

Villanova University – Department of Economics

Summer 2021



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- I. Letter from the Chair – Peter Zaleski, Ph.D.

Dear Friends of Villanova Department of Economics,

What an interesting year!! The Villanova community's response to the COVID-19 pandemic and related shutdown was commendable. Our department offered a mix of class options that spanned 100% distance learning to 100% in person with a variety of hybrid options. The response to the restrictions by faculty, staff and students contributed to our growing success.

While Bartley Hall was a bit quieter this year, we did continue to grow as a learning community. In addition to providing a great experience in the classroom (both in person and online), student and faculty collaboration on research continued to thrive despite the COVID restrictions. Our visiting research seminars ran online, and the FED Challenge team had the opportunity to compete online. We not only adjusted to the shutdown; we thrived. Please read through the newsletter to see all the highlights our students achieved throughout the year.

Our annual highlight, the Lucia Lecture, did not occur this year, but we look forward to an even bigger event for the '21-'22 year.

During this past year, we had the opportunity to hire four new faculty members who will join us in the fall. We look forward to their positive contributions.

On a personal note, this past academic year marks my final year as department chair. I enjoyed serving in this role for eleven years (2002-2007, 2015-2021), and this latest term was most productive thanks to the great support we get from our department coordinator Mrs. Cathy Costello whose work ethic to go above and beyond for our faculty and students has always impressed me. I am happy to pass the baton to Dr. Erasmus Kersting who will serve as department chair beginning this Fall semester. I am happy to report that Dr. Mary Kelly will continue to serve in her role as Associate Department Chair. Dr. Kelly's work ethic to go above and beyond for our faculty and students is another reason we continue to be so successful.

Finally, we continue to look for ways to engage alumni in activities on and off campus and now via Zoom. If interested, please reach out to Dr. Erasmus Kersting (erasmus.kersting@villanova.edu) or Dr. Mary Kelly (mary.kelly@villanova.edu).

It A Year Like No Other!

August

A week earlier than originally scheduled, we welcomed our students in the classroom and on Zoom for the start of a new academic year. Joining the faculty for the upcoming year were Dr. Renya Reed Wasson, Dr. Xiyue Cao, Dr. Yanan Chen, and Dr. Julie Becher.

September

The Department announced that the Fall 2020 recipient of the **Fr. Farrell Undergraduate Research Award** was **Olivia Pfeiffer ('22 CLAS, Honors)**. Named in honor of the late Fr. John Farrell, who taught economics at Villanova for two decades, and initiated by a donation from VSB alum Scott Steel ('01), The Farrell Undergraduate Research Fund is a program dedicated to supporting undergraduate research projects in economics. Farrell Award Recipients receive \$1,000 for the semester to support their independent research under the guidance of an economics professor. Olivia's research project, titled "An Empirical Analysis of the Glass Cliff", analyzed the phenomenon of placing women into leadership positions during a period of crisis where the chance of failure was higher. **Dr. Xiaoxiao Li** served as a mentor on the project.

Aidan Coniff and **Eleanore Woodruff** were appointed President and Vice President, respectively, of the Economics Society for the 2020-2021 academic year. Fr. Craig McMahon was the group's faculty advisor.

October

On October 8th, the Department and the Economics Society hosted a Zoom event for students to learn about internship and career opportunities at the Federal Reserve. One of the presenters was **Kate Bayeux ('14 CLAS)**, Markets Associate at FRB-NY.

The Department of Economics Seminar Series kicked off on October 23rd with **Helene Purcell ('10 VSB)**, economics PhD candidate from **Fordham University**. Ms. Purcell spoke on "The Heterogeneous Impacts of Natural Disasters on Risk Preferences in Indonesia". The Series continued on October 30th with a talk by **Johns Hopkins University's Jonathan Wright** (PhD Harvard). Dr. Wright spoke on "Event Day Options".

November

There were two papers presented in November as part of the Department's Seminar Series. On November 6th, **Dr. Alain Naef** from **U.C. Berkeley/Bank of France** spoke on "Imported or Home Grown? The 1992-3 EMS Crisis". A week later, **Dr. Fabio Ghironi** from the University of Washington presented his paper "Interest Rate Uncertainty as a Policy Tool".



