

## PRESIDENT SANTOS ACCEPTS NOBEL PEACE PRIZE IN OSLO

Colombian President Juan Manuel Santos, one of the Economics Department's most prominent alumni, accepted the Nobel Peace Prize at a special ceremony in Oslo, Norway on December 10 for his tireless efforts to end his country's decades-long and often violent conflict with rebel groups.

Just days before the honor was announced in early October, Colombian voters had narrowly defeated a plebiscite that would have ratified a peace agreement with FARC guerrillas. President Santos said that his receiving the Nobel Prize notwithstanding that temporary setback provided an important catalyst to re-energize the peace process. He subsequently negotiated a new agreement that was overwhelmingly ratified by the Colombian Congress in early December, bringing an end to the longest running armed conflict in the Western Hemisphere.

*"I must confess to you that this news came as if it were a gift from heaven. At a time when our ship felt adrift, the Nobel Prize was the tailwind that helped us to reach our destination: the port of peace!"*

– Colombian President Juan Manuel Santos, Nobel Lecture ("Peace in Colombia: From Impossible to the Possible"), Oslo, Norway, December 10, 2016.

Santos, who received his undergraduate degrees from KU in economics and business in 1973, made national news with a return visit to KU in 2012 (see Fall 2012 edition of the *KU Economist*), when he was welcomed back to campus by a special delegation that included KU Chancellor Bernadette Gray-Little and former Economics Department Chair Joe Sicilian. During that historic visit, President Santos, who was first elected in 2010, discussed his ongoing efforts to broker a peace agreement in a special lecture at KU's Dole Center that included a heavy security presence.

Santos becomes the Economics Department's second Nobel Laureate, joining Dr. Vernon L. Smith, who received the 2002 Nobel Prize in Economic Sciences for his groundbreaking work in studying alternative market mechanisms. Kansas native John V. Lintner, killed in a tragic automobile accident in 1983, also likely would have shared the 1990 Nobel with economist William Sharpe for their previous parallel work on the development of capital asset pricing models.

After winning the Nobel Peace Prize, President Santos announced that the monetary award (about \$930,000) would be donated to the victims of Colombia's 52-year conflict. The hostilities have claimed over 220,000 lives and displaced over 8 million people.

In media interviews prior to the ceremony, Santos also reiterated his call for a rethinking of the so-called "War on Drugs", which he said was responsible for enormous violence and environmental damage in Colombia and other nations.

"It makes no sense to imprison a peasant who grows marijuana, when nowadays, for example, its cultivation and use are legal in eight states of the United States," he said.

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Colombian President Juan Manuel Santos (KU Class of 1973) accepts the Nobel Peace Prize in Oslo, Norway on December 10, 2016.



Jake Anderson

## ANDERSON CONTINUING RECYCLING INDUSTRY SUCCESS IN SIOUX FALLS

One KU Economics Department alum has built his career as a leader in recycling. Jake Anderson, KU Class of '94, has served since 1999 as president and CEO of Millennium Recycling, Inc. in Sioux Falls, South Dakota. After being founded amid very modest beginnings, the company has now become one of the largest material recovery facilities in the Upper Midwest, processing over 50,000 tons of raw materials for the ultimate benefit of manufacturers throughout North America and beyond.

Millennium in 2004 expanded its business model (beyond recycling paper, plastics, metals, and glass), becoming the first South Dakota company to recycle consumer electronics. While much of the focus in that era was on "end of life" recycling of obsolete electronics, Jake quickly discovered the demand for gently used and refurbished systems and parts. To keep up with the growing demand for refurbishment, he opened a retail establishment in 2006 that operated as a division of Millennium. In 2016, that business officially moved all inventory online to reach a wider market while focusing its local efforts on business services through its newly re-branded parent company, Secure Enterprise Asset Management (SEAM). That company is now recycling or refurbishing over 3 million pounds of IT assets annually.

Jake believes that a good many of the principles he learned while earning his economics degree at KU have been instrumental in his business success. He has especially fond memories of taking classes from former longtime KU professors David Faurot and Joe Sicilian.

"My economics courses at KU taught me critical thinking skills and gave me the tools to be able to look through a big picture macroeconomic lens while also being able to break things down to a more local and regional level," he said. "The recycling industry is a commodity business that has become very global in nature over the last two decades, particularly with the exponential growth in emerging markets and especially in China. Our industry tends to be a leading indicator of economic adjustments, and I am always looking at trends to anticipate future impacts on our business and the overall economy."

"At the same time, all recycling is local," he explained. "Each individual community in this country has their own programs and infrastructure with respect to collection, material processing and waste disposition. Understanding those dynamics is crucial for a recycling facility operator."

Jake participated in a special trade mission to China in 2013 with South Dakota Governor Dugaard. His success

within the industry has been featured in *Recycling Today* magazine. He also sits on the advisory board of a regional bank in Sioux Falls, where he is always seeking to sharpen his focus on the local, regional, national and international economic outlook.

A huge KU basketball fan, Jake remembers how crazy campus was when KU beat Indiana and Arkansas in the 1991 run to Final Four, and he also recalls being at KU's record-breaking 150-95 win over Kentucky and Rick Pitino at Allen Fieldhouse in 1989. He did manage to make it back to Lawrence in 2016 to see a game for the first time in many years.

