

ALUMNI NEWS

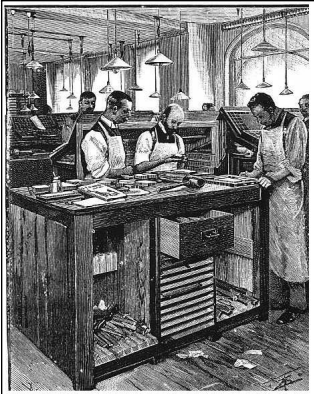
DEPARTMENT OF ECONOMICS

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U.S. FINANCIAL STRESS AND THE CANADIAN ECONOMY

BY DR. TODD B. POTTS



*Editor's Note: This is a summary of a paper written by Dr. Todd Potts and Dr. David Yerger. Part of the research has been accepted for publication in *The Journal of International Finance Studies*. This research has also been presented at the 2010 Atlantic Economic Conference, the 2011 Association for Canadian Studies in the U.S. (ACSUS) Conference in Ottawa, CA, and the 2012 International Academy of Business and Economics (IABA) conference in Key West, FL.*

The Canadian financial system seemed relatively immune from the recent financial crisis, but given the strong linkages between the Canadian and U.S. economies it seems to reason that the large increases in financial stress in the U.S. could have a significant impact on Canadian economic activity. Recently, Dr. David Yerger and I have been examining this issue. Particularly, we have been modeling the extent to which changes in a widely used U.S. financial stress index may impact the Canadian real economy and whether or not this effect differs if the U.S. is in a “high stress” (vs. “low stress”) environment.

To properly answer this question, one may think that the researcher needs to determine beforehand some threshold level of the U.S. financial stress index that determines when the U.S. moves from a normal to a high stress environment, but this is not the case. Thanks to a technique pioneered by Donald Andrews in *Econometrica* (1993), it is possible for researchers to test for a changing effect such as this when the “breaking point” that leads to the changing effect is unknown. This “Andrews technique” involves running regressions incorporating a set of interactive dummy variables to derive a test-statistic that is used to test for the presence of the hypothesized differential effect.

We utilize this technique to examine the impact of changes in U.S. financial stress on both Canadian national and industry-level activity. For the national level examination, we use Canadian real gross domestic product (GDP) as our dependent variable and include independent variables such as U.S. cyclical unemployment, real raw materials prices, U.S. real GDP, and measures of both U.S. and Canadian financial stress published by the International Monetary Fund (IMF). For the industry-level study, we use employment measures for six different Canadian industries that we believe would be sensitive to financial stress as our dependent variables and add Canadian real GDP to the same independent variables listed above. Our data is of monthly frequency and runs from 1981 through 2009.

(continued on page 2)

In this issue:

U.S. Financial Stress and the Canadian Economy: Todd B. Potts	1
Game Changers and Good Advice: James J. Jozefowicz	3
Learning by Teaching: Camilo Rubbini	4
Highlights of NFL CBA: Arthur H. Martel	5
Greetings from the Chair: Nicholas Karatjas	7
Student Notes	8
Faculty Notes	9
Alumni Notes	10
Those Old Photographs	11

Editor: Nicholas Karatjas

U.S. FINANCIAL STRESS AND THE CANADIAN ECONOMY (CONT.)

(continued from page 1)

Our findings indicate the changes in U.S. financial stress do indeed have statistically significant effects on Canadian activity on both the national and industry-level, and that this effect does indeed differ depending on whether or not the U.S. financial system is “highly stressed” or not. At the Canadian national level, we find that increases in U.S. financial stress actually have a slight positive impact on Canadian real GDP growth when the U.S. is in a low-stress environment, but when the U.S. is in a high-stress environment, the effect is negative and significantly more pronounced. Furthermore, the Andrews test indicates that the low-stress/high-stress threshold is at the 83rd percentile of the IMF U.S. financial stress index, which certainly seems plausible. See Table 1.

