Dear Readers,

Welcome to the inaugural issue of the annual newsletter from the Department of Economics at Wake Forest University! Our newsletter will be published at the beginning of each fall semester and will provide updates on events taking place in the department during the previous year. We also invite you to visit our new website at college.wfu.edu/economics to view department happenings throughout the entire year.

In this issue, we share with you departures and arrivals of department faculty, research published by the faculty, achievements by our current students, and more. The composition of the department continues to evolve as senior members retire and junior members are hired. We now have 16 professors teaching in the department, 9 of which were hired during the past 6 years! The faculty had a productive research year, and our recent publications appear in a section of the newsletter. Our teaching brings us into contact with bright young students who both challenge and inspire us on a daily basis. In a piece in the newsletter, The Art of Game Theory, Professor Fred Chen writes about such an example by describing a class project completed by a recent graduate. Combining art and economics, Maggie Pyle (BA 2014) brings new life to game theoretic concepts from Professor Chen’s class and allows us to view these ideas from a different perspective. Don’t miss this article and more throughout the newsletter!

See you next year and enjoy,

J. Daniel Hammond
Department Chair
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Impromptu seminar with John Wood
The Department of Economics has had various homes over the years. It has previously moved from Reynolda Hall to Efird Residence Hall to the 8th floor of ZSR Library.

We have now moved again from Carswell Hall (home for 20 Years) to our new and very comfortable premises in Kirby Hall, which is part of the Calloway Center with Manchester Hall. The Faculty offices and Department Office are on the second floor of Kirby, with classrooms on the first floor.

We are happy to share our new space with the Departments of Sociology and Politics and International Affairs, and to be neighbors to Math and Computer Science.

Kirby Hall previously housed the Business School which has moved across campus to the newly constructed Farrell Hall.

Along with a new building comes a new website, so please visit us online at: http://college.wfu.edu/economics/
Comings and Goings

At the end of the Spring 2014 semester we waved goodbye to several faculty members:

Joe Connors moved to St Leo University, Florida. 
Claire Hammond retired after 35 years with the Department. 
Mike Lawlor, faculty member for nearly 30 years and Director of the Health and Policy Administration Minor, went on permanent disability leave. 
Scott Murdock left to work for Amazon in Seattle. 
Joanne VanSice, long time administrative assistant to the Department, retired in October 2013.

However, we also welcomed:

Christina Dalton, who joins us from the University of Georgia in Athens; 
Mark Curtis, who joins us from Georgia State in Atlanta; and Joanna Hamilton is our new administrative assistant.

In addition, we welcomed several babies:

Duncan MacDonald 
Gabriel Mazumder 
Reid Flanagan
Wesley Curtis and 
Charlie Burkett
Dr. Christina M. Dalton

Christina Dalton comes to Wake Forest from the University of Georgia. Her research is at the intersection of health economics and industrial organization: improving health care provision by analyzing how markets for health care goods and services work (or don’t work). For example, her projects include modeling how nonprofits and for-profit hospices choose patients differently and how insurance out-of-pocket costs, such as the infamous "donut hole", change how senior citizens fill prescriptions. Dr. Dalton received her PhD from the University of Minnesota. Previous to graduate studies, she worked at the New York Federal Reserve Bank and for a private consulting firm focusing on school districts, local government, and nonprofits.

Dr. E. Mark Curtis

Mark Curtis received his Ph.D. in Economics from Georgia State University in 2014. Prior to that he received his M.A. in Economics from Duke University in 2009 and his B.A. in Religion and Spanish from Furman University in 2004. From 2013 to 2014 he was a Visiting Scholar at the Federal Reserve Bank of Atlanta. His primary fields are environmental and labor economics, and he has particular interest in program evaluation and energy policy. Mark lives in Winston-Salem with his wife, Lindley, his two children, Claire and Wesley, and his rambunctious dog, Charlie.
The Department of Economics is sorry to record that Michael Syron Lawlor will be moving onto permanent disability this Fall, meaning that he will no longer be teaching in the Department.