In the fall, six economics seniors represented the University at the 17th annual FED Challenge Comp'19 CLAS) edition. Among 85 college teams that competed virtually, Villanova was one of 18 teams that advanced to the semi-final round. Our team consisted of **Michael Betke (CLAS)**, **Christopher Cicala (CLAS)**, **Anthony Lombardi (VSB)**, **Stephanie Vallace (CLAS)**, **Dana Wadsworth (VSB)**, and **Molly Whalen (CLAS)**. The faculty moderators were **Dr. Sarah Burke** and **Mr. Paul Suckow**. Villanova alumni, **Helene Purcell ('10 VSB)**, **Ryan Zalla ('17 CLAS)**, and **Matthew Fagerstrom ('19 CLAS)** served as guest advisors. Teams were evaluated based on economic analysis, responses to judges'

questions, teamwork and presentation. On November 20th, Federal Reserve Board Chair Jerome H. Powell announced the winner, Dartmouth College, and stated "Teams at all levels of the competition demonstrated exceptionally high levels of commitment, determination, and motivation. A link to Villanova's presentation is provided here.

<https://www.youtube.com/watch?app=desktop&v=fWGuw2mmbJQ>

December

Twenty-nine students met the requirements to become members of Omicron Delta Epsilon, the international honor society in economics. The students are: **Ronald Benas, Caroline Bickel, Vincent Costantini, Joseph Duffy, Sean Fitzgibbons, John Gellene, Sophie Grant, Natalie Holstein, Abigail Hubbell, Caitlin Hubbell, Karen Juszczak, John Keating, Alek Kevorkian, Sindi Kulla, Daria Lukyanova, Erin Lynch, John Mairone, Danielle McKenna, Xuyuan Meng, Julia Muoio, Olivia Pfeiffer, Mark Rossi, Alexa Schoeneborn, Yanyao Shi, Micaela Valli, Graham Diana, Tessa Piontkowski, Maddie VanBrunt, and Winona Whelan.**

January - February

Stephanie Wallace was selected as a Farrell Research Fellow in Spring 2021. Her paper's title was "Clean Energy Adoption and Financial Development in European Countries." **Dr Zeynep Yom** served as Stephanie's mentor.

Dr. Michael Curran, Dr. Christopher Kilby, and Dr. Peter Zaleski were awarded funding for research as part of the University's Small Research Pilot Program. The program supports projects that are in an early or exploratory phase.

On Friday, February 26, **Dr. Zeynep Yom** presented her paper "Optimal Bailouts in Banking and Sovereign Crises" as part of the Department's Research Seminar Series.

March



On March 16th, **Dr. Matthew Luzzetti** (VSB), Chief US Economist for Deutsche Bank, spoke to students via Zoom on “US Outlook: Fiscal Infusion to Sweep Economy Above Pre-Virus Path.”

On March 24th and 25th, students got the opportunity to participate in NABE's 37th annual Economic Policy Conference held virtually for the first time. Conference speakers from academia, the private sector, and the government focused their remarks on the tests for policymakers in the wake of COVID-19.

Twenty-eight students were inducted into Omicron Delta Epsilon during the spring semester. They are: **Kyle Arquette, Zeqian Bao, Holly Beske, Sophie Bourguignon, Kerriane Brown, Jennifer Casalino, Brandon Catanzaro, Alexander Comfort, Alyssa D'Antona, Leah Farina, Austin Glass, Rohan Gohel, Molly Hutton, Patricia Kelley, Patrick Labella, Kerri Monaghan, Ben Moyer, Finn Murphy, Olivia Naioti, Carley O'Toole, Liam Ramdial, Michael Reilly, Gabrielle Ruffini, Aidan Schwob, Stephanie Wallace, Sophia Vilim, Molly Whalen, and Julia Wilson.**

The Office of the Provost announced that **Dr. Christopher Kilby** was the recipient of the 2021 Outstanding Faculty Research Award. The award is presented to a faculty member who demonstrates the highest standards of excellence in their research, scholarship, and contributions to their field. The university recognized Dr. Kilby's impressive scholarly record and international reputation in the area of Development Economics. He is well-known for his research on how political factors affect the allocation of aid by the World Bank.