Table 1

Impact of U.S. Fin Stress when U.S. is in a Low-Stress Environment	P-Value	Impact of U.S. Fin Stress when U.S. is in a High-Stress Environment	P-Value	Low-Stress/High-Stress Threshold Percentile for U.S. Financial Stress
.000845	.014	-.0041	.0073	83rd

By way of interpretation, the “.000845” number in the first column of Table 1 tells us that a one-unit increase in the U.S. financial stress index increases Canadian real GDP growth by .0845% when the U.S. is in a low-stress environment. The P-Value reported in the second column tells us that there is only a 1.4% probability that this estimated effect (.000845) is actually equal to zero. The -.0041 value in the third column tells us that a one-unit increase in the U.S. financial stress index lowers Canadian real GDP growth by .41%, and the P-Value in the 4th column tells us that there is only a .73% chance that this estimated effect is actually equal to zero.

For the industry-level examination, we test the effect of changes in U.S. financial stress on employment in the following Canadian industries: Depository Institutions (DepInst), Owner Occupied Dwellings (OwnOcc), Commercial Construction (ComConst), Insurance (Insure), Non-Durables Manufacturing (NonDur), and Durables (Dur) Manufacturing. Once again, we find that a differential effect exists depending on the stress environment that the U.S. financial system is in. For OwnOcc, ComConst, Insure, NonDur, and Dur, when the U.S. is in a high stress environment, further increases in the financial stress index carry statistically significant negative impacts on employment in these industries. Interestingly, for DepInst, increases in U.S. financial stress when the U.S. is in a high-stress environment actually increase employment in the industry, but this is most likely indicative of a “flight to stability” as resources shift away from the highly stressed U.S. financial institutions to the relatively unstressed Canadian counterpart. Also, the “tipping point” for the U.S. financial stress indicating a shift into a high-stress environment differs depending on the Canadian industry being used as the dependent variable. For Canadian Depository Institutions, the high-stress/low-stress threshold is at the 84th percentile of the U.S. financial stress index, whereas for Durables Manufacturing, the tipping point occurs earlier, at the 66th percentile. In general, it seems that the insurance and manufacturing industries in Canada identify the more damaging high-stress U.S. environment as starting at a lower stress level than the housing, construction, and depository industries. See Table 2 on page 8.



Dr. Todd Potts

GAME CHANGERS AND GOOD ADVICE:

DR. MILEAH K. KROMER

BY DR. JAMES J. JOZEFOWICZ

Editor's Note: In November, Dr. Mileah K. Kromer received the College of Humanities and Social Sciences' Young Alumni Achievement Award for 2011. The program is sponsored by the IUP Ambassadors and the IUP Alumni Association. It honors six outstanding recent graduates from each undergraduate college at IUP. As part of their visit, award recipients speak to classes on topics related to their professions.

As the students entered the classroom on the morning of Monday, November 7, 2011, the PowerPoint slide on the projection screen read, "You aren't really good enough at math to get a Ph.D. in economics." Thus began Dr. Mileah Kromer's ('03) presentation to IUP undergraduate students during her visit to campus to receive the College of Humanities & Social Sciences Young Alumni Achievement Award. Mileah credited the quote on the screen to Professor Emeritus Dr. Robert Stonebraker and explained to the audience the significance of that statement as a life changing experience in her eventual academic and career path. She went on to share a number of her "game changers" with the students and then discussed what she did in response to them, as well as, what she learned in the process.

Other "game changers" during Mileah's time at IUP included mislabeling a production possibilities frontier, earning a low score on a Microeconomic Analysis exam, completing both Introduction to Econometrics and Advanced Econometrics, and taking the Graduate Record Exam (GRE)... twice.

Mileah emphasized to the students that harsh realities, such as the ones she identified for them, are actually the best lessons in life. She additionally encouraged the students to *really* listen to experts, whether they are IUP professors or employers or other individuals. Mileah summed up her advice by telling the students that it is "okay to be outsmarted or outworked, but never both."

After sharing her advice with the group, Mileah explained that she graduated from IUP in May 2003 with a degree in economics before enrolling in the Ph.D. program in political science at Louisiana State University (LSU) in August of that year. During her graduate study, Mileah worked at LSU's Public Policy Research lab before earning her Ph.D.

at the age of twenty-six. At age twenty-seven, Mileah began her career in a tenure-track position at Elon University in North Carolina. She explained to the students that her job at Elon is part college professor and part pollster for the Elon University Poll, which is the "Poll of Record" in the state.

