



College of Letters & Science
UNIVERSITY OF WISCONSIN-MADISON

Economics matters



News for Alumni and Friends of the Department of Economics

Fall 2017

Fostering learning and excellence
inside and outside the classroom:
Read about how Econ faculty are
connecting with students



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Letter from the Chair



The start of a new academic year brings many new and exciting changes in the Economics Department. We now have a second career advisor in the

Economics Career Development Office to help economics students navigate the job search process. In addition to meeting with students, our second career advisor, Ilsa May, is developing a student leadership program and a mentorship program, and expanding our student career development trips.

Our economics master's program is growing through a partnership with Chinese University of Hong Kong in Shenzhen, China. Through this partnership, students from China will join our students for a semester of study in Madison. These bright and talented students will contribute a fresh new student perspective to our classes.

With this increase in students, our priority remains in providing a high-quality educational experience for all students. We have added 15 new staff and faculty positions to allow us to continue to give students a high-quality economics education at the University of Wisconsin–Madison. Our faculty

hires include Jeffrey Smith (an established senior scholar from the University of Michigan), Naoki Aizawa (a rising star from the University of Minnesota), as well as several assistant professors who completed their PhDs recently: Corina Mommaerts, Mikkel Soelvesten and Chris Sullivan.

With the addition of both the Juli Plant Grainger Institute for Economic Research and the Center for Research on the Wisconsin Economy (CROWE), we are cementing our place as a hub for economic research both in Wisconsin and across the nation. While the Institute helps us to maintain excellence on a larger scale by bringing in scholars from around the world to our department, the Center helps us to better understand economic outcomes and the impact of policies at the state level.

There is one common thread uniting all of our exciting new initiatives and that is the impact of alumni support. It is because of your involvement and your generous contributions that we are able to remain strong and thrive in a time of great financial uncertainty on campus. Thank you for your support.

On, Wisconsin!

Ananth Seshadri
Chair

ECONOMICS MATTERS

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Thank you!



From the Dean's Desk

Here at UW–Madison, the leaves are turning and the view from Bascom Hill is as beautiful as ever. But under the tranquility is a current of unrest. Issues of race, inclusivity, and free speech have caused (and will likely continue to cause) divisiveness on our campus, just as they have on many other campuses around the country. There is a tension in the air, the likes of which has not been felt here since the Vietnam War era.

In this climate, what we do in L&S is more important than ever. We are fiercely committed to an institution where every student has the opportunity to reach their full potential, and where the campus environment and the knowledge discovered here become guiding lights for Wisconsin, the nation, and the world.

As the Chancellor has emphasized, only in an environment safe and free from harassment can our primary mission of teaching, learning, research, and service take place.

For many students who arrive on campus, UW–Madison is the

most diverse place they've seen. Others have never seen a less diverse place. But the education we provide in Letters & Science teaches people to confront problems from many perspectives, to imagine alternatives, to put themselves in others' shoes. Together, we create a welcoming place to learn.

We are grateful for the unwavering support and advocacy our alumni and friends offer on behalf of our faculty, our research endeavors, and our great students.

As Letters & Science alumni we hope you draw daily, not only on the knowledge you gained, but on the values you absorbed here. We are counting on you in an uncertain world. Thank you for all you do to support the College of Letters & Science at UW–Madison.



On, Wisconsin!

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

Aiming high

by Elizabeth Foste

In the latest *US News and World Report* ranking of economics departments, the University of Wisconsin ranked 12th. According to Economics Department Chair, Ananth Seshadri, “We have long been regarded as an outstanding program but now we have our sights set on being a top 10 program, and are excited to have the resources to actively pursue that goal.”

Thanks to a donation from the

Grainger Foundation, the department has already been able to attract two prominent and ambitious visiting professors who will spend time mentoring graduate students, teaching courses, and interacting with department faculty. Additionally, Seshadri says, “With this donation, we will expand our capacity for scholarships at both the undergraduate and graduate levels, we will be able to start a faculty mentoring program, and we

will also be able to give seed money to faculty who will then be better positioned to get additional grant funding from outside sources—all areas that are taken into consideration when calculating rankings.”

The donation will go to expanding the mission of the Juli Plant Grainger Institute and to help the Economics Department advance in the rankings.



Providing an exceptional learning experience for students

by Elizabeth Foste

The number of students studying economics has more than doubled over the past several years. In just five years the department has gone from roughly 400 students to more than 1,200 this fall.

