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# THE DEPARTMENT OF ECONOMICS

Spring 2008

The University of Montana-Missoula  
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## NEWS & ACTIVITIES

Despite our best efforts to talk them out of it, Tom Power, Dick Barrett and Dennis O'Donnell retired. In addition, we were saddened to bid a fond farewell to Jennifer Alix-Garcia who accepted a position at The University of San Francisco. All four of these individuals are greatly missed and they leave large shoes to fill.

Fortunately, we were very successful at the ASSA meetings in Chicago last year and we hired two new faculty members. In January Jeff and Amanda to the American Economic Association Meetings in New Orleans to conduct interviews for a new assistant professor and have hired Helen Naughton from the University of Oregon who is currently teaching at Oregon State University. Helen will join us in August with her husband, Joe, and their son, Henri.

**Derek Kellenberg** comes to us from Georgia Tech where he was an Assistant Professor. Derek completed his Ph.D. at the University of Colorado at Boulder in 2004. Derek works in the areas of international and environmental economics and his research often combines both fields. He has publications in *Contemporary Economic Policy* and *Journal of Urban Economics*.

**Ranjan Shrestha** completed his dissertation at Ohio State University this past summer. Ranjan works in

the areas of labor and health economics. Ranjan adds a lot of international experience to our department; although he is from Nepal, much of his research involves work in Indonesia.

**Jennifer Alix-Garcia** is now at The University of San Francisco. We miss her long conversations in Spanish with Dick Barrett and her tutoring of Doug Dalenberg in Stata as well as her research, teaching and service to the department.

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## NEW FACES



Pictured are new Assistant Professors Derek Kellenberg and Ranjan Shrestha.

## NEWS & ACTIVITIES (CONTINUED)

**Jeff Bookwalter** had a very busy summer biking through France returning just in time to make a conference presentation of his research on well-being and measures of relative income and education.

**Amanda Dawsey** was continually cold her first winter in Montana, but that did not hinder her outstanding teaching and productive research agenda. She has adjusted fully to Montana and I saw her riding her bike to school in a snowstorm this fall. Amanda taught the graduate micro course along with introductory economics and intermediate micro courses. This fall she taught a popular game theory class.

**Brandon Fuller** and **Jon Aliri** are both helping to fill the teaching hole left by Jennifer Alix-Garica's departure.

**Mike Kupilik** and **Kay Unger** remain heavily involved in the University Faculty Association. Mike continues to serve as Union President and Kay is serving as the student complaint officer.

**Doug Dalenberg** took a crash course in administration from Tom Power as Doug became chair of the department this fall. Tom was chair for over 30 years, which has Doug wondering if anyone can remember who played first base after Lou Gehrig? (I think I have one of Wally Pipp's headaches).

**John Wicks** still rides trains, publishes his research regularly and mentors both graduate and undergraduate students.

**Stacia Graham** continues to run the department smoothly and is teaching first-year Latin for the University. It isn't clear to us that she ever goes home since she is here when we arrive and here when we leave. She does occasionally mumble to herself in Latin, but we don't really want to know what she is saying about us.

Jeff Bookwalter was the winner in the annual Fall Final Exam Hall Bowling Championship.

### Emeriti and Research Associates

**Richard Barrett** is enjoying his retirement by running for public office. He is running for state legislature as representative for House District 93.

**Richard Erb** and **Joanna Shelton**. During Fall 2007 semester, Richard taught a course called "Globalization and Our Shrinking Planet" under the University's MOLLI program — a continuing education program for those 55 years and older. Students were very interested in the subject and participated actively in class discussions. Richard found that one of the great advantages of teaching this age group is that it is possible to refer to historical experiences during the last half of the 20<sup>th</sup> century without seeing blank faces. In October Richard attended the annual meeting of the IMF which he found particularly exciting this year because of global financial turmoil. Last spring semester he gave a seminar on "The Challenges of Managing a Global Multilateral Institution" in Peter Koehn's Political Science graduate seminar. Joanna remains busy researching and writing a book. This spring Joanna will offer a course titled, "American Trade Policy and Politics: Who's in Charge Here?" for the University's MOLLI program.

**Dennis O'Donnell** is working with the Bureau of Business and Economic Research (BBER) in the School of Business Administration on Native American Economic Issues and continues his work in Irish Studies. Dennis hears from students and runs into them regularly as he looks into becoming carbon neutral as soon as possible — "go wind/solar and net metering" is his mantra.

**Thomas Power** continues an active research program on his typical wide range of topics, including work as Principle Investigator on an important National Park Service grant. He was named "Montana Conservationist of the Year" by the Montana Environmental Information Center.

