



Department of Economics *News*

UNIVERSITY of WASHINGTON
COLLEGE OF ARTS & SCIENCES

OCTOBER 2011

New Master's Program in Computational Finance and Risk Management

A versatile new UW master's program in computational finance and risk management (MS CompFin) is looking to be a popular choice for students, both recent graduates and industry professionals, as a result of the recent financial crisis. The self-sustaining program will prepare students for careers in risk analysis, a rapidly growing field appealing for its lucrative compensation.

Courses on data analysis and computational methods are taught by faculty in the department of Applied Mathematics, where the program is housed.

Faculty in statistics and economics also teach: Economics Professor Eric Zivot, a co-director of the program, will teach Introduction to Computational Finance and Financial Econometrics and Quantitative Risk Management this year.

In addition, industry experts will teach courses, sharing their expertise as professionals. Economics PhD alumnus and new Visiting Committee member Mike Dueker, Chief Economist for Russell Investments, is one of the experts teaching this year.

Crucial to the program's popularity is its flexible approach to classroom learning, particularly for working

professionals: students can take courses online or on the ground, attend office hours in person or via video conferencing, and participate in class discussions via conference call or message boards.

Program directors have also reached out to Puget Sound-area finance

professionals who would be willing to take on interns and assist students with networking, enabling them to gain real-world experience complementing their classroom learning.

Professor Zivot anticipates that the program will expand from the 30 inaugural students - including several UW Economics alumni—as interest in the program, and industry need for trained professionals, continues to grow.

Read more about the MS CompFin program at <http://depts.washington.edu/compfin/>.



UW Economics Ph.D. alumnus and department Visiting Committee member Mike Dueker is adjunct faculty for the MS CompFin program



Economics Professor Eric Zivot co-directs and teaches in the new MS CompFin program

"Every year, I participate in a career event for students...their class projects and research, internships, and outside jobs demonstrate the talent and energy this generation brings to everything it does. These undergrads are tomorrow's leaders...I am confident that our future is in good hands."

-Kerry Kahl, Econ '73, Senior Director of Enterprise Risk Management, UW-Seattle, quoted in Business Officer September 2011

INSIDE THIS ISSUE:

<i>Econ Staff Win Award</i>	2
<i>Celebrating 50 Years</i>	2
<i>UW Turns 150</i>	3
<i>Meet the EUB Chair</i>	3
<i>News & Notes</i>	4





DEPARTMENT OF ECONOMICS WINS HUSKY SPIRIT AWARD DURING DAWGDAZE



Economics staff getting into the spirit of Dawg Daze (left to right): Nicole Huntsperger, Tyler Kemp, Patrick Pineda, student assistant Lauren Glass, Randa Posey, Ahna Kotila, Brenda Snell, Simon Reeve-Parker. Not pictured: Chris Fendrich, Sam Henly.

Dawg Daze is an annual welcome event held on campus in the days before fall quarter begins to greet new UW students as they begin their college experience.

Hosted by the Office of First Year Programs (FYP), the week includes events and experiences to introduce students to the campus community and the many opportunities and resources available to them. Students can attend mini-lectures, concerts, bus tours of Seattle, academic skills workshops, and various other activities.

To foster a sense of welcome and inclusion, FYP invites departments to participate in a campus-wide decoration challenge. Taking up the

challenge, staff in the department of Economics channeled their creativity in the department main office using streamers, balloons, banners, and tons of glitter.

Citing our “amazing job with Husky pride, creativity, office involvement, and overall presentation,” as well as our enthusiasm, the contest judges awarded the department the 2011 Dawg Daze Husky Pride award. For our efforts the department will be recognized on a plaque in the FYP program offices and provided with a catered lunch of our choice.

Great work, Economics staff!



Celebrating 50 Years with the Department of Economics

Two members of our faculty are celebrating 50 years with the Department of Economics this fall: Professors Judy Thornton and Yoram Barzel. Both started their careers here in 1961, the year of UW’s centennial.

