

The Marginalist

A PUBLICATION OF THE ECONOMICS STUDENT ASSOCIATION
Southern Illinois University, Economics
2020 ISSUE

Letter from the Interim Director



Wow – what a difference a year makes! Not only has the Economics Program undergone great change this past year but SIU itself has witnessed historic times.

In January, the SIU system welcomed Daniel Mahony as its new president. President Mahony's bio can be found at <http://siusystem.edu/president/bio-mahony.shtml>. SIUC's new Chancellor, Austin Lane, took the helm in July and his bio is at <https://chancellor.siu.edu>. We look forward to working with both.

Of course, the big news on campus like everywhere else is how we are responding to Covid-19. After a prolonged spring break to give faculty more time to transition, all courses switched to online delivery. Summer courses went all online as well. The fall semester will see various formats. Courses with 50+ students will go online except for some "101" courses that freshmen take. Those look to remain face-to-face to help these new students better transition to college courses. Faculty will have some choice as to how to teach courses with less than 50 students.

Closer to home, the Economics Department became the Economics Program on January 1st as we moved into the College of Business and Analytics (CoBA) and, more specifically, into the School of Analytics, Finance, and Economics

(SAFE). I am proud to say that I am the first director of SAFE, albeit an interim one. The move into SAFE and CoBA has gone well although this move is only an administrative one so far. Economics offices remain in Faner Hall whereas most of CoBA resides in Rehn Hall. A particularly good omen is the cooperation between Finance and Economics. Not only have the two programs shared resources but both Finance and Economics faculty have voted to allow a course or two from the other program to be used when satisfying major requirements. This added flexibility will greatly aid in scheduling courses, especially since the number of faculty remains lower than in past years. More importantly, students can better find courses that meet their specific needs.

In other news, we will be hiring two new assistant professors to start in August 2021. One will be an econometrician. The other will be an applied economist in some field like Development, Environmental, Health, International, Labor, or Monetary. We desperately need an econometrician. However, we want to keep the other search broad enough to find the best economist possible. Moreover, we can find ways for someone in any of these fields to contribute to our program.

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The Economics program also wants to create an External Advisory Board this fall. From working with Finance since January, I am impressed with the help alumni can provide in terms of suggesting improvements to the curricula and even mentoring students in some cases. I hope an Economics advisory board can produce similar benefits. If you would like to volunteer, please let me know.

Going by the numbers, the Economics program has seven tenured faculty (including me) and one non-tenure track professor. We had 43 majors in spring 2020 but seven graduated. We have 23 returning doctoral students with ten more scheduled to arrive this fall, provided they can get here. As you can imagine, Covid-19 has disrupted travel and immigration plans. We have five returning master's students with three more set to arrive. We are greatly benefitting from an inflow of Fulbright students. From fall 2019 through this summer we graduated three doctoral and five master's students. One of these master's students, Bailey Durkin, is the first to complete our accelerated master's program. Bailey received his bachelor's and master's in only five years.

Or if you want more information about what we are doing or want to share what you have been up to – we'd certainly like to know!

With Saluki Pride,
Kevin Sylwester



Scholarships and Awards

Thomas and Chany Chung Scholarship

Undergraduate

Jacob DeWitt	Kaelee Germain
Jenna Hayes	Steven Jackson
Vikar Jonasson	Morgan McDonald
Joshua Moore	Nnaemeka Onuoha
Dana Pietrusiak	Josue Soto
Dominique Thomas	Paul Wood

Graduate

Oksana Grabova	Wilder Pimentel Basurto
Erickosowo Tiku	

Glenn W. and Cornelia Y. Miller Scholarship

Kaelee Germain
Dominique Thomas

Garrett E. and Susan J. Pierce Scholarship

Jacob DeWitt
Josue Soto

Outstanding Junior

Kaelee Germain

Elizabeth Goyak Scholarship

Chase Pierce

Alumni Profile — Jim LaCharite



After 72 years of living, it is time to reflect back. I want to share my life story to date and describe how my Economics Degree from Southern Illinois University (SIU), Carbondale, has served me well.