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## FACULTY PROFILE: DEREK KELLENBERG

*Welcome to the University of Montana. Tell us a bit about your specialty areas of teaching and research.*

My specialty areas are in environmental economics, international trade, and foreign direct investment. My primary research agenda at the moment is really at the intersection of these three areas, looking at the effects that differences in environmental regulations across countries have on trade and investment flows as well as the subsequent environmental effects that more open markets have on countries at different development levels.

*Where were you educated? What was the title of your dissertation?*

I earned my Ph.D. at the University of Colorado at Boulder. The title of my dissertation was "Essays on the General Equilibrium Effects of Infrastructure on Multinational Sales, Trade Flows, and Growth."

*What courses will you be teaching in the next few years?*

Next year I will be teaching Environmental Economics, Introduction to Microeconomics and the senior thesis seminar. I am also in the process of developing a new course entitled 'The Economics of International Environment and Climate Change' that I hope to offer sometime in 2009.

*What is your favorite thing about being a professor?*

The opportunity to be around talented colleagues and students, the ability to work on things I find interesting, and flexibility (I guess that's three things).

*Tell us about your research or a particular research project in which you are involved?*

I am currently working on a series of theoretical papers related to how imbalances in trade flows can lead to widely diverging prices in shipping. The results can have important implications for the types of goods that get shipped. In particular, if trade imbalances become large (for example we import more from China than we export to them) then the backhaul shipping rate (the rate to ship goods from the U.S. to China) can be driven down. This creates a potential 'environmental arbitrage' condition for recyclers in the U.S. who may ship harmful e-waste products back to China. That is, it may become cheaper to pay the cost of transport to a developing country where disposal is cheap rather than paying for much more costly landfill charges in the U.S. With growing trade imbalances with many developing countries and the amount of e-waste being generated in the U.S., these issues are becoming important international environmental issues.

*Where did you grow up and what hobbies do you enjoy?*

I grew up in the Redwood Forest on the far North Coast of California. I have always been drawn to the outdoors and love to run, bike, fly-fish, ski, and camp.

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## FACULTY PROFILE: RANJAN SHRESTHA

*Welcome to the University of Montana. Tell us a bit about your specialty areas of teaching and research.*

My research specialization is in development, labor and demographic economics. I started graduate school intent on specializing on international development with a macro focus, but as my dissertation supervisors were mostly labor economists, my research became micro-oriented with a focus on fertility and demographic issues in developing countries. I also started working with the Indonesian Family Life Survey for my dissertation and became increasingly interested in the development experience of Indonesia. I was lucky to be introduced to William Liddle, a political science professor at the Ohio State University with specialization in Indonesia, who agreed to join my dissertation committee. I gained a better understanding of the political economy of Indonesia through his guidance, which further developed my research interests in that country. As for teaching, I am interested in teaching both microeconomics and macroeconomics at the undergraduate level, and labor and development economics at both the undergraduate and graduate levels.

*Where were you educated? What was the title of your dissertation?*

I went to Miami University in Oxford, Ohio for my undergraduate studies. After completing my bachelors and masters in economics there, I started my PhD in economics at the Ohio State University. My dissertation was titled "Family planning, community health interventions and the mortality risks of children in Indonesia."

*What courses will you be teaching in the next few years?*

Besides the principles and intermediate macroeconomics courses, I will be teaching labor economics and a development economics course in the next few years.

*Tell us about your research or a particular research project that you are involved in?*

My dissertation studied the impact of the various government programs on lowering infant and child mortality in Indonesia. I primarily focused on the family planning program that sought to increase contraceptive prevalence in Indonesia. Another program that interested me was the village midwife program that placed over 50,000 trained midwives in villages across Indonesia during the 1990s. Since a majority of women in rural areas in developing countries tend to give birth in the house, I was interested to learn whether access to trained birth attendants improved survivability of infants.

Currently, I am working on the impact of decentralization on health service delivery. Indonesia has been going through a decentralization process since the fall of the Suharto government. This has led to the transfers of various health facilities and personnel to local control from central government control. It is of interest whether this sort of devolution of decision-making authority to local levels will increase accountability and improve services to meet local demand, and thereby increase usage and have an impact on health outcomes, especially of the poor.

*Where did you grow up and what hobbies do you enjoy?*

I grew up in Nepal and India. I was born in Kathmandu and spent most of my early childhood there. Then I spent most of my secondary school days in a place called Nainital in the Kumaon region of India adjoining Western Nepal. I came to the US in 1997 to start college. Having grown up in the hills of Nepal and India, I enjoy being among the mountains. I also enjoy swimming, reading, watching movies, and photography.