Mileah urged the students to get to know their IUP professors and other experts in their potential career fields. She also recommended that students complete a challenging course of study at IUP, to give themselves options, to take advantage of the opportunities, such as lectures, cultural events, etc., available to them as a result of the various fees they pay along with their IUP tuition, and finally to stop taking naps in the middle of the afternoon because they kill productivity!

The Department of Economics is very proud that Dr. Mileah Kromer was selected by the College of Humanities & Social Sciences as the 2011 Young Alumni Achievement Award recipient. The Young Alumni Achievement Award is sponsored by the IUP Ambassadors and the IUP Alumni Association. It is intended to recognize recent IUP graduates who have a record of outstanding accomplishments in their chosen field.



Drs. Jim Jozefowicz and Mileah Kromer

LEARNING BY TEACHING

BY MR. CAMILO RUBBINI

Editor's Note: Mr. Camilo Rubbini has been hired as a temporary instructor in the Department of Economics. Prior to coming to IUP, Mr. Rubbini worked as a full-time instructor of economics at the University of Pittsburgh in Titusville. He earned a M.A. degree in Economics at Penn State University and has pursued graduate studies in Economics at the University of Pittsburgh. Mr. Rubbini has extensive experience teaching undergraduates in both the United States and in Argentina. He is a native speaker of Spanish, is fluent in English, and has a basic knowledge of Portuguese and Italian.

In my senior year of high school, I decided I wanted to study economics. Two weeks into my first semester in college, I realized I not only wanted to *study* economics, I wanted to *teach* economics. Not surprisingly, as the eldest of six children, teaching came naturally to me. I became an undergraduate teaching assistant as a sophomore in college, grading papers and facilitating recitations. I believe teaching helps me to learn and to grow.

My research focuses on understanding individual and group behavior. For this, I use game theory, behavioral economics, and experimental economics. I am currently researching auction design. Specifically, I am interested in developing mechanisms to deal with a problem typically arising in procurement common value auctions: *the winner's curse*. In a common value auction, the value of the object being traded, yet unknown at the time of bidding, is the same for every bidder. Bidders estimate this value and base their bids on these estimates. Logically, the winner is generally the bidder with the most optimistic estimate of the object's value. The bidder may end up paying for the object more than the object's actual value. This is a pervasive problem in procurement auctions where a government sells the right to provide a good or service: the construction of a bridge, a school, a road, etc. In many cases winners underestimate their productive efficiency, and when the actual cost of provision becomes known, they find themselves renegotiating contracts, delaying the execution of the work, going to court, etc. It is in the interest of the seller as well as to the buyer to have an auction mechanism to prevent this situation from materializing.

Most recently I became interested in *identity economics*. Individuals choose identities, and these identities condition both individuals' choice sets as well as their assessment of the trade-offs these individuals face. Understanding why individuals would choose socially dysfunctional identities becomes crucial for policy making, especially if the conditions for poverty traps are to be ameliorated.

Besides teaching and doing research, I also devote time to two independent projects. I have created a nonprofit organization (along with a colleague from Argentina) to make available economics tutoring on line free of charge. Currently, we are working on clips which explain central economic concepts and economic methodology. Originally, these clips (in Spanish) were intended for South American students, although some are accessible (in English) to IUP students. I am also collaborating with a colleague in India on an economics principles textbook, focusing especially on building problem solving skills and economic teaching through problems.

Teaching has given me the chance to visit and experience different places and cultures. I am very happy to be teaching at IUP this semester. I will continue this exciting journey by teaching economics in Guangzhou, China, this summer.



Mr. Camilo Rubbini at the Inca Trail in Peru

HIGHLIGHTS OF NFL COLLECTIVE BARGAINING AGREEMENT

BY ARTHUR H. MARTEL, PROFESSOR EMERITUS

Editor's Note: Prior to the 2011 NFL season, the NFL Players' Association and the NFL went through a series of negotiations which ultimately resulted in a new collective bargaining agreement. What follows below is an exhaustive examination of the new collective bargaining agreement. Dr. Martel has gone through each section of the contract, noting the most significant aspects of each section.

