

# THE DEPARTMENT OF ECONOMICS

Fall 2006

The University of Montana-Missoula  
32 Campus Drive #5472  
Missoula, MT 59812-5472

## NEWS & ACTIVITIES

Welcome to the third annual departmental newsletter. The pace of change seems to be accelerating as this fall both **Richard Barrett** and **Tom Power** announced their retirements effective at the end of the 2006-07 academic year. They certainly leave big shoes for the department to fill.

**Amanda Dawsey** joins our department from the University of North Carolina–Greensboro where she was an Assistant Professor. Amanda earned her Ph.D. from the University of Maryland and specializes in microeconomics, law and economics, game theory and public finance.

**Brandon Fuller** rejoins the department after a one-year hiatus. Brandon continues to work for Aplia, a company providing on-line learning supplements for introductory and intermediate Economics courses.

**Jennifer Alix-Garcia** had a very productive first year in the department. In addition to her productive teaching and research, she added another potential economist to the next generation of brilliant economists.

**Jeff Bookwalter** didn't miss a beat stepping into his tenure-track spot. Jeff placed third in his age group at the National Triathlon Championships and successfully completed his first Ironman Triathlon. He had promised us that he would only do one Ironman in his life, but the excruciating pain only encouraged him to do more.

**Joe Broach**, who taught for us last year, left Missoula to start a doctoral program in urban studies at Portland State University.

**Yasin Janjua** left the department and is now in Pakistan working for the Canadian High Commission as an economist.

## NEW FACES



Pictured is new Assistant Professor Amanda Dawsey. Richard Barrett's version of mentoring was clearly evident when a kayak suddenly appeared in her office. *Welcome to the whitewater, Amanda.*

## NEWS & ACTIVITIES (CONTINUED)

**Richard Barrett** will make his third trip to Honduras this January to work as a translator with Mis-soula Medical Aid. Dick also serves as co-chair of Montana Conservation Voters.

**Mike Kupilik** and **Kay Unger** remain heavily involved in the University Faculty Association: Mike as Union President and Kay as Student Complaint Officer.

**Tom Power** continues to publish prolifically and teach his Montana Economy among other courses.

**Doug Dalenberg** and **John Wicks** continue to plug along with teaching, research and service. Both remain in relatively good health and consider themselves of sound mind. Doug is amazed that John works just as hard in retirement as Doug does in employment.

**Stacia Graham** continues to try to keep us in line and we continue to try to keep Stacia in line. (She has absolutely no illusions, however, of being of sound mind.)

**Richard Erb** and **Joanna Shelton** are taking some time off from teaching yet remain useful resources and good colleagues. Last year, **Richard Erb** supervised a senior thesis which was above and beyond the call of duty. Richard has also entered Montana politics, having been elected to his local Water Board.

During the past year Richard presented a paper on "Prospects for Asian Financial Institutions: The Global Perspective" at a conference in Bangkok, Thailand. The conference was co-sponsored by the Institute for International Policy, University of Washington, Seattle, Chulalongkorn University, Bangkok, and the Foundation for International Human Resource Development, Bangkok.

Under a grant from The Global Business Center at the University of Washington, Seattle, Richard also published a case study in country risk assessment that focused on a period of dramatic growth in Thailand. Shortly after the period covered, Thailand experienced a major financial crisis in the context of a large Asian financial crisis. The study is designed

to be used in courses in open economy, macro economics, international finance and advanced economic development.

**Joanna** attended the negotiations on the Korea-U.S. Free Trade Agreement that took place at Big Sky Ski Resort in early December and continues to work on a new book.

**Dennis O'Donnell** has left teaching to focus on special projects for the Bureau of Business & Economic Research in the School of Business Administration as well as write grants for the Irish Studies Program.

**John Duffield** continues to bring many grants to the University and run Bioeconomics. He has been traveling to exotic places, as always.

**George Heliker**, Professor Emeritus, passed away on January 5, 2006 in Polson. George led a fascinating life which included such pursuits as flying, skiing, back packing, rock climbing, sailing and fishing. He joined the department in 1955 and retired in 1976. He served as department chairman for many years.

Homecoming weekend 2006 there was a reunion of **John Wicks'** Empirical Research Seminar, which more than 60 alumni attended. It will now become an annual event.