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## GRADUATE PROGRAM

In May, Benjamin Harris successfully defended his thesis "Inequality and Civic Participation in the Rocky Mountain West." Jennifer Alix-Garcia chaired his committee that included Doug Dalenberg and Peter Koehn from Political Science. Ben has started the PhD program in Economics at Simon Fraser University.

In July, Brian Vander Naald successfully defended his thesis "The Effects of Fiscal Decentralization on Health and Education Outcomes and Behaviors: Evidence from Ethiopia." Jeff Bookwalter chaired his committee that included Jennifer Alix-Garcia and Peter Koehn. Brian entered the Ph.D. program at the University of Oregon in Economics this fall.

In August, Larson Silbaugh defended his thesis "Evaluating the Effects of Wilderness on Population and Employment Growth in the Eleven Western States." Doug Dalenberg chaired his committee, which included Tom Power and Neil Moisey from Conservation and Society. Larson is working in Helena for the State of Montana.

All three of these fine theses are available electronically through the Mansfield Library.

We welcomed six new students to our program this Fall, Emily Peters (Western Washington University), Anna Iverson (Montana State University), Dmitri Murfin-Simmons (University of Montana), Dustin Frye (University of Montana), Ben Fitch Fleischmann (Claremont McKenna College) Matt LaPalm (University of Montana), and Colin Sorenson (Kansas State). They join Taylor Cook, Caleb Lande, Martin Twer and Steve Cleverdon who are continuing our program.

Matt LaPalm was awarded the Swenson - Wicks Research Assistantship for the 2007-2008 academic year and he is pursuing research that involves estimating a production function for leisure. This line of research follows research that John performed years ago with John Fitzgerald and Matt Swenson on household production. That research turned into: Fitzgerald, J. and J. Wicks, "Measuring the Value of Household Output: A Comparison of Direct and Indirect Approaches," *Review of Income and Wealth*, 36(2), 129-141, 1990. The Swenson-Wicks Research Assistantship is funded by a very generous gift from Matt and Janelle Swenson and has benefited numerous graduate students and faculty.

Ben Fitch-Fleischmann, Caleb Lande and Dmitri Murfin-Simmons are serving as teaching assistants this academic year.

*We enjoy hearing from you. Send us a note any time to give us your news. If you send us an email address (econ@mso.umt.edu) we'll notify you when the next newsletter is posted to the website.*

# UNDERGRADUATE PROGRAM

## Outstanding Senior Award/Senior Recognition Day

Sam Schabacker	2007
Meredith Traeholt	2006
Dmitri MurfinSimmons	2005
Edward Coffield	2004
Taylor "TJ" Comstock	2003
Kelsey Keen	2002
Anna Unger	2001
Akiko Furuya	2000

## Martin & Rhoda Farris Scholarship

Benjamin Harris	2007
Brian Vander Naald	2007
Edward Coffield	2004
Dan Loeffler	2003
Joel Maynes	2002
Brandon Fuller	2001

## Kain/McKay Scholarship (to a junior major)

Carl Van Haren	2007
Sam Schabacker	2006
Karen Gessaman	2005
Jessica Daniels	2004
Abigail Anthony	2003
Joel Maynes	2002
Kelsey Keene	2001

## David R. Paoli and Monica Conrad Paoli Economics Fund

Tim Neidhardt	2007
Garrett Blackburn	2006
Varun Giri	2005
Dan Loeffler	2003

## J.H.T. Ryman Economics Fellowship

Dustin Frye	2007
Taylor Cook	2007
Jordan Larson	2004
Dan Loeffler	2003
Robert Haidle	2002
Sean Murphy	2002
Joel Barranger	2002

## Outstanding Senior Thesis Award

Garrett Blackburn	2007
Mary Olson	2006
Andrew Bissell	2005
Edward Coffield	2004

Last year's senior thesis students and their thesis titles were:

Ayumi Amano	<i>The Feasibility of the Kyoto Protocol: Analysis from an economic point of view</i>
Matt Betcher	<i>The Cost of Winning: Determinates of production within Major League Baseball</i>
Garrett Blackburn	<i>Trade, Equality and Development</i>
Steve Cameron	<i>A Dam Fine Mess: The effect of the PPL Montana tax protest on economic development in Cascade County, Montana</i>
Songje Chanda	<i>Higher Education and Economic Development in Africa</i>
William Connell	<i>Medicare Prescription Drug Coverage Design and Enrollment Demand</i>
Eric Dale	<i>A Modern Evaluation of Life and Inequality Effects on the Calculations of a Human Life</i>
Hans Howell	<i>History of Agricultural Subsidy Programs in the United States</i>
Matthew LaPalm	<i>Economic Shocks and Civil Conflict</i>
Rosemary Moore	<i>Gender, Salary and Promotion in the Market for Academics</i>
Sam Schabacker	<i>Potatoes, Peaches, and Peanuts: Agricultural microcredit in Latin America</i>
Trent Taher	<i>Conception Decisions: A modern approach to population economics</i>