ENTRY LEVEL COMPENSATION SYSTEM

- For the year 2011, the total rookie compensation pool may not exceed \$874.5 million.
- Rookie contracts shall have a fixed and unalterable length of four years for a first round draft choice, with a club option for a fifth year, and four years for rookies selected in rounds two through seven of the draft.
- No rookie contract may provide for an annual increase of more than 25% of the player's year one rookie salary.
- Undrafted free agents sign three-year contracts.
- For 2011, a maximum of \$75,000 per club may be paid to an undrafted rookie as a signing bonus.
- Limited contract terms.
- Strong anti-holdout rules.
- Creation of a rookie fund, starting in 2012, to redistribute savings from the new rookie pay system to the current and retired player benefits and veteran player performance pool.
- Rookie redistribution fund: 2012 - \$25 million, 2013 - \$50 million, and 2014 - \$100 million.

DRAFT/FREE AGENCY SYSTEM

- An annual draft of seven rounds, plus compensatory picks for teams which lose free agents.
- The following is a basic explanation of free agency:
 1. **Accrued Season:** A player is credited with an accrued season if he spends six or more regular season games on a club's active/inactive, injured reserve, or physically unable to perform lists.
 2. **Unrestricted free agent:** A player who has completed four or more accrued seasons and whose contract has expired. As an unrestricted free agent, the player has the right to negotiate with any club.
 3. **Restricted free agent:** A player who has completed three accrued seasons and whose contract has expired. His previous club must make him a qualifying offer to retain the right to match any offer the player receives from another team. If

the previous team chooses not to match the offer, it receives compensation in the form of predetermined draft picks, based on the level of the qualifying offer.

4. **Exclusive rights free agent:** A player whose contract has expired, but has less than three accrued seasons, may only negotiate with his previous club if that club makes a qualifying offer.
5. **Transition Player:** If a player is designated a transition player, his previous club must offer a minimum of the average of the top 10 salaries at the player's position last season, or 120 percent of the player's previous year's salary, whichever is greater. The team then has the right to match any offer a player gets from another team. If the team does not match the offer, it doesn't receive compensation.
6. **Franchise Player:** A club can designate one franchise player. The salary level offered by a player's previous club determines what type of franchise player he is. An "exclusive franchise player" - not free to sign with another club - is offered a minimum of the average of the top five salaries at the player's position, or 120 percent of the player's previous year's salary, whichever is greater. If a player is offered a minimum of the average of the top five salaries at his position, he can negotiate with other clubs. His previous club can match any offer, or receive two first-round draft choices, if it decides not to match.

PLAYER BENEFITS

- Pension funding and second career savings plan.
- Group insurance programs: life, medical, dental, and disability plans.
- Worker's compensation, payroll, unemployment compensation, and social security taxes.
- Pre-season per diem amounts.
- Moving and travel expenses.
- Severance pay, tuition assistance plan, legacy benefit, neuro-cognitive disability benefits, and long-term care insurance.



Dr. Arthur H. Martel

(continued on page 6)

NFL COLLECTIVE BARGAINING AGREEMENT (CONT.)

(continued from page 5)

STADIUM CREDIT

- For each league-approved stadium project, there shall be a credit of 50% of the private cost to construct or renovate the stadium, or 75% of such cost for stadium construction or renovation in California. This cost shall include financing costs, amortized over a maximum of 15 years.

ECONOMICS

- Salary cap plus benefits of \$142.4 million per club in 2011 (\$120.375 million for salary and bonus), and at least that amount in 2012 and 2013.
- Beginning in 2012, salary cap to be set based on a combined share of "all revenue," a new model differentiated by revenue source with no expense reductions. Players will receive 55 percent of national media revenue, 45 percent of NFL Ventures revenue, and 40 percent of local club revenue.
- Clubs receive credit for actual stadium investment, and up to 1.5 percent of revenue each year.
- Player share must average at least 47 percent for the 10-year term of the agreement.
- League-wide commitment to cash spending of 99 percent of the cap in 2011 and 2012.
- For the 2013–2020 seasons, the clubs collectively will commit to cash spending of at least 95 percent of the cap.
- Each club committed to cash spending of 89 percent of the cap from 2012–2016, and from 2017–2020.
- Increases to minimum salaries of 10 percent in Year 1, with continuing increases each year of the agreement.