April

In mid-April, **Gian Maria Milesi-Ferretti** from the **Brookings Institution** presented her paper "Portfolio Debt Flows to Emerging Markets" as part of the Department's research seminar series. A week later, **Philip Keefer** from the **Inter-American Development Bank** presented his paper "Demand-Side Determinants of Public Spending Allocations: Voter Trust and Time Preferences". Dr. Keefer ranks well within the top 5% of authors by citations on IDEAS/RePEc. With research focusing on the determinants of political incentives to pursue economic development, he has published prodigiously in peer-reviewed journals including *The Quarterly Journal of Economics*.

The month ended with **Dr. Hajime Shimao** from **Santa Fe Institute** presenting "Cost of Research and Education Activities in US Colleges - Complementarity, Scalability, and Heterogeneous Efficiency". Dr. Shimao's study found that "Villanova's publication quantity is on the margin of the top group (86 percentile), while its citation level is above the median (65 percentile). As for education, Villanova seems to balance the quantity and quality of undergraduate education exceptionally well. The volume of bachelor's degrees awarded is on the larger end (85 percentile), while the median mid-career salary of alumni is outstanding (97 percentile).

"Villanova's cost efficiency in education is absolutely amazing! And stimulation exercises suggest that we could be at a similar level to Caltech in terms of cost efficiency of research if the research production scales up."

On April 30th, **Dr. Xiaoxiao Li** presented her co-authored paper "Major Complexity Index and College Skill Production" at the NBER Economics of Education Program Meeting, Spring 2021.

Jacqueline J. Thoet ('21 CLAS) was named a 2021 Falvey Scholar for her research on "how Effective Were COVID-19 Lockdown Policies? Mobility Changes After Reopening Industries in Four States." Ms. Thoet's research was supervised by **Dr. Zeynep Yom**.

On April 30th, the Department held its annual **Adam Smith undergraduate research competition**. The authors of the top four submitted papers, presented their research to faculty, staff, and friends at an event held in person and via Zoom. First place was awarded to **Andrew Ceonzo** ('22 CLAS) for his work on "We're All in This Together: Analyzing the Performance of Co-located Public and Charter Schools in New York City". Second place went to Jacqueline Thoet ('21 CLAS) for "How Effective Were COVID-19 Lockdown Policies? Mobility Changes After Reopening Industries in Four States". Honorable mention recognition was shared by **Derek Nolan** ('21 CLAS) for "Foreign Development Aid & Migration," and **Billy** ('21 VSB) and **Jessica McGloin** ('21 CLAS) for "COVID-19 and Economic Relief to Small Business: Determinants of PPP Loan Size." Joining the economics faculty in judging this year were alums and past Adam Smith prize winners **Kelley Bergsma** (now Associate Professor of Finance at Ohio University) and **Jon Klick** (now Professor of Law at University of Pennsylvania Law School). We thank them for their service and time commitment. The prize money for the Adam Smith Award comes from an endowment funded by alum **John Haines** who is also a past Adam Smith prize winner. We thank John for his generosity and continued support.

May

Anthony Lombardi '21 VSB and **Francis Ochman** '21 CLAS were awarded the Bartley Medallion and the John Maynard Keynes Medallion for excellence in the study of economics in VSB and CLAS, respectively. These awards are the highest distinctions the respective colleges can bestow upon a graduating student.

Congratulations to **Dr. Sarah Burke** who was awarded the Gerald A. Dougherty Endowed School of Business Faculty Award for excellence in undergraduate teaching, **Dr. Wen Mao** who was awarded the Executive MBA Excellence in Teaching Award, and **Dr. Mary Kelly** who received the VSB External Engagement Award.

University summer research grants were awarded to **Dr. Sutirtha Bagchi** and **Dr. Xiaoxiao Li**. VSB Dean's summer research awards went to **Dr. Sutirtha Bagchi**, **Dr. Michael Curran**, **Dr. Scott Dressler**, **Dr. Easmus Kersting**, **Dr. Christopher Kilby**, and **Dr. Victor Li**. VSB Dean's teaching innovation grants were awarded to **Dr. Michael Curran** and **Dr. Scott Dressler**.

The Department bid farewell to **Dr. Daniel Fragiadakis** and **Fr. Craig McMahon**. **Dr. Fragiadakis** will be joining **Upwork**, an online marketplace for freelancers. As one of the firm's economists, Dr. Fragiadakis hopes to design and run experiments to accelerate the acquisition of new users and boost the project opportunities for existing users. Meanwhile, **Fr. Craig** will be joining the team at **Cristo Rey Philadelphia High School** located at 17th and Allegheny.