With the upcoming retirements of **Richard Barrett** and **Tom Power**, we will be searching for two new tenure-track faculty appointments to begin next academic year (notice how I avoided using the word "replace"). We will be sending representatives to the American Economic Association Meetings in Chicago in January to conduct interviews for the position.

**Steve "The Hammer" Cleverdon**, a student in our graduate program, won the annual Fall Final Exam Hall Bowling Championship. The trophy remains on display in the main office.

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## FACULTY PROFILE:

### THOMAS M. POWER & RICHARD N. BARRETT



*What brought each of you to The University of Montana and what was the Department like back in those good old days?*

**TMP:** In 1968 as I was looking for a permanent academic job, I had two things in mind. The first was to escape from the east coast metropolitan belt where politics had taken a nasty turn. I had worked in both the civil rights and anti-Vietnam War movements throughout the 1960s. By the late 1960s the Black ghettos were in flames and National Guard troops were patrolling the streets. Many of the people I had productively worked with in the past were now saying that the only thing a White Honky like me could do to help the cause of racial equality was to run guns to those fighting in the urban centers. On the anti-war front, my fellow SDS leaders, out of frustration and burn-out, had adopted a “bring the war home” strategy of promoting violent confrontations with the police. The Chicago Democratic Convention that I passed through on my way to Montana was just the beginning. I was sure that that use of or provocation of violence would be destructive and unproductive. I wanted to get out of that crucible and live where being politically active did not involve any of that violent craziness.

The second thing that brought me to Montana was that I fancied myself a mountaineer, rock climber, and backcountry skier. I had been an instructor at both the Colorado Outward Bound School and NOLS. As a result, I spent a couple of days of every break I had driving cross-country to the mountains. I wanted to live right in the mountains. Missoula was near perfect in that regard.

**RNB:** Ironically, perhaps, I came to UM because it made me the best offer I got. At the time, the University was expanding and offering salaries that were quite competitive; the offer of a tenure-track appointment at a good salary was too much to pass up. I was attracted to the area as well, but at the time had relatively little experience with the kinds of outdoor recreation it made possible and which ultimately would become an important part of my life here (I think that most people who chose to live here do so because they are attracted to or come to greatly enjoy the natural environment). I also wanted to be at an institution that valued teaching.

In some ways, the department at that time was going through much the same sort of transition that it is going through now. There were just a few old timers around (Chase, Heliker and Wicks – although nobody realized at the time how much older an old timer Wicks would eventually become. Dick Shannon had moved to Forestry and Bob Wallace to Eastern Washington, I believe) and lots of relative newcomers (Formuzis, Mingo, and Power had been here for a couple of years or so;

**FACULTY PROFILE: (CONTINUED)****THOMAS M. POWER & RICHARD N. BARRETT**

Photiades, Vernon and I all came in 1970). There were also a couple of graduates of our master's program who served as instructors during the early 70s. Most of the members of the department who were here throughout the 80s and 90s up to the beginning of the recent spate of retirements, or who are still here, were in place when I arrived or shortly thereafter (Kupilik, Unger and O'Donnell joined the department within a few years after I arrived). So in many ways the department then, or at least by about 1975, looked much like it did for the next 30 years; people came and went but there was little change in the core.

Obviously, we were much younger, and more sociable with each other and with students; as we got older and had kids, people got more family and kid oriented and the social life of the department became more staid. From the late 70s through the late 80s, the Kupilik, Barrett and Power-Shore families did a lot of things together because the kids, particularly Myra Barrett, Donovan Power and Mathew Kupilik were very close in age and were friends.

In 1970, and pretty much ever since, the department was politically engaged in one way or another. My interview in Missoula started on May 10 just a week or so after the shootings at Kent State, and students had occupied the then Men's (now Schreiber) gym. Tom was involved in that occupation and was running in and out of the department office, cranking out broadsides on the mimeo machine; I barely met him. After the war wound down, Tom became increasingly involved with environmental politics and the department was something of a hotbed for the faculty union. During the 70s there were two collective bargaining elections (the second, successful one occurred in 1978) in which I was heavily involved, along with other members of the department. Like our social life, our political style mellowed over the years, although I suppose there are people in the community who don't think of us, or at least Tom, as all that mellow when they hear his weekly fulminations on KUFM.