RETIRED PLAYER BENEFITS

- Over the next 10 years, additional funding for retiree benefits of between \$900 million and \$ 1 billion. The largest single amount, \$620 million, will be used for a new "Legacy Fund," which will be devoted to increasing pensions for pre-1993 retirees.
- Other improvements will be made to post-career medical options, the disability plan, the 88 Plan, career transition and degree completion programs, and the Player Care Plan.

PLAYER HEALTH AND SAFETY

Immediate implementation of changes to promote player health and safety by:

- Reducing the off-season program by five weeks, reducing OTAs from 14 to 10;
- Limiting on-field practice time and contact;
- Limiting full-contact practices in the preseason and regular season;
- Healthcare programs, and NFL Charities, including NFLPA-related charities.
- Increasing number of days off for players;
- Opportunity for current players to remain in the player medical plan for life;
- An enhanced injury protection benefit of up to \$1 million of a player's salary for the contract year after his injury, and up to \$500,000 in the second year after his injury.
- No change to the 16 game season format until at least 2013; any subsequent increase in the number of regular season games must be made by agreement with the NFL Players Association.
- \$50 million per year joint fund for medical research, healthcare programs, and NFL Charities, including NFLPA-related charities.

OTHER

- The length of the agreement covers the 2011 through 2020 seasons, and also includes the 2021 draft.
- During the course of the agreement, all unresolved disputes shall be decided by arbitration. Arbitrators will be jointly selected by the NFL and NFLPA.
- Settlement of all pending litigation.
- Testing for human growth hormone (HGH). HGH is a synthetic performance enhancing drug usually taken with steroids. NFLPA has delayed implementing the test because it questions the accuracy and validity of the test.



GREETINGS FROM THE CHAIR

BY DR. NICHOLAS KARATJAS

Greetings, Alumni:

As you receive this issue of the newsletter, I have a number of items to report.

Dr. James Dyal retired from IUP after 34½ years of service. Upon moving out of his office, Dr. Willard Radell moved into Jim's office and is now my new neighbor.

However, Dr. Radell's old office will not remain empty for long as we have hired a new faculty member. Mr. Christopher Jeffords will be joining the department in August. Chris is a Ph.D. candidate at the University of Connecticut in the Department of Agricultural and Resource Economics. He defended his Ph.D. in March. He is able to teach a number of different classes and I look forward to his contributing to the department. There will be a more extensive article introducing him to you in the fall issue of the newsletter.

In addition, we were fortunate to add Mr. Camilo Rubbini as a temporary faculty member for this semester and the next academic year. There is an article written by Camilo in this newsletter. It has been a pleasure to work with him and his versatility is greatly appreciated. He will be going to Guangzhou, China, for six weeks this summer.

Another exciting piece of news is that IUP has selected a new president, Dr. Michael Driscoll. He will assume his duties on July 1, 2012. Dr. Driscoll is currently provost and executive vice chancellor at the University of Alaska Anchorage. He earned his bachelor's, master's, and doctoral degrees in electrical engineering from Michigan State University. I look forward to his joining the IUP community and believe he is an excellent choice.

Cosmetically, the IUP campus looks different from the one you remember. The Residential Revival project has been completed with all the old residence halls being torn down. In addition, the Giant Eagle that used to be across from the Pizza Hut was torn down and reopened on the other side of town. In its place will be a brand new Giant Eagle Express and gas station which should be opening soon. The Kovalchick Center is open and has had a variety of shows in the past year, ranging from country singer Eric Church to Disney on Ice to Monster Trucks.

Speaking of the past, we had a very nice visit from **Mathew Fisher ('92)** in April. He stopped by the department with his family on his way home to Virginia. Matt is currently employed at Bank of America and is keeping very busy. On an added note, of the faculty and staff who were here in 1992, Dr. Willard Radell and I still remain at IUP, along with Dr. Yaw Asamoah who is our CHSS Dean and Debbie (Mahan) Bacco, our secretary.

Finally, plans are moving along to build a new Humanities building which will replace Keith and Leonard Halls. It will be built by the library and it is expected that ground will be broken in the fall with an expected completion in summer 2014.

That is all for now. I hope you have a wonderful summer.