## PUBLICATIONS

Stanford University Press has just (2007) published ***Accounting for Mother Nature: Changing Demands for Her Bounty*** which **Thomas Power** edited along with Terry Anderson and Laura Hugins. He also wrote the lead chapter for the book, *Natural Amenities and Ecosystem Services: The Need for Additional Institutional Innovation*.

The **Journal of Economic Literature** (Vol. XLV, December 2007, pp. 1087-89) published **Tom Power's** book review of *Environmental Economics for Tree Huggers and Other Skeptics* by William Jaeger.

In October 2007 **Tom Power's** study of *The Economic Role of Metal Mining in Minnesota: Past, Present, and Future* was published by the Minnesota Center for Environmental Advocacy and the Sierra Club.

**Jeff Bookwalter, Brandon Fuller and Douglas Dalenberg** published "Do Household Heads Speak for the Household? A Research Note," *Social Indicators Research*, 79, 2006 405-419.

**Derek Kellenberg** published The Provision of Public Inputs and Foreign Direct Investment, 2007, *Contemporary Economic Policy*, 25(2), 170-184 and has two more articles forthcoming.

## HONORS & AWARDS

**Dennis O'Donnell** was recently recognized by the *Central and Southwest Asian Studies Program* for his lifetime commitment to the study of Asia.

**Thomas Power** was honored by the Montana Environmental Information Center as Montana's Conservationist of the Year. In past years, some of the state's leading political leaders have received the award including Senator Lee Metcalf and Representative Pat Williams. State cultural leaders have also received the award including novelist A. B. Guthrie and the Pikuni Traditionalist Association of the Blackfoot Tribe. Faculty members of The University of Montana have also been recipients including K. Ross Toole, Clancy

## ALUMNI NEWS

**Jon Aliri** (MA, '02) has nearly completed his M.B.A., continues as Manager of The Market, and remains married to that wonderful woman, Rebecca Hofstad. Jon and Becky recently remodeled their pink bathroom. Jon also tore his ACL in his right knee and refused to get surgery so he is giving up soccer and learning to play cribbage.

**Abigail Anthony** (BA, '02, MA, '04) is still in her PhD program in environmental and natural resource economics at the University of Rhode Island and writing her dissertation on direct load control programs in retail electricity markets. She is working as a research fellow with Environment Northeast, a non-profit organization working to write energy legislation in New England, and analyzing retail electricity data for KEMA, a technical consultant in the energy sector. Abby also co-authored an integrated, interdisciplinary paper on the effects of climate change on coastal lagoon systems on the Atlantic coast of the United States. Abby serves on her community's wind energy committee evaluating the feasibility of using wind energy to generate electricity for municipal loads. Never one for all work and no play, this summer Abby rode her bike, self-sustained, pulling a BOB trailer, from Salt Lake City to Boulder to raise awareness for renewable energy sources. She also coached high school ladies' cross country running this fall and her team finished 2nd in the state!

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## ALUMNI NEWS

**Joe Broach** (MA, '05) and his wife, Rachel, are fine and well in Portland. Rachel is working toward a Master's of Education, and Joe just finished his 4th term in the Urban Studies PhD program. Joe has completed most of the required coursework, and his next big hurdle is his comprehensive exams. Joe anticipates (hopes? prays?) that he'll defend his dissertation 3 years from now. To pay the bills Joe is working with his advisor on transportation research projects while also managing to keep a foot in the teaching door. He has presented three guest lectures to graduate classes in Urban Studies, all of which had some economic component.

**TJ (Taylor) Comstock** (BA, '03) and his wife, Kami, just opened their third hardware store in Roundup, Montana this fall. Business is going well and they continue to work with Bobby Haidle.

**Jessica Daniels** (BA, '03) is currently working as a project manager for Solimar Research Group, in Ventura, California. Solimar is a land-use planning consulting firm that provides research and policy analysis on land use and related issues so that government policymakers can make informed decisions regarding local, regional, and metropolitan land use patterns. They provide services to developers in Los Angeles and throughout Southern California. Solimar also creates transferable development rights (TDR) programs in the mountain west, including Gallatin County, Montana. Jessica's background in environmental economics from U of M, primarily under the guidance of Richard Barrett, continues to be useful in her planning career, particularly in developing market-based mechanisms such TDR programs for clients.