Some of his favorite off-campus hangouts back in the day included Johnny's and The Wheel. He also recalls seeing Pearl Jam perform at the 1992 Day on the Hill just as the former garage band from Seattle was skyrocketing in popularity.

But his most vivid memory of his days at KU may be one of his final ones as an undergraduate.

"The walk down from the Campanile to Memorial Stadium on graduation day was something I won't ever forget," he said.

Jake added that he very much enjoys seeing the *KU Economist* each semester to keep up to date on all the great things other departmental alumni are doing and had not been aware that President Santos (see page 1) was a KU graduate.



Dr. Michael Fan analyzed the impact of temperature on time allocation and productivity of gamers, reaching findings with implications for overall productivity in China.

## STUDY OF ONLINE GAMING SUGGESTS PRODUCTIVITY GAINS POSSIBLE FROM EXPANDED HEATING POLICY IN CHINA

Wading into a decades-long debate in China about central-heating subsidies' being provided for only the northern part of the country, a top economist unveiled fascinating research at KU in January utilizing a study of time allocation and productivity in online gaming to conclude that expanding central heating to southern China could dramatically increase human productivity and, ultimately, industrial output. Michael Fan, assistant professor of economics at Xiamen University, presented online findings from all parts of China involving Dragon's Nest, a wildly popular game at the time of the study in 2011.

Dr. Fan noted that the skills gamers use -- including team coordination, attention, hand dexterity, and strategic planning -- are similar to skills utilized in the modern office environment. Armed with temperature data and focusing on "frequent" players (generally those playing more than two hours

*Continued on page 11*





William McNulty will receive an honorary Doctor of Humane Letters degree at KU's 2017 Commencement in May.

## McNULTY AWARDED HONORARY DEGREE FOR HISTORIC HUMANITARIAN EFFORTS

The Kansas Board of Regents announced in January that prominent KU Economics Department alum William McNulty will be awarded a special honorary degree at KU's Commencement in May. This latest feather in his cap was provided after the Regents formally adopted the recommendation of KU Chancellor Bernadette-Gray Little to award McNulty with an honorary Doctor of Humane Letters degree for his outstanding contributions to global humanitarian and relief efforts.

A former Marine and Iraq War veteran who also served in military intelligence, McNulty in 2010 co-founded Team Rubicon, a special first-responder disaster team formed in the wake of the Haiti earthquake. The group subsequently has won international acclaim for its ability to unite the skills and experience of military veterans with first responders to rapidly deploy emergency response teams into crisis situations. Rapid response deployments by Team Rubicon over the last seven years have proven to be crucial in bridging time gaps between large humanitarian disasters and conventional aid responses in multiple locations around the world.

The success of the group in impacting thousands of lives in the wake of tsunamis, earthquakes, floods, and tornadoes has served an equally important function in terms of boosting the morale of its own members. Hundreds of veterans, many of whom served in recent US conflicts abroad, have been able to find a renewed sense of purpose by utilizing their skills and experiences as part of Team Rubicon.

"William McNulty has turned his experience in war-torn areas of the world into a global effort to aid similar communities, while at the same time easing the transition of military veterans to civilian life by offering a sense of community, identity and purpose," Chancellor Gray-Little said. "His innovative and meaningful work is making our world a better place, and for that, he is an inspiration to the entire KU community."

Designed to move far more quickly than large, bureaucratic aid organizations, the group's small teams have frequently been deployed within 24 hours of major disasters, providing medical care and emergency support. Team Rubicon currently has a volunteer army of more than 35,000 members, 75 percent of whom are military veterans with unique abilities to perform under pressure in stressful environments.

The groundbreaking efforts McNulty made and the struggles he faced were chronicled in bestselling author Joe Klein's 2015 book, *Charlie Mike: A True Story of Heroes Who Brought Their Mission Home*.

McNulty received his undergraduate degree in economics and communication studies from KU in 2001 before moving on for his master's degree in government security from Johns Hopkins University.

Honorary degrees were first authorized by the Regents in 2011. KU awards honorary degrees based on nominees' outstanding scholarship, research, creative activity, service to humanity or other achievements consistent with the academic endeavors of the university. Nobel Laureate Dr. Vernon L. Smith was honored in 2014 with a special Honorary Doctor of Science Degree for notable contributions to experimental economics. Other prominent recipients since the honorary awards were implemented have included former US Senator Bob Dole and former Ford President and CEO Alan Mulally.

Chancellor Gray-Little will be presenting McNulty the honorary degree in a special ceremony on May 14th as part of KU's 145th Commencement at Kansas Memorial Stadium.



William McNulty working with former President Bill Clinton in 2012 to comfort victims of Hurricane Sandy in New Jersey.

*"(McNulty) had graduated from the University of Kansas with a dual degree in economics and communications – but his real education had been suffered at the hands of the invaluable Roman Catholic drill sergeants of learning, the Jesuits."*

- Excerpt from *Charlie Mike: A True Story of Heroes Who Brought Their Mission Home*, Joe Klein (Simon and Schuster, 2015).