Nick Karatjas



A happy reunion: Dr. Willard Radell, Debbie Bacco, Mathew Fisher, and Dr. Nicholas Karatjas

P.S. Please be sure to drop us a line to let us know what you are doing so that we can include you in the next newsletter!

STUDENT NOTES

- Economics major, Mitch DeRubis, is serving as a research intern with The Harrisburg Internship Semester (THIS) at the Center for Rural Pennsylvania, which is a legislative agency of the General Assembly that does bipartisan and bicameral research on rural policy. Mitch is conducting independent research on issues affecting rural Pennsylvania and its residents under the supervision of the Senior Policy Analyst. Currently, Mitch is analyzing Census data using SPSS to find differences between urban and rural counties in order to guide legislation, collecting data from various state agencies for our data center (Department of Transportation, Labor & Industry, Auditor General's office, etc.), attending House and Senate appropriations committee hearings, and publishing articles for the Center for Rural Pennsylvania's newsletter.
- Economics major, Grey Berrier, has been selected to be a research intern on the equity side for Stewart Capital Advisors LLC, a subsidiary of S&T bank, in Indiana, PA. His internship at Stewart Capital involves researching and performing valuations on companies that investment advisors are considering as potential investments. This includes looking at their 10-Ks and searching Bloomberg for relevant information about the overall status of the company. At the same time, he also updates valuations on currently held companies in order to determine if Stewart Capital should continue to own shares of that firm. Recently, Grey traveled to Portage, PA, to assist Mainline Bank (which has been acquired by Stewart Capital's parent, S&T) in transitioning accounts to S&T.
- "Access to Formal Credit and Rural Economic Development: An Examination of Prevailing Assumptions in the Land Rental Market of Rural India," written by economics majors, Christian Minich and Mitchell DeRubis, has been published in latest issue of the *Pennsylvania Economic Review*. This paper won the Best Undergraduate Student Paper Contest at the 2011 Pennsylvania Economic Association Conference. You can read the article online at <http://aux.edinboro.edu/pea/pub/PER/PER-V18-2-2011.pdf>
- Brent Stevens has been accepted into The Fund for American Studies program for Summer 2012.

U.S. FINANCIAL STRESS AND THE CANADIAN ECONOMY

(CONTINUED FROM PAGE 2)

Table 2

Canadian Industry	Low-Stress/High-Stress Threshold Percentile for U.S. Financial Stress Index	Effect on employment growth of an increase in U.S. Financial Stress when the U.S. is in a High-Stress Environment
DepInst	84 th	.02602
OwnOcc	83 rd	-.0009
ComConst	82 nd	-.0021
Insure	68 th	-.0029
NonDur	66 th	-.0037
Dur	66 th	-.0036

In closing, Dr. Yerger and I have been employing a technique outlined by Donald Andrews in *Econometrica* to study the impact of changes in U.S. financial stress on the Canadian economy. We find that the effect differs depending on whether or not the U.S. financial system is already stressed. For the impact on Canadian real GDP, the high stress environment for the U.S. seems to occur around the 83rd percentile of the U.S. financial stress index, whereas regarding the impact on Canadian industries, the high-stress tipping point varies from the 66th to the 84th percentile, based on the industry studied. We hope that this and future work will continue to increase our understanding of the financial spillovers and U.S.-Canadian economic linkages.

FACULTY NOTES

Dr. David B. Yerger gave an invited lecture titled "Investigating Changes in Malaysia's Competitive Position in U.S. Import Markets" at Limkokwing University in Kuala Lumpur in July 2011. He also presented related research at the International Conference on Innovation in Management in Bangalore, India, in August 2011.

Dr. David B. Yerger presented "U.S. Financial Stress: When and For Whom Does it Matter in Canada?", joint with **Dr. Todd B. Potts**, at the Association of Canadian Studies in the United States Conference in Ottawa, Canada, in November 2011.

Dr. James J. Jozefowicz and **Dr. Stephanie M. Jozefowicz** were featured in an entry entitled, "Rigorous Research = Successful Students," in the IUP blog "Around the Oak Grove" in January 2012. You can read the blog post at: <http://blog.iup.edu/aroundtheoakgrove/2012/01/1-24-rigorous-research-successful-students.html>

Dr. David B. Yerger's article "Assessing India's Competitive Exposure in U.S. Import Markets", joint with **Dr. Yaya Sissoko**, has been published in the January 2012 *PES Business Review*.

