this way, let us know! Please contact Bethany Nelson at (608) 265-2888 or banelson2@wisc.edu

Here is the first class of the Economics Student Association Advisory Council:

- ✧ **Brandon Von Feldt (co-chair), '05**
- ✧ **Andrew Finn (co-chair), '05**
- ✧ **David Dreifuss (co-chair), '08**
- ✧ **Christine Rowlette, '05**
- ✧ **Dan White, '08**
- ✧ **Zach Wood, '06**
- ✧ **Nathan DauSchmidt, '10**
- ✧ **Jillian Walton, '10**
- ✧ **Richard Qian, '10**



New Faculty Appointments

KAMRAN BILIR received her PhD in Economics from Stanford University, focusing on international and innovation economics. She was graduated *summa cum laude* with a BS in Economics from Princeton University. Bilir's research papers cover patent laws, product lifecycle lengths and the global sourcing decisions of U.S. multinationals. She is a research fellow at the Bureau of Economic Analysis.

DEAN CORBAE has been on the faculty most recently at the University of Texas at Austin. He has been a visiting professor at the Wharton School at the University of Pennsylvania and Cambridge University, as well as a Visiting Scholar at several Federal Reserve Banks. The National Science Foundation has supported his research, which includes projects that focus on consumer credit and bankruptcy and foreclosures.

ALAN SORENSEN studies applied microeconomics and industrial organization. His research addresses the roles of information and consumer search in shaping market outcomes, especially in health care and media. Sorensen received a BS in Economics from Brigham Young University and a PhD in Economics from MIT. He has previously taught at the University of California-San Diego and at the Stanford Graduate School of Business.

ROBERT STAIGER received his PhD from the University of Michigan, and has been an Assistant, Associate, and Full Professor of Economics at Stanford. Staiger joined the University of Wisconsin Economics Department in 1993 and returned to Stanford in 2006, only to rejoin us this year. He is a Fellow of the Econometric Society, and is a Research Associate of the National Bureau of Economic Research. He is among the nation's preeminent international trade economists, focusing particularly on the economics of international trade agreements.

Mary Claire Phipps Chair Key to Recruiting and Retaining Top Talent

Charles Phipps has generously provided an endowment to create the Mary Claire Phipps Chair in Economics. This extraordinary gift will allow the department to recruit and retain the highest caliber faculty members now and into the future.

"The Mary Claire Phipps Chair will be one of the preeminent Chairs available to attract and retain the very best economists," said Professor Ananth Seshadri, outgoing Economics Department

Chair. "We are grateful to Charles Phipps for endowing a Chair in Mary Claire's name. It is difficult to imagine a more fitting tribute to her and her passion for supporting the Economics Department," added Professor Seshadri.

Mary Claire, a charter member of the Economics Advisory Board, made annual gifts to support undergraduates and the Department's discretionary fund. In 2003, she established the Mary Claire Phipps Economic Research Fund, which has worked effectively for recruiting and retaining rising stars, helping the department maintain its position as one of the most respected economics departments in America.

The Mary Claire Phipps Chair in Economics will continue her long-established commitment to making the University of Wisconsin's economics program second to none.



Roach's Work Influences International Policy

Wall Street economist and author Stephen Roach '68 began his notable career at the University of Wisconsin–Madison as an economics major, so it's only fitting that the UW Alumni Association recognize his numerous achievements. On October 13, Roach is scheduled to accept the 2011 Distinguished Alumni Award at a ceremony on campus.

Roach is now an instructor at Yale University, where he is developing curriculum on Asia and macroeconomic policy. He is the author of *The Next Asia*, which was named the 2009 Book of the Year by China Business News, China's version of the Wall Street Journal. He's spent the bulk of his career as chief economist at Morgan Stanley and will continue his 28-year career with the company in Asia and other parts of the world.

Roach's work and expert opinion regarding globalization, the impact of information technology and productivity have helped shape international policies.



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Ensure that the leaders of tomorrow can afford a world-class education at UW-Madison today.



On the Web

econ.wisc.edu

uwmadisonconomics.wordpress.com

twitter.com/UWMad_Econ

facebook.com/uweconalumni

New Alumni Join the Economics Advisory Board

JAMES RAUH '71 is a Senior Vice President of The Northern Trust Company, Chicago and a Senior Wealth Strategist in the Personal Financial Services division. Rauh develops investment management, fiduciary, retirement and estate planning solutions to meet clients' unique needs. Prior to joining the Wealth Strategies Group, he formed and led the Advisory Services group of Northern's Personal Financial Services division. Rauh is also a director of the Lincoln Park Zoo, the Brady Education Foundation and City Year Milwaukee. He is a member of the Art Institute of Chicago's Sustaining Fellows. Rauh earned a BA degree in economics from the University of Wisconsin–Madison.