## INTERNATIONAL FINANCE EXPERT RETURNS TO KU FOR MANAGEMENT SEMINAR

One of the Economics Department's most prominent alumni, Dr. Lenos Trigeorgis, returned to campus in November to give a special seminar on management. Dr. Trigeorgis, currently a visiting faculty member at MIT, is the Bank of Cyprus Chair Professor of Finance at the University of Cyprus' School of Economics and Management.

A leading international authority on capital budgeting and strategy, his landmark 1996 book (*Real Options: Managerial Flexibility and Strategy in Resource Allocation*) established him as a pioneer in identifying how valuing real options (incorporating decisions on whether to defer, expand, contract, abandon, switch use, or otherwise alter a capital investment) had begun dramatically altering the way corporate resources were allocated. He currently serves as president of Real Options Group, a strategic consulting firm.

After coming to KU in the late 1970s to major in electrical engineering, Lenos decided to add a degree in economics after having his interest in the field sparked by a microeconomics course. He credits recently retired Dr. Joe Sicilian as being instrumental in his decision to add the economics degree and subsequently to move on to graduate school in finance. Dr. Trigeorgis later received his MBA at Purdue and his doctoral degree in business administration at Harvard.



Dr. Lenos Trigeorgis, an international authority on capital budgeting and strategy, received his undergraduate degree in economics from KU in 1980.

## KU ECON GRAD PROGRAMS NAMED AS TOP 50 BY *USN&WR*

The KU Economics Department received another honor in March when the *US News & World Report* "Best Graduate Schools" rankings for 2018 named KU's graduate programs in economics as being in the top 50 nationally among public universities. A total of 42 KU graduate programs were named in the publication's top 50, more than all other Kansas universities and colleges combined.

"Rankings are one way to determine how we are performing relative to our peers, and these *US News* rankings highlight our successes in graduate programs across our university," Chancellor Bernadette Gray-Little said.

## NOTED HEALTH ECONOMIST VISITS KU AS BIG 12 FACULTY FELLOW

The Economics Department was pleased to host a week-long visit in March from Daniel Grossman, assistant professor at West Virginia University's College of Business and Economics. Dr. Grossman in November was named a Big 12 Faculty Fellow, a program that enables faculty to travel to other member institutions to pursue collaborative research.



Dr. Daniel Grossman, a Big 12 Faculty Fellow and noted health economist, shared his expertise during a week-long visit in March.

A health economist whose area of expertise involves the impact of government programs, especially on the health of pregnant women and their babies, he spent the week of March 6-10 networking with faculty and graduate students from KU and other Midwestern institutions and gave a special seminar outlining his research ("Neighborhood Networks and Program Participation" with Umair Khalil) on the peer effects on uptake of certain public programs.

That study looks specifically at California mothers and defines their peer groups as women living in their immediate neighborhoods who recently gave birth. The question involves whether where women live affects their decision to use Medicaid during pregnancy, based on whether previously pregnant women from their area had used Medicaid.

Analyzing birth data from 2002-13 in California's five densest counties and defining "neighborhood" at the census block level, the research found that a pregnant woman was about 3 percentage points more likely to enroll in Medicaid if another recently pregnant woman in her neighborhood had received Medicaid benefits.

Dr. Grossman noted that one of the policy implications suggests that better and more direct information dissemination at the neighborhood level could improve participation in Medicaid, a finding consistent with other research pointing to the expanded use of the earned income tax credit as a result of similar neighborhood-level outreach efforts.

The pregnancy research further provides suggestive evidence that increased Medicaid participation induces mothers to engage in healthier behavior during pregnancy by improving prenatal care initiation and intensity.

The visit to Lawrence also was designed to give Dr. Grossman the opportunity to work directly with KU's own Dr. David Slusky. The two health economists have already begun preliminary research on a project involving the Flint, Michigan water crisis and the impact that the change in that city's water supply may have had on birth outcomes.



## FACULTY NEWS

**John W. Keating**, a specialist in macroeconomics, time series econometrics, and monetary theory and policy, has a forthcoming article in *Journal of Macroeconomics* titled "What's so great about the Great Moderation?" (co-authored with Victor Valcarcel). He presented "A New Interpretation of Money Growth Targeting and the Monetarist Experiment" (co-authored with Lee Smith) at the Federal Reserve Bank of Kansas City, the Midwest Macroeconomics Conference at Purdue University, the Society of Economic Measurement (SEM) Conference in Thessaloniki (Greece), and the Money, Macro, and Finance Conference in Bath (United Kingdom). Dr. Keating also presented "The Asymmetric Vector Autoregressive Moving Average (AVARMA) Model" at the Midwest Macroeconomics Conference held this year at the Federal Reserve Bank of Kansas City. His paper on "Human Capital in the Semi-Endogenous Growth Model" was accepted for the North American Productivity Workshop in Quebec City (Canada). He continues to serve as Visiting Scholar at the Federal Reserve Bank of Kansas City, Senior Visiting Fellow at the University of Birmingham (United Kingdom), and Associate Editor for two journals, *Macroeconomic Dynamics* and the *Journal of Macroeconomics*.