Dr. David B. Yerger presented "Integrating Student Forecasts of Earnings Potential by Major and Occupation into the Principles Course" at the Teaching Economics: Instruction and Classroom Based Research Conference in Pittsburgh, PA, in February 2012.

Dr. Yaya Sissoko presented a research paper entitled "Aid Effectiveness in Sub-Saharan Africa", co-authored with Niloufer Sohrabji, at the 38th Eastern Economic Association (EEA) Annual Conference held in Boston, MA, March 9-11, 2012. The paper focuses on the effectiveness of aid in countries in Africa.

Dr. David B. Yerger presented "U.S. Financial Stress Transmission to Canadian Industries", joint with **Dr. Todd B. Potts**, at the International Academy of Business and Economics Conference in Key West, Florida, in March 2012.

Congratulations to **Dr. Willard W. Radell** on his 30 years of service at IUP! Dr. Radell was honored at a Service Awards Luncheon held at the Crimson Event Center on March 27, 2012.



Pictured: Mr. Edward Dickson, Past President of PASA, and Dr. Yaya Sissoko, Faculty Advisor of PASA.

The Pan African Student Association (PASA) hosted its annual African Night on Saturday, March 31. **Dr. Yaya Sissoko** is the faculty advisor of PASA and the coordinator of African Night. The theme of African Night 2012 was "Tribal vs. Modern Africa." PASA aims to share African culture and tradition and to create awareness about Africa in general. African Night is educational, entertaining, and fun and is offered to the Indiana community and its surroundings. This year's presentation included a cultural show, fashion show, and food fair.

At the 2012 IUP Undergraduate Scholars Forum held on April 3, **Dr. James J. Jozefowicz** organized the Undergraduate Scholars Forum session "Applied Economics;" **Dr. Stephanie M. Jozefowicz** judged the session. **Dr. Yaya Sissoko** organized the Undergraduate Scholars Forum session "African Poverty;" **Mr. Camilo Rubbini** judged the session. **Dr. Yaya Sissoko** organized the Undergraduate Scholars Forum session "Economic Development;" **Dr. James J. Jozefowicz** judged the session.

Dr. Yaya Sissoko's article "Current Account Sustainability of ECOWAS Countries," co-authored with Dr. Niloufer Sohrabji, has been accepted for publication in the *African Finance Journal*, Volume 14(2), Spring 2012.

Dr. David Yerger's article "U.S. Financial Stress Transmission to Canadian Industries", joint with **Dr. Todd B. Potts**, has been accepted for publication in the *Journal of International Financial Studies*, forthcoming.

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ALUMNI NOTES

Robert K. Toutkoushian ('84) is a full professor in the Institute of Higher Education at the University of Georgia. He teaches classes in the Institute's doctoral program on statistical analysis and how to apply economic theories and models to higher education. He also serves as the editor of the peer-reviewed journal *Research in Higher Education*. He is currently conducting research on better ways to measure the financial return to students from attending college, and whether state financial aid programs are effective at enticing students to go to college. Recently, Rob had lunch with **Ray Edwards ('11)** who is currently a Ph.D. candidate in the Department of Economics at UGA.

Helena Rados-Derr ('04) and her husband, Mike, welcomed Ellie Ana Derr on February 20, 2012. *Congratulations Helena and Mike!*

Christine Gillock Schmidt ('06) has been promoted to project manager at PNC Bank in Pittsburgh, PA.

Stephanie Halliday ('06) is currently an Inside Sales Rep at Pall Corporation, a known leader in filtration solutions. She handles the Microelectronic, Fuels/Chemicals, and Powergeneration sectors. Pall Corporation is located in Exton, PA.

Dr. Neil R. Meredith ('06) presented "Religion and Labor: An Examination of Religious Service Attendance and Unemployment Using Count Data Methods" at the Midwest Economics Association Conference held March 30–April 1 in Chicago, IL. Neil will be attending the American Society of Health Economists 4th Biennial Conference being held June 10–13 in Minneapolis, MN.

Shannon Stare ('07) graduated from Johns Hopkins University in December 2011 with her Master's in Applied Economics.