*I have heard stories about a class or classes that the two of you team taught? Will you share with us a bit about that experience?*

**RNB:** It was called the Tom and Dick Show and it was not just a team teaching effort; we taught the class as a full on debate (with no respect for the normal rules thereof) between a Friedman style libertarian (a role which I somehow got assigned) and a Marxist/anarchist URPE sort of character (Tom, who was actually pretty comfortable in the part). The actual difference between our political and economic beliefs was pretty small, but I think we were both sufficiently interested in and respectful of the intellectual positions in play that we wanted to make a good faith effort to represent them but also to breath a little life, drama and humor into them. We would meet before class and outline the general points that we thought each of us should be making ("And then you should say ...") and then in class we would go at it hammer and tongs. The interesting thing was that the role playing was engaging enough so that we would actually become at least impatient if not downright cross with each other, even if in fact we were arguing about something we agreed on. The students, I think, liked the performance, but we were never sure whether or not their enthusiasm for the form was hiding a disinterest in and a disinclination to learn the content. In any case, we did it just once.

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**FACULTY PROFILE: (CONTINUED)****THOMAS M. POWER & RICHARD N. BARRETT**

**TMP:** Ah....the “Tom and Dick Show”! I thought it was a great teaching device. It added some passion and energy to what otherwise would have been pretty dry material. Harry Truman is said to have wished for a “one-handed economist,” one that was not always saying “on the other hand....” This format allowed each of us to layout particular positions as clearly and emphatically as possible. The give and take helped underline analytical and empirical differences and differentiate them (where possible) from ideological differences. It was a lot of fun. Students liked it. But it took way too much time getting prepared. We each had to get prepared and then we had to meet and script out the class. In addition, it meant being in the classroom twice as many hours since we each only got credit for the one section formally assigned to us. To keep it up we would have had to give up on some other important project we had going. We weren’t ready to do that.

*Both of you have had very productive research careers. Part of that success comes from projects that you have worked on together such as your book, Post-Cowboy Economics. What makes the two of you such a successful team?*

**RNB:** Tom can speak for himself on this question (indeed, who could possibly dissuade him?) but I would say that one reason why we have gotten along together so well is that we have both been interested in doing economics in a way that was politically and socially engaged – call it practical, or applied, if you wish. We were both interested in putting economics to work through expository writing, i.e. explaining the economic analysis of problems to a wide readership rather than simply a professional and academic one (witness in particular in this regard Tom’s KUFM commentaries). And of course the kinds of political, social and environmental problems we were interested in were much the same. We don’t disagree on much, and for whatever reason, when we were thinking about and discussing questions, the result was pretty productive. We were able to divide up the work easily and so far as I can tell neither of us felt that we were getting the short end of the stick. In the actual writing process, Tom works at a breakneck pace and cranks out material very rapidly. I was often not entirely happy with what he produced and would edit it heavily (and, I hope, for the better – not in content but in expository style). This would normally be a prescription for disaster, since most academics believe that their words are golden and above tampering with. Tom, however, appears to keep very little of his ego in his writing, and always responded mildly to my comments, even if they dripped with acid. His attitude appeared to be “Yeah, whatever. Just fix it up the way you want to and let’s move on to something else.” In that vein, anybody who has been around us very long knows that we both enjoy irony and are not fond of pretension and although I don’t think Tom is pretentious at all, and I hope he doesn’t think I am, we have both enjoyed the irony in pretending that we were or that we had other faults and foibles, and deflating each other at every opportunity.

**TMP:** Dick is a stickler for analytical rigor and clear language. I like to spit out ideas, explore them, and ramble on almost in a stream-of-consciousness manner. So it has always been valuable for me to have Dick help me get rid of sloppy redundant language and ideas or arguments that just did not stand up to close scrutiny. I don’t know what Dick got out of it, probably the joy of beating up on me *on a regular basis!*

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**FACULTY PROFILE: (CONTINUED)****THOMAS M. POWER & RICHARD N. BARRETT**

*Any parting thoughts or rebuttals?*

**TMP:** I think that what Dick and I had in common was not only a desire to apply economics to contemporary real world settings but also a desire to strip some of the conventional economic cannon of the biases that developed during the first half of the 20<sup>th</sup> century as economics sought to become a “respectable science” stripped of political controversy. Often the primary point of economics seemed to be to prove that markets and private businesses left to themselves, unhindered by regulations and laws (or even cultural values or commitments to people, place, or profession) would lead to the best of all possible worlds. That is, economics seemed to have a very strong ideological bias disguised as “objective theory.” As a result, it systematically tended to offer very narrow and repetitive answers to very important social questions. What both of us have sought to do is show that economics as a science need not have such an ideological bias and stripping it of that bias allows economics to be used in far more interesting and productive ways in helping to inform public policy choices.