**William A. Barnett**, the Oswald Distinguished Professor of Macroeconomics, published a number of works recently, including a chapter ("Friedman and Divisia Monetary Measures") in R. Cord and D. Hammond (eds.), *Milton Friedman: Contributions to Economics and Public Policy*. He also wrote "Data Sources for the Credit-Card Augmented Divisia Monetary Aggregates" (with Liting Su) as a special issue of the journal, *Research in International Business and Finance*; and in Fredj Jawadi (ed.), *Banks and Risk Management*, Proceedings of Second International Workshop in Financial Markets and Nonlinear Dynamics. Recently published journal articles include "Innovations in Measurement in Economics and Econometrics: An Overview" (with W. E. Diewert and E. Maasoumi) in *Journal of Econometrics*; "Chinese Divisia Monetary Index and GDP Nowcasting," (with Biyan Tang) in *Open Economies Review*; and "Dynamic Structure of the Spot Price of Crude Oil: Does Time Aggregation Matter?" (with Hajar Aghababa) in *Energy Economics*. He presented "Nowcasting Nominal GDP with the Credit-Card Augmented Divisia Monetary Aggregates," (co-authored with Marcelle Chauvet, Danilo Leiva-Leon, and Liting Su) at multiple venues in the United States, Greece, and the United Arab Emirates. Dr. Barnett will be the keynote speaker at a special Bank of England Conference being held in his honor on May 23-24 ("Financial Services Indices, Liquidity and Economic Activity"). A subsequent online open access conference organized by the World Economics Association also is being held in his honor from September 1 – October 1: "Monetary Policy after the Global Crisis: How Important are Economic (Divisia) Monetary Aggregates for Economic Policy?". He has almost 7,400 Google Scholar citations and is the top registered economics author in Kansas, according to Research Papers in Economics (RePEc) rankings, and is ranked by RePEc as being among the top two percent of economics authors in the world. Most recently, he founded and is the director of

the new Institute for Nonlinear Dynamical Inference (INDI) in Moscow in cooperation with Bruno Sergi at Harvard's Davis Center for Russian and Eurasian Studies. Although INDI just went online in February, six Nobel Laureates – James J. Heckman, Angus Deaton, Christopher A. Sims, Daniel McFadden, Lars Peter Hansen, and Robert F. Engle – have already been designated as INDI Fellows. Finally, a lengthy oral interview about Dr. Barnett's extraordinary career (conducted by Apostolos Serletis) has been published online by the Center for Financial Stability in New York City and is available at: [http://centerforfinancialstability.org/research/Barnett\\_Interview.pdf](http://centerforfinancialstability.org/research/Barnett_Interview.pdf)

**David Slusky** has made recent presentations on "The Impact of Women's Health Clinic Closures on Fertility" at multiple venues, including Yale, Texas A&M, West Virginia, and at two conferences in Washington, DC. He also presented "Medically Necessary but Forbidden: Reproductive Health Care in Catholic-owned Hospitals" at the 27th Annual Health Economics Conference in October at Vanderbilt. An authority on the Affordable Care Act (ACA) who taught a special ACA seminar for KU freshmen during the Fall semester, Dr. Slusky made national news in February with the release of his NBER working paper (with **Donna Ginther**) on "Did Medicaid Expansion Reduce Medical Divorce?" (see page 7). Publication of additional news-making research he released last year ("Second Trimester Sunlight and Asthma: Evidence from Two Independent Studies" with Nils Wernerfelt and Richard Zeckhauser) is forthcoming in the *American Journal of Health Economics*. David was a panelist in February at a special American Public Square event ("Live, Work, Play: Social Determinants of Health") in Kansas City. He also is Co-Director of the Health Policy Research Group at the University of Kansas Medical Center.

**Donna Ginther** gave the Keystone Lecture ("Publications as Predictors of Ethnic Differences in NIH Research Awards") at the National Institute of Environmental Health Science in Durham, NC last August; and presented the same research at a special NBER conference ("Innovation in an Aging Society") in Cambridge, MA in September. She also presented on "Career and Technical Education: What is the Impact of A-OK and SB 155?" to the Kansas Board of Regents last summer. She recently gave invited testimony in Chicago to a special presidential commission (see page 10); and saw her paper (with Shulamit Khan) on "The Impact of Postdocs on Early Careers in Biomedicine" published in *Nature Biotechnology* and featured in *Science Careers* in January.

### Additional Faculty Information

Information on faculty, their areas of research interest, and recent activities and publications may be found at <http://economics.ku.edu/faculty>.

Additional information on current working papers also is available at <http://econpapers.repec.org/paper/kanwpaper/>.

## ECONOMICS DEPARTMENT GRADUATION RECOGNITION CEREMONY – MAY 13, 2017

The Economics Department Graduation Recognition Ceremony is a formal event that honors graduating seniors, masters, and doctoral students. (The departmental ceremony is a nice complement to the less formal University of Kansas Commencement held outdoors in Memorial Stadium each May where students take the traditional “walk down the hill” with often heavily decorated caps and gowns.)

**This year’s ceremony is scheduled for Saturday, May 13 at 1 pm at Woodruff Auditorium in the Kansas Union.**

Students planning to attend the ceremony should complete the registration form available on the website by April 15. Additional information about seating for guests, appropriate attire, and photos is also available at: <https://economics.ku.edu/graduation-recognition-ceremony>

The program is scheduled to last approximately 30 minutes.

Immediately following the program, students, families and friends are invited to a reception hosted by the Department at Alderson Auditorium.