Elizabeth Hall ('08) was recently elected to the Duke Chapter of Order of the Coif, a group that recognizes the top 10% of a law school's graduating class.

Mark Jackson ('10) played as a linebacker on the IUP football team during the 2011 season. He earned a first-team spot on the All-Pennsylvania State Athletic Conference (PSAC) West team after leading the Crimson Hawks in tackles this year. Mark ranked in the top 20 in the PSAC in every defensive category in 2011. When he is not practicing or playing on the football field, Mark currently is enrolled in the MBA program at IUP.

Judy (Kiel) Hartman ('10) and Zachary Hartman ('11) were married on December 31, 2011. *Congratulations to them both!* Zach is a Purchasing Manager at Mobile Concepts in Mt. Pleasant, PA. Judy is a Trade Specialist at BNY Mellon in Pittsburgh, PA.

Brittany DiChello ('11) and Jeff Moon ('11) have announced their engagement. *Best wishes Brittany and Jeff!*

Matt Gemberling ('11) is currently working at the Allegheny County Department of Human Services (ACDHS) in the Office of Data Analysis and Research Evaluation. Matt is applying his quantitative skills in interpreting and reading studies to inform policy suggestions/creation within the ACDHS. He is pursuing his Master's in Public and International Affairs program in the Graduate School of Public and International Affairs (GSPIA) at the University of Pittsburgh.

Jason Rados ('11) is currently a performance analyst at BNY Mellon in downtown Pittsburgh. He works in Performance and Risk Analytics on the CGNP (Corporate, Government & Not For Profit) Team. Jason writes, "...I believe [the] two Econometrics courses are the reason I was accepted for this position. During [my] two interviews, I talked at length about conducting research, using Excel and other software, and even presented the interviewers the two research papers I completed for the courses. [Those] classes allowed me to differentiate myself from the other candidates, and I believe they got me the job. Thank you for suggesting Honors Economics, it has truly served me well going forward in my career...I hope more students come to realize the advantages of Honors Economics." Jason also is the proud uncle of Ellie Derr! *Congratulations!*



Wally Putt ('69) spoke to the Economics Club in February. Pictured above are Dr. Jim Jozefowicz, Mr. Putt, and some members of the Economics Club.

THOSE OLD PHOTOGRAPHS



In 1993, Dr. Paul A. Samuelson spoke at the Department of Economics graduation ceremony prior to receiving an honorary Doctor of Humane Letters degree from IUP. In 1970, Dr. Samuelson became the first American and the second person to receive the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for having “developed static and dynamic economic theory.” It was also noted that he “actively contributed to raising the level of analysis in economic science.” Dr. Samuelson is often referred to as the “Father of Modern Economics.” Pictured above are Dr. Samuelson (left) and Dr. Donald A. Walker, who was chairperson of the Department of Economics at the time. Dr. Samuelson passed away in 2009. (Note: Photo taken by Dr. Willard W. Radell.)

Alumni Information

The Department of Economics aims to maintain a current contact list of all of our alumni. Please let us know what you are doing!



Matt Gemberling ('11) spoke to the Economics Club in April.

Interested in being an Alumni Speaker?

The Economics Club hosted Wally Putt ('69) and Matt Gemberling ('11) this semester. If you plan to be in the area (or live in the area) and would be interested in speaking to the Economics Club, please contact Dr. Jim Jozefowicz at James.Jozefowicz@iup.edu.

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Name: _____

Graduation year, degree earned: _____

Address: _____

City, State, Zip: _____

Your News (which we will use in our next newsletter):

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Mail to: Alumni News, Department of Economics,
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ALUMNI NEWS

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DEPARTMENT OF ECONOMICS



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IN THIS ISSUE:

- ◆ U.S. FINANCIAL STRESS & THE CANADIAN ECONOMY
- ◆ GAME CHANGERS & GOOD ADVICE: MILEAH KROMER
- ◆ LEARNING BY TEACHING
- ◆ HIGHLIGHTS OF NFL CBA
- ◆ GREETINGS FROM THE CHAIR
- ◆ THOSE OLD PHOTOGRAPHS
- ◆ STUDENT, FACULTY, AND ALUMNI NOTES