LOWELL ROBINSON '71 is Chairman of the Board of American Consolidated Media Holdings. He also serves on the boards of The Jones Group, Local.com and the Smithsonian Institution Libraries. He has thirty years of senior global strategic, financial, restructuring, mergers and acquisitions, operational and governance experience at Fortune 100 consumer products (Kraft) and diversified financial services (Citigroup) companies, as well as mid-cap companies. Robinson received a BA in economics from the University of Wisconsin–Madison and an MBA in finance from Harvard Business School where he was on the board of the business school (2006-2010) and leads its highly acclaimed Directors Summit.



Bryce Richter UW-Madison University Communications

RICHARD STRAIT '79 is a Managing Director and Portfolio Manager of Northwestern Mutual Capital, which oversees the private equity, mezzanine debt, and private fixed income portfolios of The Northwestern Mutual Life Insurance Company. Strait has more than 29 years of investing experience in the private markets with Northwestern Mutual, providing long-term financing for US and European companies. He currently leads Northwestern's private equity fund portfolio. Strait earned a BS degree in economics from the University of Wisconsin–Madison, and an MBA in finance and accounting from the Kellogg School of Management at Northwestern University.

WILLARD WALKER, JR. '84 is President and CEO of WT Walker Group, which consists of Walker Forge, Inc. and Precision Thermal Processing, Inc. Walker Forge is a leading manufacturer of carbon and alloy steel forgings for a variety of markets, while Precision Thermal Processing provides commercial heat treating services in Northeast Wisconsin. Before joining WT Walker Group, he practiced corporate law with Foley and Lardner, Milwaukee. Walker earned his economics degree from the University of Wisconsin–Madison and his JD from Northwestern University. One of his sons recently became the fourth generation of Walkers to graduate from UW–Madison.

Jobs-Related Networking Focus of Young Alumni

Career success hinges on strong relationships, and that's why the Economics Student Association (ESA) is so excited about the coming year. ESA will focus on fostering new career initiatives and creating a stronger bond among undergraduate economics majors through a variety of events. "ESA's purpose is to be the bridge that connects undergraduate economics majors with professionals, faculty, and other students," explains Andrew Tapper, ESA President.

Early in the fall semester, ESA hosted a career fair prep event with Capital One, the kick-off with Boeing with over 125 students in attendance and general interest talks by alumni Steven Cecchetti, Economic Advisor, Bank of International Settlements (September 29); Jeffrey Lacker, President of the Richmond Fed (October 3) and Stephen Roach, Non-Executive Chairman of Asia for Morgan Stanley (October 13).

ESA will also sponsor economic clubs, such as the Federal Reserve Challenge and *Equilibrium*. In addition, ESA annually organizes networking trips to Chicago and Minneapolis, hosted at the workplaces of Wisconsin economics alumni, as well as a Brewers tailgate social and a graduate school seminar.

For more information, see esamadison.org or atapper@wisc.edu.



Bethany Nelson
Career and Outreach Coordinator

UW Economics Department is in the Top Ten

1. Harvard University
2. University of Chicago
3. Massachusetts Institute of Technology
4. University of California - Berkeley
5. Princeton University
6. Yale University
7. Stanford University
8. University of Wisconsin-Madison
9. New York University
10. University of Pennsylvania

Source: National Resource Council, 2010

Scholarship Winners

Econ with a French Twist

To some people, economics itself is a foreign language. But scholarship winner Vesselina Pentcheva, of Vernon Hills, Illinois, is excited about the prospect of merging her passion for economics with her interest in French and international relations. "The prestige of the Susan M. Meyers scholarship reinforces my motivation to pursue further studies in economics following graduation," says Vesselina. She plans to pursue a career in international economic affairs. The Susan M. Meyers ('61) Scholarship is awarded on the basis of academic merit, as well as financial need.

Scholarship Helps Pave Way for PhD Dream

Adding math to economics is a formula that is just right for Ashley Klotz, the Margery Amundsen ('56) Scholarship winner. Ashley, an Elk River, Minnesota native, has great interest in the interrelations and applications of mathematics through the subject of economics. Her scholarship is a need-based honor bestowed to women economics majors. "My dream is to eventually obtain a PhD in economics so that I am able to share knowledge and experience with others, just like this university has done for me," says Ashley. She plans to pursue a corporate finance career where she can use both her broad economic knowledge as well as the additional analytical skills gained through her finance major.

Get Involved

Join our LinkedIn group "UW-Madison Economics"

We're always looking for enthusiastic alumni to get involved with students through mentoring, networking or other ways to help them reach their academic and career goals. Contact Bethany at 608.265.2888 or banelson2@wisc.edu if you're interested.



Hot Demand for Undergraduate Journal, *Equilibrium*

A new edition of *Equilibrium*, the hugely successful undergraduate journal of economics, will be out in January. Its professional design and engaging content created strong demand for the first edition, which made its debut in 2011. Its mission is both to make economics understandable and to motivate new students to delve deeper into the field. To achieve those goals, *Equilibrium* will conduct interviews with distinguished graduates of the UW Economics Department. Visit <http://uwequilibrium.com>. Once the 2012 publication has been printed an announcement will be made about how to find it online or send for a copy.