Class of 2016 graduates celebrate by swaying to the Alma Mater in historic Woodruff Auditorium.

### Program Schedule

- Processional
- Welcome and Introductions
- Guest Speaker
- Student Speakers
- Presentation of Senior Students
- Presentation of Master Students
- Presentation of Doctoral Students
- Alma Mater and Rock Chalk Chant
- Recessional

## SNAPSHOT OF A THRIVING DEPARTMENT

Amid declining support from the state in recent years and discussions about the costs of maintaining certain programs, the Economics Department has continued to thrive from an enrollment and graduation standpoint. Data provided by KU’s Office of Institutional Research and Planning (OIRP) show that 113 undergraduate economics degrees were granted in the 2015-16 academic year; 13 master’s degrees; and 9 doctoral degrees. The latest OIRP data for 2016-17 show 350 students currently pursuing economics degrees at KU (291 declared undergraduate majors; 13 in the master’s program; and 46 seeking doctoral degrees).

### Economics Degrees (2015-16)

Baccalaureate: 113   Masters: 13   Doctoral: 9

### Economics Majors (2016-17)

Undergraduate: 291   Masters: 13   Doctoral: 46

*Source: KU Office of Institutional Research and Planning*

## DEPARTMENT HOSTING MAJOR CONFERENCES

The KU Economics Department is continuing to enhance its international reputation by hosting two prestigious events late this semester – the 2017 Kansas Workshop on Advanced Econometrics (Saturday, April 29 at the Eldridge Hotel); and the 2017 Kansas Workshop on Economic Theory (Friday, May 5 at Snow Hall). Both workshops will allow top researchers and theoreticians from around the country and world to convene and present their latest findings while interacting with one another to provide additional constructive input.

The late April workshop, organized by Dr. Zongwu Cai, will focus on the most recent developments in econometric theory and methodology and their applications for both economics and finance. That event has already confirmed the attendance of a number of prominent economists and mathematicians, including participants from Yale, Indiana, and Emory universities.

Additional confirmed presentations include “GEL Estimation and Tests of Spatial Autoregressive Models” (Dr. Lung-Fei Lee, Ohio State); “Modeling Time-Varying Uncertainty of Multiple-Horizon Forecast Errors” (Dr. Michael McCracken, Federal Reserve Bank of St. Louis); “ATM: Autoregressive Tail-Index Model for Maxima in Financial Time Series” (Dr. Zhengjun Zhang, Wisconsin); and “Simultaneous Confidence Bands in Time Series” (Dr. Wei Biao Wu, Chicago).



David Slusky

## NEW RESEARCH SHOWS MEDICAID EXPANSION LIKELY REDUCES “MEDICAL” DIVORCES

Amid the ongoing uncertainty over the future of the Affordable Care Act (ACA), two members of the KU Economics Department faculty made national news in February by unveiling groundbreaking research suggesting that those states which opted to expand Medicaid under the ACA's provisions experienced significant decreases in the prevalence of divorce for couples age 50-64 when compared with non-expansion states, strongly indicating reductions in so-called “medical” divorce.



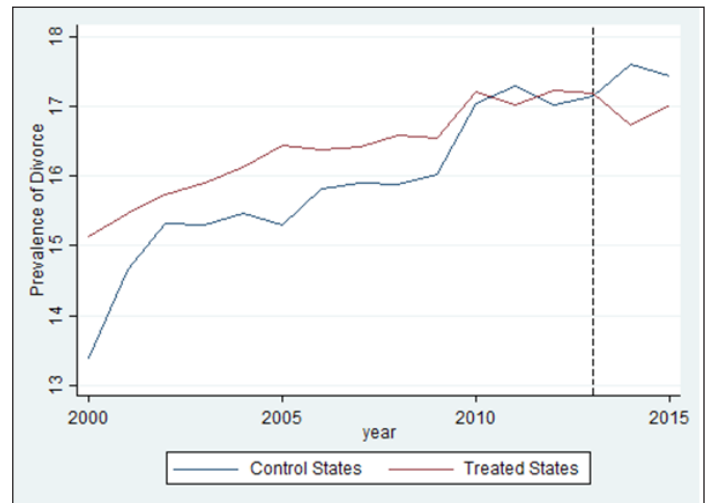
Donna Ginther

As Dr. David Slusky and Dr. Donna Ginther explain in their fascinating study (“Did Medicaid Expansion Reduce Medical Divorce?” NBER Working Paper No. w23139 – Available at SSRN: <https://ssrn.com/abstract=2915966>), most state eligibility rules prior to enactment of the ACA had maximum asset levels, effectively requiring the draining of a couple's retirement savings to qualify for Medicaid in cases where one partner had begun incurring significant medical costs. This led many couples to consider “medical” divorces (an issue highlighted in a renowned 2009 *New York Times* op ed by Nicholas Kristof), which appeared in many cases to be the only gut-wrenching way to legally separate and subsequently protect assets from the spend-down requirements. But enactment of the ACA in 2010 provided an apparent fix for the problem, as its Medicaid expansion provisions enabled individual adults under 65 with incomes up to 138 percent of the poverty line to be eligible for coverage, regardless of assets. This meant that in cases where sick spouses had relatively low incomes, healthy spouses were able to keep retirement assets intact without considering divorce.