Mike joined the Wake faculty in 1987. Since then he has been a mainstay of the Department in many ways, exemplifying the Wake Forest ideal of the teacher-scholar. His teaching has spanned Introductory Economics, Macroeconomics, History of Economic Thought, Data Analysis and Health Economics. When a program review in the 1990s produced the recommendation that all of our undergraduates should be exposed to methods of data analysis, Mike was one of those who stepped up to design and pioneer our Data Analysis course (which has since morphed into Introductory Econometrics). In recent years he designed and led the interdisciplinary minor in Health Policy and Administration. There has been a lot of talk of collaboration across the campuses (College and Medical School); Mike has been one of the few people to quietly make this a reality.

Over the years Mike has mentored many students in the Honors Research program in Economics. I have been fortunate to be co-supervisor with him on many occasions and I could see first-hand that he was the ideal mentor: full of exciting suggestions; demanding (in the best way, and never unreasonably so); always willing to read students' drafts carefully and comment in detail; always ready to discuss approaches and issues with students at length; in short, always determined to enable and encourage students to discover and give their best. It's no wonder that many of our students have kept in touch with Mike long after graduating.

Besides teaching, Mike has made a substantial contribution to the intellectual life of the University and to scholarship more widely. He played a leading role in bringing several luminaries of the profession to campus, memorably Robert Clower and Axel Leijonhuvfud. He was co-organizer of a conference on "New Perspectives on Keynes" (on behalf of the journal History of Political Economy), which brought a stellar cast of economists and philosophers to Wake and led to an edited volume of proceedings. Mike was a natural choice for this role, given his highly respected research on Keynes, represented in numerous journal articles and a book, The Economics of Keynes in Historical Context (Palgrave, 2006). So much has been written about Keynes and his economics that it is very difficult to find something new to say. Mike, however, succeeded; his book draws on work in the Keynes archive at King's College, Cambridge, where he made use of a Reynolds Leave to develop new insights into Keynes's way of thinking, about financial markets in particular.

One of Mike's most striking characteristics is his intellectual curiosity and vitality. In conversation he always finds acute, revealing questions to ask. (In another life he might have been an interviewer in the class of, say, Melvyn Bragg.) We'll sorely miss interaction of this sort on a daily basis. But despite physical infirmity, Mike's mind is a sharp as ever and he has plans to continue collaborating with colleagues on intellectual projects, notably a reader in the history of economic thought. While lamenting the fact that Mike's teaching career has been cut short, I look forward to working with him in future.

By Allin Cottrell
Claire H. Hammond

Professor Claire Hammond retired from the Wake Forest faculty last October 2013. She and her husband Dan came to Wake Forest in 1978 after graduate study at the University of Virginia. She began work on her dissertation, for which she received the Irving Fisher Award from the American Economic Association, while teaching microeconomics and antitrust economics to Wake Forest students. Two of her three children, Joseph and Patrick, were born while Claire was writing her dissertation. Claire and Dan’s third child, Jane, was born in 1986.

Claire’s dissertation was published by Cambridge University Press as *The Benefits of Subsidized Housing Programs: An Intertemporal Approach*. She also did research on industrial regulation and the history of women in the American economics profession. Along with Dan she edited *Making Chicago Price Theory: Friedman-Stigler Correspondence 1945-1957*, which was published by Routledge in 2006.

In addition to teaching Intermediate Microeconomics virtually every year her career, Claire taught Industrial Organization and Antitrust Economics. She also taught at the Wake Forest campuses in London (1992) and Venice (2001).

Claire served as Department Chair from 1993 to 1999. She served as co-chair of the Fostering Dialogue Theme Year Committee for the University from 2002 to 2004 and was a member of the Dean of the College Search Committee in 2003-04.

By Dan Hammond

Obituary-Faith "Faye" Willett Kisel July 20, 1937 - May 7, 2014

Faye Kisel was the administrative assistant in our department for 18 years from 1979. She passed away in May.