The year 1961 saw a marked increase in the number of applicants to the University, particularly among women. Also in 1961, the University Honors Program was established as an “experimental” program in the College of Arts & Sciences.

Professor Thornton earned her PhD from Radcliffe (Harvard) in 1960, working for one year at Syracuse



Professors Thornton and Barzel at the department celebration honoring their many years of service

University before joining the department as an Assistant Professor.

Originally from Israel, Professor Barzel earned his PhD at the University of Chicago, joining the department shortly after finishing his degree. During his tenure at UW, he has held Visiting Professorships at a number of universities worldwide.

Both professors have had prolific scholarly careers, and many students over the years have attested to their passion for and excellence in teaching, and for instilling the desire for lifelong learning in young scholars. Faculty, staff, and students in the department are proud of Yoram and Judy’s accomplishment, and thank them for their many years of service. Congratulations to you both!





Economics Undergraduate Board Welcomes New Members

The Economics Undergraduate Board (EUB) was created in 1989 by a group of undergraduate Economics majors who coordinate activities among students, faculty/staff, alumni, and the department's visiting committee with the aim of improving the educational experience for all undergrads studying economics.

Over the years, the EUB has assumed more responsibility and has grown in strength and numbers. The group produces a quarterly newsletter, the *Economizer*, produces quarterly career seminars and lecture events,

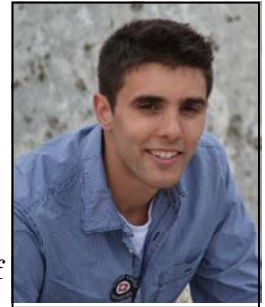
hosts panel discussion on graduate study in economics and offers free tutoring for 200-, 300-, and 400-level economics classes, as well as math refreshers and economics concept review sessions.

This year's EUB is a diverse group of 15 exceptional students who bring a wealth of varied interests and strengths to the board. Throughout the year, we'll meet members of the EUB, beginning with this year's board Chair, **Steven Sankaran**.

Steven is a senior dual majoring in Economics and English. This is his second year with the EUB, as well

as his second year as the editor of the *Economizer*. Steven plays club volleyball for UW, and is also a member of the Student Technology Fee committee.

Steven spent summer 2011 studying financial markets at the London School of Economics—in addition to traveling through both Europe and Africa - and has worked as a financial analyst at Amazon.



*EUB Chair
Steven Sankaran*

UW CELEBRATES 150 YEARS

This year, the UW celebrates its 150th anniversary, commemorating the day in November 1861 when the Territorial Legislature approved the founding of the Territorial University—and UW was born.

The College of Arts & Sciences—then called the College of Liberal Arts—traces its founding to this same time, when 22-year-old Asa Mercer taught students Greek and Latin, literature, and the arts. Courses in oratory, mathematics, sciences, and modern languages were also offered, though very few students in the territory were prepared to succeed in these demanding courses at the time.

By the time Washington achieved statehood on November 11, 1889, the Territorial University had become firmly established. Music

was the most popular subject, and the University had begun to offer courses specifically for training teachers and commercial courses to prepare students for business.

The Economics department was created in 1917, as part of the College of Liberal Arts. Prior to 1917, Economics courses were taught in the department of Philosophical Sciences. In 1933, Economics was combined with business administration to form the College of Economics and Business, which was then dissolved in 1948, at which time Economics was restored to the College of Arts and Sciences, where it has lived since.

On Friday, November 4, 2011, the university community will celebrate "**W**" Day, an opportunity for Huskies around the world to show their **Purple Pride**. As part of the day's celebration, select Seattle-area

businesses will offer discounts to anyone wearing purple, KJR 950 AM will broadcast live from campus, and free purple T-shirts and cupcakes will be handed out. Huskies living outside the area can post their UW memories and photos of themselves in purple on the UW Facebook page or Twitter (#UW150), host purple parties, and show their Husky pride wherever they are that day. Plan to wear your purple proudly!

Many other events and activities are planned throughout the year to celebrate 150 years. Learn more about these events and share your Husky story at www.uw.edu/150.