When the US Supreme Court decision (*National Federation of Independent Business v. Sebelius*) in 2012 subsequently made Medicaid expansion a state option, that effectively provided a laboratory to study the outcomes of expansion in states opting into the program versus those choosing not

to participate. While research has begun utilizing state data to analyze the impact of Medicaid expansion on health and other outcomes (see, for example, Fall 2016 *KU Economist* summary of “Does the ACA's Medicaid Expansion Improve Health?” by Rina Na and David Slusky), this latest work from Slusky and Ginther is believed to be the first research examining the impact of coverage expansion on medical divorce.

Using a difference-in-differences approach on states that did and did not expand Medicaid, the authors find that expansion reduced the prevalence of divorce by 5.6 percent among couples age 50-64, strongly suggesting that medical divorce was reduced. The choice of people age 50-64 was designed to focus on those who likely had been married for a number of years, had more substantial assets, and would



States opting for Medicaid expansion saw a reduced prevalence of divorce for couples age 50-64.

be at greater risk of being diagnosed with degenerative medical conditions. Pre-expansion divorce rates were compared from 2008-2011 with those from 2014-15 after expansion had taken effect.

The two economists' research was featured on National Public Radio and in the *San Francisco Chronicle*, among other outlets, and even cited by Rep. Cindy Holscher during floor debate in the Kansas House on February 22 just prior to that chamber's vote to have Kansas join the list of states opting into expansion.

“The concern was that this (medical divorce phenomenon) might be rare enough that we're just not going to see anything,” Slusky told NPR. “And the fact that we saw something and that it was precisely estimated and substantial, around 5.6 percent, is kind of the sweet spot – big enough to write home about but not too big that I don't believe it.”

The authors told *KU News Service* that with the current “repeal and replace” debate raging in Congress, research on how various policy changes (including elimination of asset tests for Medicaid eligibility) have already had measurable outcomes could be of critical importance to policymakers considering a new round of amendments to the nation's complicated health care system.



## FOUR SENIORS GRANTED UNDERGRADUATE RESEARCH AWARDS

Underscoring the strong research tradition of the Economics Department, KU announced in February that four senior economics majors would be receiving \$1,000 Undergraduate Research Awards (UGRA) to continue pursuing a number of important academic projects.

### *Economics Departments Undergraduate Research Awards – 2017*

**Meixi Wang** – “It Takes a Nation—or Many Nations: The Cross-Country Analysis of the Effects of Family and Social Factors on Program for International Student Assessment (PISA) Scores.” Meixi is being mentored by Dr. John Keating. Meixi’s research also was one of five presentations specifically selected to represent the KU campus at the Kansas Undergraduate Research Day at the Capitol on February 15.

**Saran Davaajargal** – “Effects of Environmental Attitudes of Managers and Employees on Environmental Management Endeavors.” Saran is being mentored by Dr. Dietrich Earnhart.

**Amir Khaleghi** – “The Effect of Religious Affiliation on Charitable Donation.” Amir is being mentored by Dr. Donna Ginther.

**Jeremy Barclay** – “Exchange Rate of the Cuban Peso.” Jeremy is being mentored by Dr. Jennifer Foster (Department of Spanish & Portuguese).

The students had to apply for the prestigious UGRAs by writing a four-page research proposal under the guidance of their mentors. A team of faculty reviewers subsequently evaluated the applications based on merit of the proposals, the applicants’ academic records, and recommendation letters from the mentors.

“We are pleased to support this group of students as they take advantage of one of the clear benefits of a KU education: the opportunity to engage in research and creative projects with our faculty,” Dr. John Augusto, director of the Center for Undergraduate Research, told the *KU News Service*.

## SLUSKY, AMERICAN PUBLIC SQUARE PANEL ADDRESS SOCIAL DETERMINANTS OF HEALTH



As a leading authority on health economics, the KU Economics Department’s Dr. David Slusky was featured as a panelist in February at a special American Public Square event at UMKC (“Live, Work, Play: Social Determinants of Health”). Given that the conditions where people live, work and play do indeed affect a broad range of health risks and outcomes, the panel focused on how certain policies and programs can have an impact on improving those communities with poor social determinants of health.

In addition to David, the panel discussion featured Melissa Robinson, CEO, Black Health Care Coalition; Karen Cox, Executive Vice President and CEO, Children’s Mercy Hospital; Camara Jones, Senior Fellow and Immediate Past President, American Public Health Association; and Ann Marie Marciarille, UMKC Law Professor.



Future KU economists Claire Branstetter, Eli Hymson, and Grace Phillips attended a special American Public Square event at UMKC on the social determinants of health.

A number of KU economics students attended the American Public Square event, which was taped for subsequent broadcast on KCPT, Kansas City’s public television station.

## ALUMNI NEWS

Alums and friends of Economics at KU, we want to hear from you! Please keep us updated on what is happening in your lives. We look forward to including your news and events in the next *KU Economist*.

### Mail

Alumni News  
Department of Economics  
415 Snow Hall  
University of Kansas  
Lawrence, Kansas 66045

### Email Your News

econalums@ku.edu  
Subject Line: Alumni News





## FOURTH INTERNATIONAL SEM CONFERENCE SET FOR MIT, JULY 26-28

The Society for Economic Measurement (SEM) will be holding its fourth annual international conference at the Massachusetts Institute of Technology (MIT) on July 26-28. This year's event is being cosponsored by the MIT Initiative on the Digital Economy. The new Samberg Center will serve as the venue for the conference.