“The professors were so kind and willing to share their knowledge, which I was in need of—since my desk at that time had the only computer available to the department”.

Please [click here](#) for the full obituary.
Dr. Joseph Van Wagstaff, 84, passed away peacefully at the Kate B. Reynolds Hospice Home in Winston-Salem. He was born April 18, 1930 in Harnett County, N.C. to Joseph Carson and Mildred Johnson Wagstaff. He graduated from Fuquay Springs High School in 1947. A Korean War veteran, Van served four years in the U. S. Navy, primarily as a flight simulator instructor. Upon discharge, he earned a Bachelor of Arts degree from Randolph-Macon College, a Masters of Business Administration Degree from Rutgers University, and a Ph. D. in Economics from the University of Virginia, where he studied under two winners of the Nobel Prize in Economics. He joined the faculty of Wake Forest University in 1964, and was instrumental in establishing a Department of Economics in 1969. He was appointed chairman of the department for twelve years, but his most rewarding achievement was having taught over six thousand students during his tenure at Wake Forest. Upon retirement in 1992, his faculty colleagues named a reading room in his honor. Van’s contributions to the university and community extended beyond the classroom. He was the first director of the university’s Urban Affairs Institute; the first chairman of the Citizens Budget Advisory Council, City of Winston-Salem; and a member of the First Board of Trustees, Graylyn Conference Center. In addition, he served on the Board of Trustees, North Carolina Council on Economic Education, and was an active member of the Developmental Economic Program, Winston-Salem/Forsyth County school system. He is survived by his wife of 58 years, Margaret Greif Wagstaff, two daughters, Victoria Lee Wagstaff Howell and husband, Rogers Glenn of Charlotte; Terry Lynn Wagstaff Williams and husband, Gregory Alan of Raleigh; a son, Joseph Van Wagstaff, Jr. and wife, Elizabeth Barron of Newnan, Georgia; eight grandchildren.

For the full obituary, please click here.
CONGRATULATIONS CLASS OF 2014!

Congratulations to everyone in the Class of 2014.
There were 74 students graduating with a major in Economics.
In particular, congratulations to the winners of The David and Lelia Farr Prize for Excellence in Economics—Jordan Garside and in Mathematical Economics—Erik Nelson
And, to Mark Seres, the winner of the Deacon Econ Prize for the highest grade in the Economics Department exit exam.

We also recognize those who graduated with

HONORS IN ECONOMICS 2014

Christopher Earle – Mission Impossible? An Economic Analysis of Guilford County’s Distinctive Pay-for-Performance Program

Robert Elmore - A Global Analysis of the Factors Affecting Sustainability and Portfolio Risk in Microfinance

Jordan Garside - Saving the Soul: Rescuing Religion from Economic Overreach

Sarah Kenyon - Director Tenure on Firm Performance: How Long is Too Long?

John McLeod - The Chinese Rare Earth Export Quota: Implications and Importance

Stephen Schmitt – Child Health as a Determinant of Happiness in Bhutan

HONORS IN MATHEMATICAL ECONOMICS 2014

Erik Nelson - An Economic Analysis of Fake IDs and Their Implications in Bar Management and Legislative Policy
In the Class of 2014, there were 74 students graduating with a major in Economics.

They are heading for a variety of destinations including the following:

- President's Fellow in Wake Forest Advancement Office
- Cross Country Consulting, DC
- WFU Business Management Program
- Business Advisor with Ernst & Young, Charlotte
- Technology Sales Consultant, Oracle
- Investment Bank Analyst with Seale and Associates, DC
- Business Development Associate, CEB, Arlington, VA
- Delivery Specialist, Aon Hewitt
- Belmont University Graduate School, Sports Administration
- Equity Sales and Trading Analyst, NYC Wells Fargo
- Junior Data Analyst, Araxid, DC
- Motherway and Napleton, Law Firm, Chicago
- Corporate Audit Analyst Program, Bank of America
- Executive Team Leader, Target
- Financial Representative, Northwestern Mutual
- Sales Consultant, Brandeau Wines, Richmond, VA
- Analyst, PNC Pittsburgh, PA
- Sports Management with ACC, Miami, FL
- Law School, College of William and Mary, VA
- Golf Professional
The Art of Game Theory
By Fred Chen
In my ECN 216 Game Theory class, students are required to complete a project by the end of the course. There are no restrictions on the topics that students can work on. I only require that the project be related to game theory and that the students have fun with the assignment. For her project in the Fall of 2013, Maggie Pyle (BA 2014), an economics and studio art double major from Bronxville, NY, brought her game theory knowledge and artistic skills together in a chalk pastel drawing depicting two airplanes playing the game of chicken. “When I first learned that the final assignment for ECN 216 was not only on any topic of our choice, but was also something that should be as creative and unique as possible, I knew I had to incorporate a visual aspect into my project. I’m constantly looking for ways to combine my artistic side with my more analytical, problem-solving side and this seemed like a perfect opportunity,” Ms. Pyle said recently. Not only is the drawing—titled ‘To Win > To Tie > To Lose > To Die’—beautiful to look at, it is also very cleverly put together. It shows 100 encounters between the two planes, with each plane using the same strategy of swerving 40% of the time. Given that a plane will not ‘chicken out’ with probability 0.6, we should expect 36 collisions in 100 encounters, which is what we see in the drawing. By studying all the encounters carefully, one can also see that Ms. Pyle arrayed the 100 panels in a symmetric manner so that the panels with the ‘explosions’ form a symmetric, flower-like pattern. As she learned while working on her project, if for each plane one were to randomly select 40 panels out of the 100 to swerve, there would be no guarantee that we would get 36 collisions. Therefore, how these 40 panels are selected significantly affects what the final product would look like. There is something inherently deep and mathematical about this drawing, which adds to its beauty.

To Win> To Tie> To Lose> To Die

Maggie Pyle
2013
Chalk Pastel
“The Economic Approach to Modeling Self-Protective Behavior in Epidemiology" 

“Behavioral Responses to Epidemics in an Online Experiment: Using Virtual Diseases to Study Human Behavior"  

“Math Stories: Learning and Doing Mathematics Through Fiction Writing” 

“Why is Polygyny More Prevalent in Western Africa? An African Slave Trade Perspective” 


“Firm Taxation and the Endogenous Distribution of Markups” 

Review of “Why Growth Matters: How Economic Growth in India Reduced Poverty and the Lessons for Other Developing Countries” by Jagdish Bhagwati and Arvind Panagariya, 
“Relaxing the Substitutes Condition in Matching Markets with Contracts”  

“Faculty Gender in the College Classroom: Does it Matter for Achievement and Major Choice?”  
AND based on this article, a piece was written for the summer 2013 CSWEP (Committee on the Status of Women in the Economics Profession) newsletter focusing on why there are so few women in Economics. Click [here](#) for the link to the newsletter.

“Peer Effects in Higher Education: A look at Heterogeneous Impacts”  

“Using PGA Tour Results to Illustrate the Effects of Selection Bias”  

“Empirical Evidence Regarding Regional Political Convergence in the United States”  

“Support for Repealing Prohibition: An Analysis of State-wide Referenda on Ratifying the 21st Amendment”  
• “Strategy-Proof Scoring Rule Lotteries for Multiple Winners”

• “A Spatial Analysis of Delegate Voting at the Constitutional Convention”
  (Heckelman, J. and Dougherty, K.) *Journal of Economic History*, 2013, 73, 407-444.