First, a little background on my early life. I was raised in Assumption in Central Illinois in the 1950s and early 1960s. A solid family structure, St. Mary's Church, baseball, and Boy Scouts were significant parts of my formative years. After High School, I attended the University of Illinois for three semesters but had some academic struggles. I was accepted to SIU Carbondale on probation in 1967. Although never a stellar student, I worked hard at my academics in my three years at SIU. In addition, I worked in the meal service at Thompson Point during most of my time in Carbondale.

I honestly can't remember why I pursued a degree in Economics; I believe I took a couple of lower level Econ courses as electives and the field appealed to me. Three of my Economics Professors (Fryman, Russell, and Batra) stood out to me as outstanding.

Upon graduation with a B.A. in Economics in 1970, I went into the Marines as a Lieutenant. The Vietnam War was still a significant factor for any draft age male. I spent three years in the Marines and served as a Logistics Officer. I spent part of my overseas duty on a Navy Ship off the coast of Vietnam. I was honorably discharged in San Diego in late summer 1973 and was accepted into the MBA Program at Eastern Illinois University, Charleston. At that time Veterans were charged no tuition at State Universities; I also received the GI Bill. In addition, I worked 20-25 hours per week (\$3 per hour) early mornings on a garbage crew.

While at Eastern in a Banking Course, I heard about opportunities with the Federal Deposit Insurance Corporation for field examiners. It was a job that appealed to me and I applied. I was hired in June, 1974, in the Chicago Region and assigned to the Bloomington, IN Field Office. Because of my time in the Marines, I was a few years older than most of

the new trainees. I was the same age as some of the commissioned examiners. Most of the examiners and assistants that I worked with had degrees in Finance or Accounting. Although I struggled early on with some of the accounting and finance concepts, with the help of some co-workers I picked things up quickly. Our main job was determining the safety and soundness of the banks we examined. CAMEL (Capital, Assets, Management, Earnings, Liquidity) was the acronym we used in examining a bank. Each of these five areas was given a thorough review. Each of the areas was rated 1-5 with 1 being the highest and best rating; the bank then received a composite rating with the same numerical ranking, 1-5. Banks rated 3 or worse received more regulatory attention, sometimes a formal regulatory corrective agreement with the Bank's Board of Directors. Bad loans and subsequent losses without adequate reserves were often the primary factor in problem banks. If too many losses occurred, the bank's capital could be depleted.

I became a commissioned examiner (able to lead the examination crew and sign the report) in 1977. I was a field examiner for my entire 30 year career and spent the last 17 years of my FDIC in the Milwaukee, WI Office. During my FDIC career I also taught new examiners at our Arlington, VA training center several times per year. I had two international teaching assignments during my career, one in Bahrain in the Middle East and the other in Zimbabwe in Southern Africa.

The most fortunate occurrence of my life happened in 1989. I met Mary Garity in Milwaukee, we were married in 1990, recently celebrating 30 years together. I retired in 2003 and stay very busy. As volunteers my wife and I manage a Saturday morning summer and early fall outdoor farmers' market currently in its 18th season. I am an avid walker and enjoy hiking. Cooking, reading, and travel are favorite hobbies.

I sincerely feel that I have been very fortunate in life. My education at SIU was instrumental in setting me on the right course.

Jim LaCharite, Alum

Students' Perspectives

The Economic Student Association (ESA) is a student-run forum undertaking social, academic and professional activities to encourage a sense of community and enhance the experience of graduate students studying Economics at SIUC. The purpose of the ESA is to share academic ideas, discuss research activities, and explore opportunities. All Economics graduate students are the member of the ESA.

Each fall, the ESA organizes New Student Orientation (NSO) where veteran grad students share their personal learning experiences about the course work, preparation for the Ph.D. qualifying examinations, learning time management skills, and research activities. Moreover, we also have department picnics and entertainment events every April and September to facilitate interactions among students, faculty, and staff. All graduate students are encouraged to participate and get involved with these activities.