SEM, which represents one of the latest major initiatives undertaken by Dr. William A. Barnett, Oswald Distinguished Professor of Macroeconomics at KU, held its inaugural annual conference in Chicago in 2014; its second annual gathering in Paris in 2015; and its third international conference in Thessaloniki, Greece last summer. The organization is a unique entity founded in 2013 to promote research on economic measurement using advanced tools from a variety of economic and statistical disciplines to facilitate communication among researchers. The society's long-run objective is to meet the data standards established for the physical sciences, notwithstanding the fact that economics as a social science is subject to certain inherent limitations. The society's founding cosponsors are the University of Kansas, Carnegie Mellon University, and the Center for Financial Stability (CFS).

In addition to invited and contributed sessions with multiple speakers being arranged by a special organizing committee, the MIT conference will feature a number of prominent keynote speakers, including Nobel Laureate Peter Diamond (MIT); Erik Brynjolfsson (Director, MIT Initiative

on the Digital Economy); Roger Farmer (UCLA); Gita Gopinath (Harvard); Peter Ireland (Boston College and Shadow Open Market Committee); and Laurence Kotlikoff (Boston University and National Bureau of Economic Research).

Dr. Barnett, who is chairing the event's program committee, also directs a CFS program specifically designed to oversee and develop national and international databases rigorously founded in economic aggregation and index-number theory (such as Divisia monetary aggregates).

The Samberg Conference Center, MIT's newest events venue, features panoramic views of the Charles River and the Boston skyline. The local organizing committee has negotiated discounted block bookings at two Marriott properties located less than half a mile from the conference site in Cambridge. Additional details on the conference may be found at <http://sem.society.cmu.edu/conferences.html>



MIT's Samberg Conference Center features spectacular views of the Charles River and Boston skyline.

## GINTHER TESTIFIES BEFORE SPECIAL PRESIDENTIAL COMMISSION ON USE OF GOVERNMENT DATA

As a leading authority on the use of “Big Data” techniques that combine multiple and diverse sources and databases, KU Economics Professor Donna Ginther was invited to give testimony before a special presidential commission during hearings in Chicago in early January on ways to increase the availability and improve the use of government data.



Dr. Donna Ginther testifies before the Commission on Evidence-Based Policymaking at special hearings at the Ralph H. Metcalfe Federal Building in Chicago on January 5.

In her major presentation, Dr. Ginther, who is also director of the Center for Science Technology & Economic Policy at KU's Institute for Policy & Social Research, gave the Commission on Evidence-Based Policymaking (CEP) the benefit of her many years of personal experience as an evidence-based policy researcher. CEP, which was created in 2016 by federal legislation, is specifically charged with examining all aspects of how to increase the availability and use of government data, especially how to integrate administrative and survey data and to make the data available to facilitate research, evaluation and analysis while simultaneously protecting privacy and confidentiality.

She recommended that CEP think about how to best align incentives for policymakers to share data and be receptive to findings. She also recommended that a series of experiments be conducted with federal agencies – starting with the science funding agencies (NIH and NSF) – to incorporate evaluation of current programs and research design in new programs in order to evaluate their effectiveness.

Dr. Ginther said that CEP's mission is especially critical given the federal government's decisions about allocating increasingly scarce research and development resources. Moreover, her testimony pointed to new challenges that have begun arising as states have gained more control over administering federal programs (such as Temporary Assistance to Needy Families). She noted that state governments often do not have the resources or expertise to maintain high-quality data.

CEP is composed of 15 members (appointed by the President, the Speaker of the House, the House Minority Leader, the Senate Majority Leader, and the Senate Minority Leader) and includes academic researchers, data experts, program administrators, and privacy experts. Katharine G. Abraham (University of Maryland) is serving as CEP Chair; and Ron Haskins (Brookings Institution) is the entity's co-chair. The body is charged with applying its diverse range of experience and multidisciplinary expertise to study several key issues related to the use of survey and administrative data and report back to the President and Congress in September 2017.

## KOEHN NAMED SCHWARZMAN SCHOLAR

KU announced in December that 2016 graduate Ashlie Koehn had added another impressive accolade when she was named a Schwarzman Scholar, a recently established international program providing for a year of study at Tsinghua University in Beijing wherein participants earn a master's degree in economics, public policy, or international studies.

Fascinated by the intersection of climate change and international trade and finance, Koehn continues to excel in environmental economics. She has recently worked at the Bureau of Labor Statistics; served as Scholar-in-Residence at the Institute for Policy & Social Research; and continued her research with Dr. Dietrich Earnhart and the Water Quality Research Team.

The prominent class of Schwarzman Scholars hails from 30 countries and 75 universities. Admissions for the program, which is supported by a \$450 million endowment, began in 2015.

“I know this scholarship will open new doors and opportunities,” Ashlie said. “I’m particularly grateful for the support of everyone who has helped me along the way, and I’m eager to find out how this new journey unfolds.”