Recently, the Augustinian Friars of the Province of St. Thomas of Villanova became religious endorsers of Cristo Rey Philadelphia. The high school is one of thirty-seven Catholic schools of its kind located throughout the United States, engaged in the college preparatory education of 13,000 low-income students of which 98 per cent are students of color. The Philadelphia school was founded in 2012 and has a current enrollment of 547 students with a 100% college acceptance rate. We wish both Dr. Dan and Fr. Craig all the best!!

CONGRATULATIONS TO THE CLASS OF 2021!

On Friday, May 14, in Villanova's stadium, University President, the Rev. Peter M. Donohue, OSA, PhD, conferred degrees. Among the graduates, there were 130 CLAS and 30 VSB students who earned a major in Economics. Among our CLAS graduates, 27 percent had at least one other major. The most popular second major was Political Science. For our VSB graduates, 40 percent had at least two majors, with the most popular pairing being with Finance.

II. Faculty and Staff News



On September 29th, Dr. Xiaoxiao Li and her husband, Hajime, welcomed an adorable 5lb. 8oz. baby girl, Tsubame. In the photo on the left, Tsubame is sporting the sweater and hat that was hand-knitted by Professor Jeannette Marie Kelley.

Our condolences to adjunct faculty member, **Mr. Craig French**, whose wife, Shirley French, passed away, suddenly and unexpectedly, on May 3rd.

Faculty Publications

Burke, S.M., Robak, P. & Stumph, C. Surfing (2020). Surfing You-Tube for Increasing Marginal Returns on Student Engagement in Introductory Microeconomics, *Journal of Higher Education Theory and Practice*. 20(10): 148-158.

Curran, M. and **Dressler, S.** (2020). Preferences, Inflation, and Welfare, *European Economic Review*, 130.

Curran, M. and Velic, A. (2020). The CAPM, National Stock Market Betas, and Macroeconomic Covariates: A Global Analysis. *Open Economies Review*, 31(4): 787-820.

Curran, M. and Velic, A. (2020). Interest Rate Volatility and Macroeconomic Dynamics: Heterogeneity Matters. *Review of International Economics*, 28 (4): 957-975.

Kejriwal, M., Li, X. Totty, E. (2020). Multidimensional Skills and the Returns to Schooling: Evidence from an Interactive Fixed Effects Approach and a Linked Survey-Administrative Dataset. *Journal of Applied Econometrics*, 35 (5).

Kelly, M. and Swann, C. (2020). Netflix: Will Content Be Enough? *Ivey Publishing*, 9B20M187.

Forthcoming

Aysun, U., Yom, Z. (2021). R&D Characteristics, Innovation Spillover, and Technology-Driven Business Cycles. *J Ind Compet Trade*. <https://doi.org/10.1007/s10842-021-00358-4>

Bagchi, S. (2021). The Effects of Political Competition on The Funding of Public-Sector Pension Plans. *Financial Management*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/fima.12335>

Bagchi, S. Naughton, J.P. (2021). Public-sector pension plans and the discount rate assumption: The role of political incentives. *Economics Letters*.
(<https://www.sciencedirect.com/science/article/abs/pii/S0165176521001919>)

Bagchi, S. (2021). Does the Strength of Incentives Matter for Elected Officials? A Look at Tax Collectors. *The B.E. Journal of Economic Analysis and Policy*. <https://www.degruyter.com/document/doi/10.1515/bejeap-2020-0008/html>

Kaya, A, Kilby, C., and Kay, J. (2021). Asian Infrastructure Investment Bank as An Instrument for Chinese Influence? Supplementary Versus Remedial Multilateralism. *World Development*, September 145:105531.

Keefer, P. and Kilby C. (2021). Introduction to the Special Issue: In memoriam Stephen Knack. *Review of International Organizations*, 16(3):473-494.

Kersting, E. and Kilby C. (2021). Do Domestic Politics Shape U.S. influence in the World Bank? *Review of International Organizations*, 16(1):29-58.

Kilby, C., and McWhirter, C.* (2021-2022). The World Bank COVID-19 Response: Politics as Usual? *Review of International Organizations*.

Li, X. and Patel, P. (2021). Weather and High-Stakes Exam Performance: Evidence from Student-Level Administrative Data in Brazil. *Economics Letters*, 199 (109698).

*Carolyn McWhirter is a 2021 CLAS graduate.