*Thank you, we look forward to working with each of you even in retirement*

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**GRADUATE PROGRAM**

In December, Kendal Ferguson successfully defended his thesis “Household Income and Residential Demand for Internet Service.” Doug Dalenberg, Tom Power, Wayne Freimund and Kevin Duffy-Deno served on his committee. Kendal continues to live and work in Utah with his wife and beautiful children.

We welcomed three new students to our program this Fall: Taylor Cook from Texas (Hollins College), Caleb Lande from Huson, MT (University of Montana), and Martin Twer from Germany (University of Muenster). They join Brian Vander Naald, Larson Silbaugh, Ben Harris and Steve Cleverdon who are continuing our program and Matt Slonaker who is working on his thesis from afar.

Caleb Lande was awarded the Swenson - Wicks Research Assistantship for the 2006-2007 academic year. Previous recipients were Larson Silbaugh, Andrew Pryor, Joe Broach and Sean Murphy. Sean and Joe are in Ph.D. programs and Andrew is employed by Martin Group.

Ben Harris, Larson Silbaugh and Brian Vander Naald are serving as teaching assistants.

# UNDERGRADUATE PROGRAM

**Senior Recognition Day:** Each year right before graduation, the University has a Senior Recognition Day for outstanding seniors in each department. Last year it was particularly difficult to choose our outstanding senior because we had such a talented senior class. Although we only chose one outstanding senior in Economics, four other Econ majors were recognized as outstanding seniors by other departments:

Davidson Honors College Outstanding Senior:	Gale Price
Economics Department Outstanding Senior:	Meredith Traeholt
EVST- Environmental Management Outstanding Senior:	Jeana Baker
Math – Combinatorics Outstanding Senior:	Andrew Bissell
Math – Statistics Outstanding Senior:	Dustin Frye

This is an impressive list that shows how lucky our faculty are to have the opportunity to teach such talented students.

In addition to recognizing Meredith Traeholt as our Outstanding Senior at Senior Recognition Day, Eric Dale received the Kain/McKay Scholarship and Mary Olson was awarded the department's Outstanding Senior Thesis.

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

- Mary Olson - *A Public Education Production Function: Explaining Variations in Quality*
- Jeana Baker - *The Impacts of Growth on Amenities: Implications for the Intermountain West*
- Abbie Christianson - *Do Urban Growth Boundaries Increase Housing Prices?*
- Dustin Frye - *A Point of No Return: An Analysis of Why a Renminbi Revaluation is Beyond China's Control*
- Varun Giri- *Does Rapid Growth Lead to Currency Crisis: An Empirical Analysis*
- Kunihiro Hayashida - *The Impact of Mad Cow Disease on U.S. Beef Exports to Japan*
- Caleb Lande - *Coal-to-Liquid Fuels and the Future of Montana Energy Policy*
- Travis Skolrud - *A Hedonic Model of Missoula's Residential Property*
- Kyle Stetler - *An Examination of the Costs Associated with Wildland Fire Use in Forest Service Region One*
- Meredith Traeholt - *The Costs of the Chechen Conflict*
- Adam Weil - *The Value of Skill Position Players in the N.F.L.*
- Britt Carlson - *Factors that Influence the Survival of Rural Hospitals*
- Adam Loewen - *Technology and the Market for Popular Music*
- William Lyon - *The Effect of ETFs on the Liquidity of Underlying Shares*
- Katie Roberts - *The Benefits and Costs Associated with the Bitterroot Resort*
- Ian Glenn - *Economics and Obesity*

*We would love to hear from you. Feel free to send us a note at 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 at the end of 2007.*

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## PUBLICATIONS

**Jennifer Alix-Garcia** co-authored “A Tale of Two Communities: Explaining Deforestation in Mexico” with Alain de Janvry and Elisabeth Sadoulet in *World Development*, 2005, 33(2). She also has “The Role of Deforestation Risk and Calibrated Compensation in Designing Payments for Environmental Services” with Alain de Janvry and Elisabeth Sadoulet forthcoming in *Environment and Development Economics*.