Named in 2015 as both a Truman and Udall Scholar (see Fall 2015 issue of *KU Economist*), Ashlie graduated in 2016 with Departmental Honors and received the unique honor of being selected to carry the banner for the College of Liberal Arts and Sciences at Commencement. She was named a recipient of the Rusty Leffel Concerned Student Award just prior to graduation; and also was named a KU Woman of Distinction and featured on the 2016-17 calendar published by the Emily Taylor Center for Women and Gender Equity.



Class of 2016's Ashlie Koehn was recently named a Schwarzman Scholar.



## SUMMERFIELD, FORMER HOME OF DEPARTMENT, TRANSITIONS TO NEXT CHAPTER

Summerfield Hall, for many decades the Economics Department's home, will soon be transitioning to the next chapter in its long and interesting campus history as host to the Department of Film and Media Studies.

Many alumni receiving this publication over the years have expressed surprise that the Economics Department is no longer located in Summerfield. The Department was one of that building's most prominent tenants from 1960 to 2006, when it was relocated to its current venue in historic Snow Hall, directly in the heart of campus.

Summerfield was in the news more recently, when its other longtime resident, the Business School, left in 2016 to move into its new home, Capitol Federal Hall. KU subsequently announced this February that a \$10 million renovation will soon be underway to upgrade Summerfield for the purpose of housing KU's Department of Film and Media Studies, as well as several other offices.



Economics lecture in March of 1960 in newly opened Summerfield Hall (Room 502).

Multiple generations of students can recall their economics courses in the (always hot, regardless of the season) upper floors of Summerfield.

Formally dedicated in 1960, the building also played a major, if unwanted, role in campus unrest during the tumultuous year of 1970. On December 11, a bomb tore through the campus computer center, also then located in Summerfield. A phone tip minutes before the explosion likely saved lives, although three students were injured in the blast, which occurred at around 11pm on the icy December night.

Although the FBI was brought in to assist state, local and campus officials, the bombing was never officially solved. The computer facility was apparently targeted at that time because it housed KU's "nerve center" – a \$3.5 million GE-635 that was not seriously damaged in the blast. The *Lawrence Journal-World* reported that a number of computer tapes stored in a rack on a wall blown apart by the explosion were destroyed, but added that "no tapes invaluable to university operations were in that location."



Since 2006, the Department has been located in Snow Hall.

Former Economics Department Chair Joe Sicilian recalls that initial thoughts about looking beyond space-limited Summerfield (at that time still shared with the Business School) had begun to surface by the late 1980s, when it had become clear that there wasn't enough room for graduate teaching assistant offices. He laughingly recalls that when the Department did decide to leave for Snow, there was some faculty ambivalence because parts of the third floor had apparently been used previously by the natural history museum as storage for bug specimens and still smelled strongly of "formaldehyde or something." But after a significant round renovations at Snow (which now also houses the Math Department), the Economics Department ended up settling nicely into its current venue.

### PRODUCTIVITY AND HEATING POLICY

*(continued from page 2)*

per day), he analyzed the impact on time allocation (play time) and productivity (missions or tasks accomplished) for more than 63,000 accounts active during March of 2011.

After controlling for air pollution and a number of other factors, Dr. Fan noted that lower temperatures led to longer game times but lower productivity. He explained that the policy implications included the notion that there would be a significant boost in productivity if China were to amend its policy originally adopted in the 1950s that subsidies for central heating would only be provided for the northern part of the country. The research suggested that productivity gains could be as much as 5.69 percent in Jiangsu Province, a relatively cold region just south of where central heating is provided.

The analysis was presented at Snow Hall on January 27 as part of the Economics Department's Guest Speaker Series, which gives visiting faculty the opportunity to present their latest research. Dr. Zongwu Cai served as the faculty host for Dr. Fan's visit.

## MESSAGE FROM THE CHAIR

We are pleased to report that when another KU academic year concludes with the annual Commencement ceremony on May 14, that event promises to be especially memorable for the Economics Department. William McNulty, one of our previous graduates, will be receiving a special Doctor of Humane Letters honorary degree in recognition of his outstanding humanitarian work (page 3). Of course, speaking of extraordinary honors, another of our famous alumni, Colombian President Juan Manuel Santos, formally accepted the Nobel Peace in Oslo, Norway last December (page 1). But we are no less proud of the accomplishments of our other many thousands of graduates around the world, whether they are achieving great success in the recycling industry (page 2); as an in-



ternational finance expert (page 4); or being named to a prominent international program authorizing continued economics study in Beijing (page 11).

One point of emphasis for the *KU Economist* has always been to keep our stakeholders up to date on the activities and growing national reputations of our faculty and students alike, as well as everything going on in and around the Department and on campus. I hope you will very much enjoy those features, including some of the latest research summarized in this issue.

In the meantime, please keep us posted as to your news and happenings (econalums@ku.edu), as we want to continue to stay in touch with everyone on an ongoing basis. We would love to feature you in the next edition of this publication. And please consider coming by my office in Snow Hall to say "hello" the next time you are in town

Rock Chalk!

– Ted Juhl



Department of Economics  
The University of Kansas  
415 Snow Hall  
1460 Jayhawk Blvd.  
Lawrence, KS 66045  
Telephone: (785) 864-3501  
Fax: (785) 864-5270  
Email: econ@ku.edu