• “Institutions, Lobbying, and Economic Performance”

• “Income Convergence Among U.S. States: Cross-Section and Time Series Evidence”

• “Are We There Yet? On the Convergence of Financial Reforms”

• “High Inflation and the Sacrifice Ratio”

• “Determinants of the Sacrifice Ratio: Evidence from OECD and non-OECD countries”
Todd McFall was interviewed for a piece in the International Business Times on the purchase of the NBA’s Sacramento Kings by Indian software mogul Rajiv Ranadive. The Team’s marketing strategy involves targeting Indians, both in California and India. To quote McFall, "The NBA has invested in the Internet and can broadcast games anywhere on the planet. Ranadive and teams like the Sacramento Kings are using that technology to build a market that will make the NBA more successful than ever. Eventually, as young people in India learn more about basketball and get excited about playing the game, there will be a great Indian basketball player that will expand the connection with the fanbase in that country — much like Yao Ming has done in China."

But, McFall cautions it would be foolhardy to predict the future. "If you would have told basketball coaches in 1980 that one of the best post players in history was about to board a plane from Nigeria to the University of Houston, you would have been taken for a fool," he said, referring to Hall of Fame center Hakeem Olajuwon.
Senior Mathematical Economics major Sam Sherman worked with Professors Chen and Griffith on student behavior when answering standardized tests and what influences them to answer or skip. “Sherman uses his math and econ knowledge to help analyze data and to develop theoretical models to explain the patterns in the data. The team looks for clues that may help determine when and why some people guess and others skip when they are unsure of an answer.” Click here for the full article from Wake Forest News Center.

Chen, Sherman, and Griffith

Senior Economics major Katie Herron worked with Professor Dalton as his research assistant on the African slave trades. She summarized readings building a bibliography focusing on the French slave trades.

“Working with Professor Dalton has been an incredible learning experience in how to research and manipulate data effectively. It has also been very fun to work with a faculty member that I respect as a collaborator, rather than the traditional role of teacher and student.”
**Student Attendance at Conferences**

The Department has some funds available to assist with expenses if students would like to attend Economics conferences. This gives students the opportunity to hear research presentations on a variety of economic topics and meet other students, graduate students, and scholars informally between sessions, at receptions, and over dinner.

Students may apply to be allocated funds at the discretion of the Department’s selection committee.

**2014 Public Choice Society Conference**

Senior Economics major Liz Emanual attended the 2014 Public Choice Society Conference in Charleston, SC, as a junior with grant support from the Charles Koch Foundation and the Farr Fund.

"The opportunity to attend the Public Choice Society conference was well-appreciated and extremely constructive, both educationally and professionally. I learned a great deal about the life of an economic researcher, met academics from a variety of schools and backgrounds, and gained an incredible amount of understanding and appreciation for the field. The experience will certainly help me in my senior year as I complete my honors thesis and has given me the confidence to move forward with a career in economics."
Department Open House held on August 22, 2014 for incoming Freshman, the Class of 2018

For two hours, we had a gentle stream of students coming along to discuss their interest in Economics classes and learn more about the Major.
Giving to the Department of Economics

We thank you, alumni and friends, for your support. Your generosity will supplement the resources allocated to us by the university and help us carry out our mission.

With your financial gifts, we can:

- Award outstanding students
- Help students attend academic conferences
- Invite speakers and performers
- Support faculty research and conference travel

Give to the Economics General Fund

Coming back to campus?

We would love to know! Perhaps you have an interest in connecting with current students? Let us know and we can organize a get together. Email hamiltjk@wfu.edu.

Keep in Touch

Let us know if you change your email address, or if you are reading someone else’s copy of this newsletter and would like your own, then please contact us with your email address.

Economics Department Faculty and Staff 2014-15

J. Daniel Hammond, Department Chair

Justin E. Burkett  Jac C. Heckelman
Frederick H. Chen  John A. MacDonald
Allin F. Cottrell  Sandeep Mazumder
E. Mark Curtis  Todd A. McFall
Christina M. Dalton  Veronica T. Sovero
John T. Dalton  Robert M. Whaples
Francis X. Flanagan  John H. Wood
Amanda L. Griffith  Joanna Hamilton (Admin)