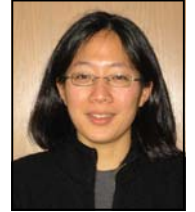


Department News & Notes



Assistant Professor **Seik Kim** presented "Labor Supply of Married Women in Credit-Constrained Households: Theory and Evidence" at the Asian Meeting of Econometric Society and the University of Seoul and "Statistical Discrimination, Employer Learning, and Employment Differentials by Race, Gender, and Education" at the Society for the Study of Economic Inequality, the Korea Institute of Public Finance, Sogang University, and Korea.

Assistant Professor **Yu-chin Chen's** paper, "What Does the Yield Curve Tell Us About Exchange Rate Predictability?" joint with Byron Tsang (UW Ph.D. 2008) was accepted for publication in the Review of Economics and Statistics. They presented their second paper "Risk versus Expectations in Exchange Rates: A Macro-Finance Approach" at the Asian Meeting of the Econometric Society at Korea University, a conference locally hosted by Chang-jin Kim. Yu-chin also presented a joint paper with the Department's recent Fulbright visitor Wen Jen Tsay, "Forecasting Commodity Prices with Mixed Frequency Data: An OLS-Based Generalized ADL Approach" at Academia Sinica in Taiwan this August. Yu-chin was an invited discussant for a paper at the 4th Annual JIMF-SCIE Conference on "International Policy Implications & Lessons from the Global Financial Crisis" at UC Santa Cruz, September 23-24.



During the summer Professor **Stephen Turnovsky** had the following papers accepted for publication: "Real Exchange Rate Dynamics: The Role of Elastic Labor Supply," *Journal of International Money and Finance* (with M. Morshed); "The Distributional Consequences of Foreign Transfers: Do they Reduce or Exacerbate Inequality?" *Oxford Economic Papers* (with S. Tekin-Bouza). "Growth and Inequality: Dependence on the time path of Productivity Increases (and other Structural Changes)" *Journal of Economic Dynamics and Control* (with M. Atolia and S. Chatterjee); "Demography and Growth: A Unified Treatment of Overlapping Generations," *Macroeconomic Dynamics* (with N. Bruce); "Taxation and Income Distribution Dynamics in a Neoclassical Growth Model," *Journal of Money, Credit, and Banking* (with C. García-Peñalosa); and "The

Accumulation of Human Capital and Income Inequality in a Two-Sector Economy," *Journal of Human Capital*. He also gave an invited address at a Conference honoring the 10th Anniversary of the Louis-Andre Gerard Varet conference held at the University of Aix-Marseille, France in June.

Assistant Professor **Hendrik Wolff** presented his work "Value of Time: Speeding Behavior and Gasoline Prices" at the National Bureau of Economic Research Summer Institute and at the Annual Conference of the Association of Environmental and Resource Economists, Seattle. He published the article "The Questionable Reliability of International Statistics: Evidence from the Human Development Index" in the *Royal Economic Society Media Briefings*, June 2011, with H. Chong, and M. Auffhammer. He also gave a block lecture-course at the Ludwig-Maximilian University, Bonn on "Special Topics in Environmental Economics" in September, 2011.



Wahid Abdallah was awarded his Ph.D. in summer 2011. His dissertation is entitled "Essays in the Economics of Corruption."



D. Mark Anderson was awarded his Ph.D. in summer 2011. His dissertation is entitled "Three Essays on Public Policy and Risky Youth Behavior."



Fiscal Specialist **Chris Fendrich** ran his first marathon on October 9 in Victoria BC, finishing in 2:39:33 (fourth in his age division) and qualifying for the Boston Marathon.



@uwecon



www.facebook.com/uwecon



www.econ.washington.edu

DEPARTMENT OF ECONOMICS • COLLEGE OF ARTS AND SCIENCES • UNIVERSITY OF WASHINGTON •
305 SAVERY HALL • BOX 353330 • SEATTLE, WA 98195-3330

WE LOVE TO HEAR FROM OUR ALUMNI AND FRIENDS! EMAIL NEWS TO NHUNTS@UW.EDU.