With such a large program, it can sometimes be difficult to connect with students. But this doesn't seem to be the case with the Economics Department attracting and engaging more students than ever before. Department Chair Ananth Seshadri points to the department's record of outstanding teaching as one of the reasons for the continued growth. "We have our top-rated instructors teaching

introductory courses to really engage students," Seshadri explains, "and our faculty as a whole pride themselves on their ability to connect with students in the classroom."

At the end of each semester students have the opportunity to complete teaching evaluations of their instructors. "The Economics Department averages are quite high, with students giving our professors an average over 4.0 out of 5 for the past several years," says Seshadri. One instructor even achieved a score of 4.8 out of 5, which is quite a feat when you take into account that more than 400 students from the class were polled!

Professors also set the bar high for doctoral students who teach courses as teaching assistants. Eight times in the past 10 years, Department of Economics doctoral teaching assistants have been recognized by the College for their excellence in teaching by winning the L&S Teaching Fellow Award.

Seshadri says, "We continue to place a strong emphasis on excellence in teaching, and we receive excellent feedback from students who are enjoying learning about economics."

Quotes from students about their Economics professors



"Love this professor. She is easy to follow and interesting. Would recommend to anyone."

"One of the best professors I've ever had. The material is not always easy, but he is always willing to help."



Spotlight on...



Daniel Quint

Associate Professor of Economics

Background: Received an AB in Mathematics from Harvard University and worked for several years as a consultant for Oliver Wyman before going on to earn a PhD in Economics from Stanford University

Classes taught: Microeconomics (at the graduate level and undergraduate honors level) and Economics of Law

Research Interests: Applied microeconomic theory, industrial organization

UW Teaching awards: Distinguished Honors Faculty Award from the Letters & Science Honors Program, Chadborne Residential College Honored Instructor, University Housing Honored Instructor

What students are saying:

“Really enjoyed the course. Dan is an engaging lecturer; this was truly the most interesting lecture I’ve had of any econ class at UW–Madison.”

“Really thought-provoking class with really cool examples.”

Teaching philosophy: “My main goal has been to make the class as entertaining and engaging as possible—not because it’s my job to entertain students, but because students who are entertained and engaged are more likely to come to class, pay attention, think about the material, and remember it after the class ends.”

“He is hands-down the best professor I have ever had, and it was great that I had him freshman year because he confirmed my passion for economics.”



Korinna Hansen

Senior Lecturer in Economics

Background: Received a bachelor of arts degree in her native Greece before moving to University of Rochester to earn a PhD in Economics. Taught at Wellesley College before coming to UW–Madison in 1999

Classes taught: Microeconomics classes at the principle and intermediate level and Health Economics

Area of Specialization: “Health Economics is my area of specialization, and therefore perhaps the most exciting for me to teach. In Health Care Economics, we have a lot of players; patients (the consumers), hospitals, physicians, nurses, etc. (the producers), but also insurance, government, employers, etc., and they all interact in interesting ways and leave us with complicated incentive structures to study.”

UW Teaching awards: Nominated by her students to receive the University Housing Honored Instructor award every year since the award was created in 2007

What students are saying:

“Prof Hansen is absolutely fantastic. She’s extraordinarily passionate about economics and completely committed to her students.”

“Definitely one of the best professors on campus. I learned so much from this class.”

Teaching philosophy:

“I always try to think of the best way I can communicate the relevant information to my students and help them make this material “theirs.” I am a big proponent of active learning whenever possible. That keeps students on their toes, learning actively, and also learning from each other, throughout the semester, not just before midterm exams.”



Students in the Big Apple

by Ilsa May

Members of the Economics Student Association (ESA) ventured from the cheese state to the big apple for their spring career development trip. It had been a long-time goal of the student organization to visit New York City. Under the mentorship of the Wisconsin Economics Young Alumni Council (WEYAC) and alumni support, the students were able to make it a reality. ESA members broadened their professional network and explored a variety of industries related to economics, including visits to digital ad agency

Carrot Creative; financial leaders Deutsche Bank, Goldman Sachs, and Morgan Stanley; Sullivan and Cromwell Law Firm; and venture capital fund Lerer Hippeau Ventures.

Luke Nagle, President of ESA and May 2017 Economics graduate, highlighted the value of these trips. “It showed me how strong the Badger network is, especially outside the Midwest. In company after company, we were greeted by Wisconsin alumni who did everything they could to help us and our careers. These connections made these prestigious firms much

more approachable and motivated me to further explore the industry.”

In addition to the company visits, students were able to experience many of the cultural aspects of New York City. They took in a Met’s game, and visited Times Square, the 9/11 Memorial, and Central Park. Students even stopped by to say hello to the Charging Bull and Fearless Girl on Wall Street.