As a nationally ranked public research university and regional economic catalyst, SIUC in general and the Economics program in particular embraces a unique tradition of access and opportunity, innovation in research and creativity, and outstanding teaching focused on nurturing student success. The professors in our program are very supportive. They give enough time to our dissertations as well. In our lab, we have multiple econometric, data analysis, and programming software, including: STATA, EViews, MATLAB and RStudio. An economics Ph.D. is one of the most attractive graduate programs. When we graduate we have a high chance of getting jobs in not just academic and research but in business and finance as well. After graduating, most of our students prefer academic jobs although others go to industry or government.

Finally, a rare disaster - a coronavirus pandemic - has resulted in a tragically large number of lives being lost. Everything is under the great lockdown. This is the time we members of ESA have to think like an economist. We hope this crisis will end soon so SIUC can again focus on its mission to shape future leaders, improve our communities, and transform lives.

Nawaraj Sharma Paudel, Vice President, ESA



My name is Josue Isaac Soto Salazar. I grew up in Waukegan, IL, a suburb just north of Chicago. I graduated from Cristo Rey St. Martin College Prep where I had the privilege of interning for the Investor Relations Department at Walgreens Boots Alliance Inc. I was introduced to corporate professionals of high ranking positions and quickly uncovered my interest in financial markets.

Fast forward almost four years later, and I'm on my way to fulfilling my goal of majoring in Economics as well as earning my Master's in Economics. Being a Saluki economics major is easily the best decision I've made in my college career. SIU's department of economics is full of great professors, mentors, and advisors that put in 110% of their effort into making sure their undergraduate students are well taken care of. My knowledge and skill sets have vastly progressed, and I'm eager to learn more. It's truly inspiring to be surrounded by many great minds within the department.

Josue Isaac Soto Salazar, Economics Undergraduate Student

Faculty News: Accomplishments in 2019-2020

Dr. Chifeng Dai

- "Optimal Sequential Contract with a Risk Averse Supplier," *Canadian Journal of Economics*, forthcoming.
- "Managing R&D in Vertical Relationships," with Dongsoo Shin, *Economic Inquiry*, vol. 57(3), pages 1510-1525, 2019.

Dr. Scott Gilbert

Grants Awarded

- Economic Impact of the Illinois Film Tax Credit Program, 9/2019 – 6/2020, Illinois Department of Commerce & Economic Opportunity.

Publications

- "Testing for Freak Jumps in Exchange Rates," with Hio Loi, forthcoming in the *Academy of Economics and Finance Journal*.
- "Methodological Consideration for Proper Life Care Plan Valuation: The Role of Medical Price Inflation Forecasts," *The Earnings Analyst* 16, 29-42, year 2019.

Papers and Presentations at Meetings

- "Economic Damages in Price Fixing Cases: A Difference-in-Difference Approach," presented at the Allied Social Sciences Association meetings in San Diego California, January 2020.

Dr. Sajal Lahiri

- "Does the presence of international students improve domestic graduations in the US?," *Quarterly Review of Economics and Finance*, 2019 (with Melaku Abegaz and A.K.M. Mahbub Morshed).
- "Peace Keeping in a Model of Conflict with Foreign Investments," forthcoming in *Indian Growth and Development Review* (with Valerica Vlad).
- "Why direct counter-terror (CT) measures only may fail: an analysis of direct and preventive CT measures," forthcoming in *Journal of International Economic Theory* (with Satya P. Das).
- "Entry and Survival in the Export Market: Spillovers from Foreign and Outward-looking Domestic Firms in Ethiopia," *European Journal of Development Research*, 2019 (with

Melaku Abegaz).

- "A Child's Rights to Education: What Can the International Community Do?" *Quebec Journal of International Law*, 2019.
- "Why do U.S. parents prefer private to foster care adoptions? The role of adoption subsidies, gender, race, and special need," forthcoming in *Economic Inquiry* (With Chanary Khun and Sokchea Lim).