**Josh Davis** (BA, '04) is raising funds to construct a free community school near Changu Narayan, Nepal, working with a Hindu saddhu (holy man) and the community in Nepal, as well as funders here in the U.S.

**John Fitzgerald** (BA, '79) visited the UM as the external reviewer for the department's program review process. He spent from January to June at the University of Auckland, New Zealand working on a project evaluating their recent welfare reforms.

**Lindsey Haas** (BA, '05) is still living in Minnesota and working for the Mayo Clinic as a Healthcare Analyst and took her Actuary Exams this past January.

**Ben Harris** (MA, '07) finished his Master's, moved to Vancouver, BC (which is in Canada, which is a different country all together), and has begun a PhD program in Economics. He's learned (sort of) some real analysis, the theorem of the maximum, Brauer's fixed point theorem, something about supermodularity, something about probability spaces and sigma-algebras, dynamic programming, overlapping generations models, recursive competitive equilibria, preference axioms, WARP, expected utility, extensive and normal form games, Nash equilibria, subgame perfect equilibria, yadada yadada yadada. When asked by his mother what they had to say in classes about the subprime mortgage crisis, he realized that hadn't been mentioned --- nor any event in the world--- at all. The paper on Ejidos in Mexico, which he's co-authoring with Jennifer Alix-Garcis, is nearing submission. And, finally, he has, he claims, perfected his matzo ball recipe.

**Susan Holmberg** (MA, '00) is still working on her dissertation at UMass, Amherst, studying gender and Fair Trade coffee. Susan switched field locations (from Mexico) and spent the semester with the Oromia Coffee Union (subject of the documentary Black Gold) in Ethiopia. While there, she did an internship with the Gender Division at the UN Economic Commission for Africa. Ethiopia was amazing and she's anxious to go back.

**Peter Larsen** lives in Alaska and works as the Senior Policy Advisor on Climate Change for The Nature Conservancy.

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## ALUMNI NEWS *(CONTINUED)*

**Jordan Larson** (BA, '04) is working as a resource economist for Montana's Department of Natural Resources and Conservation (DNRC) in Missoula.

**Dan Loeffler** (MA '04) and his wife had a baby girl in June, Lauren Carter Loeffler. They rebuilt a house that was destroyed by a chimney fire and wood stove last April in which they lost almost everything they owned. Dan continues working at the CFC on economics of forest-based renewable energy, wildfires and small log utilization.

**Heather O'Laughlin** graduated law school this past spring and passed the Montana bar exam in July. In August, she started working for Senator Baucus in Washington, D.C., covering education, judiciary, housing, and banking issues. While she misses Montana, she enjoys the city life of D.C. and is honored to be working for the Senator.

**Sam Schabacker** (BA, '07) has a CARE fellowship working with Americans for Informed Democracy doing student activism around the nation. He now lives in Baltimore, and works with students trying to give them the support and resources to run campaigns such as greening your campus, getting fair products on campus, or getting a university not to buy their apparel from sweatshop factories (<http://www.aidemocracy.org/>).

**Larson Silbaugh** (MA, '07) works in Helena for the Department of Revenue doing tax policy research. This involves answering questions from other agencies, the director of the department of revenue, and legislators.

**Matthew Slonaker** was in Washington, DC, working for the Senate Finance Committee. After leaving the Montana governor's office, where he worked as a tax policy and revenue analyst, Matt had the opportunity to go to Italy for Robert Solow's ISEO institute in northern Italy where he met and absorbed the Nobel greatness of Robert Solow, Vernon Smith and Michael Spence. It was an amazing and enlightening adventure. When his term with the Committee ends, he hopes to find employment in international trade perhaps with the international trade division of Customs and Border Protection or another government agency.

**Trent Taher** (BA, '07) is currently living in Minneapolis working for a food service management company named Taher, Inc. He is in charge of a variety of projects, including writing corporate manuals and employee handbooks, assisting in the opening of a restaurant, The Alaska Eatery, financial auditing, management training and a handful of activities related to food production in various locations. Taher, Inc. is located in 10 states and currently expanding west coast operations. In addition, Trent started a new economic project that looks at the relationship between US trade balance and US labor unions, as well as working with Richard King of Missoula developing incentives for students to stay in Missoula after graduation.

**Brian Vander Naald** (MA, '07) defended his thesis in the summer and then went on to the doctoral program in Economics at the University of Oregon in Eugene. Brian regularly returns to Missoula – and although we'd like to think he returns to visit us, we suspect someone else lures him here.