**Jeff Bookwalter** published “Rural Households, Structural Adjustment, and Gender Analysis,” with James M. Warner in *East Africa in Transition: Images, Institutions and Identities*, University of Nairobi Press, Nairobi, Kenya.

Stanford University Press has accepted for publication a book that **Tom Power** co-edited entitled *Accounting for Mother Nature: Changing Demands for Her Bounty*. It deals with institutional and legal changes that could make it easier to protect the environmental services that flow from natural landscapes. Tom’s co-editor is Terry Anderson, previously of the Economics Department at Montana State University and now a Fellow at the Hoover Institution. Although Tom is usually thought of as being pretty far left of center and Terry Anderson is a leading “free market” advocate, they both share a commitment to decentralized solutions to economic and social problems. As a result, Tom says it was very easy for the two of them to work together.

Tom also recently published “Avoiding a New Conspiracy of Optimism: The Economics of Forest Fuels Reduction Strategies” in *The Wildfire Reader: A Century of Failed Forest Policy* (George Wuerthner, editor; Island Press: Washington DC; 2006). That book and Tom’s chapter in particular received favorable review in *Science* (Vol. 314, p. 256, 13 October 2006).

The journal *Conservation Biology* published Tom’s article on “Public Timber Supply, Market Adjustments, and Local Economies: Economic Assumptions of the Northwest Forest Plan” [20(2):341-350].

Tom has also contributed to a new book on *Thrill-Craft: The Motorized Assault on Nature* that Island Press will be publishing in early 2007. His chapter is entitled “Inflating the Benefits: The Misuse of Economics to Promote Motorized Recreation.”

In the fall of 2005 Tom’s paper on “The Supply and Demand for Natural Amenities: An Overview of Theory and Concepts” was published in *Amenities and Rural Development: Theory, Methods and Public Policy* (Gary P. Green et al. editors; Edward Elgar Publishing: North Hampton, MA, 2005).

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## HONORS & AWARDS

**Jennifer Alix-Garcia** received the John Krutilla Research Stipend from Resources for the Future. Only one such stipend is awarded each year to young scholars who have recently completed their Ph.D. Jennifer will be using the stipend to support her research on the effect of inequality on use of common property resources.

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## ALUMNI NEWS

**David Aadland** is currently associate professor and director of graduate studies in the department of economics at the University of Wyoming in Laramie.

**Jon Aliri** (MA '02) is the Manager of The Market (part of The Bookstore) at The University of Montana and is working on an MBA through the School of Business Administration. He is happily married to **Becky Hofstad** who kept the department on an even keel for nearly 20 years until she left to manage Spectral Fusion Designs, a web design service that is part of the College of Arts & Sciences.

**Abigail Anthony** (BA '02, MA '04) is in the third year of her doctoral program in Environmental and Natural Resource Economics at the University of Rhode Island. Over this past year, in addition to submitting her dissertation proposal, she's written a white paper identifying possibilities for using market-based incentives to address watershed ecosystem health and the provision of water supplies in southern Rhode Island. She is a fellow in the Coastal Institute IGERT Project, funded by the National Science Foundation, which seeks to integrate the traditionally disparate disciplines in natural and social sciences to form a coherent multidisciplinary framework for coastal research. Next semester she will be engaged in an internship with COMPASS (Communication Partnership for Sea and Science). During her free time she completed 3 half-Ironman competitions, some bike racing, rode some cyclocross bikes the length of Cape Cod to raise money for the American Lung Association, and intends to compete in the Hood to Coast Relay in Oregon in 2007!

**Bruce Benson** (BA '73, MA '75) is now chair of the Economics Department at Florida State University and has been named as a Courtesy Professor of Law by the FSU Law School. In addition Bruce received the 2006 Adam Smith Award from the Association of Private Enterprise Education, the highest honor bestowed by The Association in recognition of an individual who has made a sustained and lasting contribution to the perpetuation of the ideals of a free market economy as first laid out in *Wealth of Nations*.