Dr. AKM Mahbub Morshed

Publications

- "Microfinance and Missing Markets" *Canadian Journal of Economics* (with Shahe Emran and Joseph Stiglitz), in press.
- "On Cross-country Differences in the Contribution of Nontraded Goods to Real Exchange Rate Fluctuations" *Open Economies Review* (with Erick Kitenge), in press.

Conference Presentation

- "Information Costs and the Law of One Price: The Impact of Radio Broadcast on Commodity Prices in Nigeria," (with Olajide Sanusi). Southern Economics Association Conference, Fort Lauderdale, FL, November 2019.

Dr. Kevin Sylwester

- "Extortion or Cost Reduction: Why Do Firms Pay Bribes," *Journal of Applied Economics*, 22, 2019, 85-101.
- "Revisiting State Legitimacy and Economic Growth," *Empirical Economics Letters*, 19, 2020, 503-507.

Dr. Alison Watts

- "Auctions with different rates of patience: Evidence from the resale shoe market," *Managerial and Decision Economics*, 40, no. 8 (2019): 882-890.
- "Does access to internet promote innovation? A look at the U.S. broadband industry," (with Markum Reed and Xu Xu), *Growth and Change*, 50, 4 (2019) 1423-1440.

College of Business and Analytics Director of Development



Stephanie Parton joined the SIU Foundation as Director of Development for the College of Business and Analytics in May 2018. Stephanie contributed to the SIU Forever Campaign which exceeded projected goals to raise \$90 million in Phase 1. She is a recipient of the Blackbaud Prime Officer Award.

Stephanie is pleased to represent the College of Business and Analytics, and looks forward to working with Economics alumni. She is familiar with the halls of Faner having attended 8:00 am English classes there once upon a time.

Stephanie holds a BS in English Education (1998), and a MS in Curriculum and Instruction (2002) from SIUC. She studied library science at National Louis University and University of Illinois at Urbana-Champaign.

Stephanie's early work in fundraising started in Jackson County, Illinois as a secondary English teacher and media specialist. She and her colleagues organized student led efforts to raise awareness and funding for humanitarian and social justice initiatives. Stephanie was honored by the Illinois School Library Media Association for exemplary library programming.

If you are interested in making contributions to benefit Economics, please reach contact Stephanie at stephaniep@foundation.siu.edu or 618-453-4971.



Ph.D. Graduates

Academic Year 2019-2020

<i>Abdella Eldarassi</i>	<i>May 2020</i>
<i>Ahmed Naser</i>	<i>May 2020</i>
<i>Di Wang</i>	<i>May 2020</i>



Economics Student Association



The Economic Student Association is a non-profit, student-led association with a mission of enhancing the educational as well as social experience of economics students through mentoring, guidance and providing academic related information.

The Association takes the responsibility of publishing this Newsletter and assists in organizing lectures and seminars. ESA also helps the faculty of the department, by giving a venue for students to voice concerns and thereby helping faculty to improve their teaching. Each semester new entering students express their appreciation to the invaluable advice and mentoring provided by senior members.

Members of the Economics Student Association are graduate students in the Department of Economics seeking a Masters or a Doctorate degree. The ESA is organized by the ESA Officers (see current list below), all of whom are graduate students. The officers are elected by fellow graduate students to perform unique duties for the organization. All graduate students are encouraged to join and get involved with the department activities.

Membership is FREE, and you can find a place to belong and to have fun! You can discuss concerns and have questions answered by other students, fellow graduates who have “been there before.” Participation is a great way to meet people and make new friends.

2020-2021 ESA Officers

President:

Nawaraj Sharma Paudel

Vice-President:

Olwale Adisa

Secretary/Treasurer:

Nneamaka Ilechukwu

Entertainment Committee

Representative/Public Relations Officer:

Prince Fosu

Computer Committee Representative:

Adebukola Adeleke

Faculty Recruitment Committee

Representative:

Oksana Grabova

Graduate Studies Committee:

A.M. Muhib Morshed Ami

Graduate and Professional Student

Council Representative:

Korede Ajogbeje