If you are interested in connecting with our undergraduate economics students or with ESA, please email econcareers@ssc.wisc.edu.

Sandholm receives Department of Defense grant

by Elizabeth Foste

Bill Sandholm, the Stockwell Professor of Economics at UW–Madison, wasn't expecting to receive an email out of the blue from the United States Department of Defense (DOD) inquiring about his research. "For the most part, I'm a pure theorist," says Sandholm, whose research uses game theory to design networks and other engineered systems to run as efficiently and independently as possible. "But clearly the military thinks this is an important research area for them."

The Army Research Office contacted Sandholm to develop mathematical tools for the decentralized control of military systems. The basic premise for his research can be understood by considering the problem of managing highway congestion, a focus of Sandholm's research early in his career. The manager of the highway network would like to keep total commuting times as low as possible. Ideally, the manager would directly select each driver's route to minimize the total travel time. In reality, each driver typically takes the route that minimizes his/her own travel time. Such behavior results in inefficiencies with bottlenecks in the network being overly congested. One way to address this problem is to create



Sandholm is in the first year of a three-year grant from the DOD, using game theory to develop decentralized control methods for military applications.

congestion-dependent tolls designed to make each driver pay for the increases in travel time that his/her choices impose on others. With a properly designed tolling system in place, drivers acting in their own interests will jointly follow an efficient traffic pattern without the need for centralized control of their actions.

Sandholm explains that in World War II, rapid advances in applied mathematics enabled the military to solve massive logistical problems with far greater efficiency. The approach developed then required centralized

control of systems (like in the example) with a central entity receiving information, calculating the most efficient plan of action, and communicating this plan to the individuals who enact it. The aim of Sandholm's DOD-funded research is to use game theory to help the military design systems that perform well without the need for communication with a central controller. For instance, in sensor coverage and targeting, the system designer can endow each system component with its own objectives. By using game theory to set these objectives correctly, the designer can ensure that independent action by each component leads to optimal system performance.

Sandholm says that students in his undergraduate game theory course, Game Theory and Economic Analysis, initially wonder whether the mathematical abstractions he teaches have concrete applications. In response, he argues that, "viewing things in the abstract can make it easier to see the big picture," and so can lead to breakthroughs in understanding and designing both economic institutions and decentralized technological systems.

Scholarship to help attract more women to economics

by Elizabeth Foste

Women are underrepresented in economics both in the classroom and after graduation in economics-related careers. This problem persists at universities nationwide with about three male economics majors for every female. "We are actively taking steps at Wisconsin to close that gap," says Ananth Seshadri, "and with the Phipps scholarship, we are moving in the right direction."

Charles Phipps is endowing a scholarship for female doctoral students in honor of his late wife, Mary Claire Phipps (BA '51, Economics). The Phipps have been strong supporters of economics education at Wisconsin. Charles Phipps says of his wife that "the Women in Economics program would have been of strong interest to her." This scholarship will go a long way in helping the depart-

ment to recruit female economists.

One of the reasons we see that women do not choose to major in economics is because they rarely get the chance to interact with female economists. This scholarship allows us to address the issue head on by attracting more female economists to the University of Wisconsin to inspire the next generation of female economists.

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Test your UW-Madison Economics Department knowledge

Compiled by Ilsa May

1. How much did it cost in 1962 to build Sewell Social Sciences?
 - a. \$1.6 million
 - b. \$2.4 million
 - c. \$3.1 million
 - d. \$4 million
2. How many members does the Department of Economics LinkedIn group have? (If you aren't currently a member, join our growing community at: <http://go.wisc.edu/econlinkedin>)
 - a. 3,558
 - b. 2,374
 - c. 964
 - d. 1,237
3. The first general course in economic development was offered by the department in what year?
 - a. 1971
 - b. 1964
 - c. 1988
 - d. 1950
4. Our recent graduates span the globe for their first professional positions. What city was the most popular destination for 2016-17 undergraduates?
 - a. Washington, D.C.
 - b. Chicago, IL
 - c. Milwaukee, WI
 - d. Austin, TX
5. What year did the Department of Economics graduate its 1,000th PhD?
 - a. 1964
 - b. 2001
 - c. 1987
 - d. 1979
6. What is the most common starting salary range for May 2017 bachelor-level econ graduates?
 - a. \$30,000-39,999
 - b. \$40,000-49,999
 - c. \$50,000-59,999
 - d. \$60,000-69,999

Check your answers at the bottom of page 2.