**TJ Comstock** (BA '03) and his wife Kami purchased a hardware store in Billings last February as well as the Eureka store his parents owned. Although they have permanently relocated to Billings they spend a lot of time traveling across the state. **Robert Haidle** left his position with First Interstate Bank to join TJ and Kami in the hardware business. Bobby and his wife Carol have two boys, Ryan and Frank.

**Robert Damuth** (BA '77) and his wife spent their summer weekends sailing the Chesapeake Bay in their 22-year-old Island Packet 31, Nightingale.

**Jessica Daniels** (BA '03) is in the second and final year of her graduate program in the Department of City and Regional Planning at Cornell. Jess has spent the last semester ensconced in the semester-long application and interview process for a Fulbright application. She hopes to spend a year in Slovakia researching and evaluating regional economic development strategies in Bratislava.

**John Fitzgerald** ('79) has been named William Shipman Professor of Economics at Bowdoin College in Brunswick, Maine.

**Varun Giri** (BA '06) is working as a business analyst (Transfer Pricing Group) for a tax consultancy/software company in New York City. As part of the Transfer Pricing Group he creates transfer-pricing documentation for various multinationals.

**Ian Glenn** (BA '06) returned to his hometown of Minnetonka, Minnesota, married his girlfriends of five years, and is currently working as an investment analyst for US Bank in Saint Paul. He intends to pursue his doctorate in Economics.

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## ALUMNI NEWS *(CONTINUED)*

**Benjamin Haag** (BA '05) is in the MBA program at The University of Montana.

**Lindsay Haas** (BA '05) is currently working as a Research Assistant for the Nicotine Research Department at the Mayo Clinic in Rochester, Minnesota and attending graduate school at the University of Minnesota. She hopes to finish with a Master of Science in Healthcare Research and Policy.

After graduation **Kunihiko Hayashida** (BA '06) returned to Japan where he is gainfully employed in Tokyo.

**Susan Holmberg** (MA '00) is a doctoral candidate in economics at UMass, Amherst, focusing on development, gender and the environment. Her dissertation looks at how women's participation on Oaxacan Fair Trade coffee cooperatives affect their economic, political and environmental outcomes. She also works as a research assistant for the Political Economy Research Institute. This last September she married Thomas Hilbink, a legal historian at UMass.

**Steven Johnson** (BA '05) continues in the graduate program in economics at the University of Oregon (Go Ducks).

**Dan Loeffler** (MA '04) is working on the economics of renewable energy sources, carbon sequestration economics, invasive species economics, and wildland fire economics for the School of Forestry and Conservation and Forest Service Research.

**Adam Loewen** (BA '06) is in Bothell, Washington pursuing his dreams of playing music and traveling. He will soon begin a job at the Experience Music Project at the Seattle Center. Adam intends to spend two years each in France and Japan, without money.

**William Lyon** (BA '06) got married and began a doctoral program in Finance at Illinois Institute of Technology.

**Gary Libecap** (BA '68) has accepted the position of Bren Professor of Corporate Environmental Management in the Donald Bren School of Environmental Science and Management at the University of California, Santa Barbara

**Gale Price** (BA '05) is finishing up a post-baccalaureate certificate in Entertainment Management through the School of Business Administration and working as the Director of UM Productions – the student-run, student-funded concert production agency on campus. She and her fiancé plan to move to Seattle at the end of the school year to work in the music industry.

**Katie Roberts** (BA '06) is working as a market analyst for Grainger in Chicago.

**Eric Schuck** (MA '95) moved from Colorado State to an associate professor position in the economics department at Linfield College in McMinnville, Oregon. Before leaving Colorado State Eric won both the Gamma Sigma Delta Faculty of Merit in Teaching and the College of Agricultural Sciences' Charles N. Shepardson Distinguished Faculty in Teaching awards. In addition he spent July and August developing a post-Apartheid economics curriculum for the graduate program in Integrated Water Resource Management at the University of the Western Cape in Capetown, South Africa on a Fulbright grant.

While diligently working on his graduate thesis **Matthew Slonaker** works as a tax policy and revenue analyst for the governor's Office of Budget and Program Planning, using a little of his law background and a lot of his economics background. He's looking forward to being in Helena during the next legislative session.