This is the first newsletter issue of the Economics Association at Claremont McKenna College. We will publish McKenconomics three times during the academic year with the purpose of providing Economics Majors with useful information and to create a more personal environment between the Economics Faculty and Economics Majors.

In this volume, you will meet the new members of the Department. We will start with Professor Harold Mulherin in this issue. David Riffer ’01 and Professor Keil have produced a standard set of 18 questions, which interviewees respond to in writing. The next issue will present Professor Jennifer Ward-Batts, followed by Professor Heather Antecol. We want to hear from you who you want to be interviewed in the first issue of the academic year 2002-2003 and whether you want to have some questions added or replaced (write to DOneill02@mckenna.edu).

In this volume, we will also help you find a better match between your Senior Thesis topic interest and faculty. We will try to accomplish this in two ways. First you will find a list the primary research interests of every full time faculty member, starting with macroeconomics in this issue. Second, each faculty member will list potential thesis topics that he/she will be interested to supervise. In addition, central references will be attached.

There is also a section on the 3rd Annual End of Academic Year Awards, with a list of prizes.

Finally, Professor Keil has a column in which he will write about some of the more interesting past End of Semester Statistics Projects.

Meet the Freeberg Professor of Finance, J. Harold Mulherin

Where were you born and where did you grow up?

I was born and grew up in Savannah, Georgia. I lived there until college at the University of Georgia.

Were your parents economists or academics? If not, what was their profession?

My father was a Business Grad of the University of Georgia and ran an industrial supply store founded by his father. I worked there in summers in high school. During college summers, I worked in the factories that the family store supplied.

My mother was trained as a bacteriologist at Smith College. She worked in a hospital lab for over 20 years.

Did your parents encourage you to be an economist? If not, when did you first become interested in economics and what triggered your interest?

My first ‘economics’ project was in the 8th grade where we empirically showed the negative impact of a new highway on a salt marsh. Ironically, the highway serviced an oceanography institute. My formal interest in Economics came at the University of Georgia. While an undecided major, I had the good fortune to have a series of captivating professors including Hiroaki Hayakawa, Carter Hill and Paul Rubin.

Which universities did you attend and why did you choose those educational institutions?

I chose the University of Georgia for undergrad because it offered wide variety and a liberal arts education. In addition to economics, I took a lot of history, political science and classics.

Describe a “good CMC student.”

I defer the definition of ‘good’ to our Philosophy colleagues.

Which single person (non-economist) do you admire the most and why?

Emeril Lagasse would be cool.

Upcoming Events: Aida by Elton John and Tim Rice, December 9 at the Ahmanson Theater, L. A., $20 per student including luxury bus ride and hors d’oeuvres at Professor Janet Smith’s house before the performance. Limit: 30 students. Administrators/Professors to participate so far: President Gann, Profs. Keil, Mulherin, Smith. Reservations: avanpelt02@mckenna.edu
Statistics is one of the four core requirements for the Economics Major. When I arrived at CMC at the beginning of the 1995-1996 academic year, student work was typically restricted to solving problem sets with perhaps ten data points by hand, or by using antiquated software (MINITAB or MYSTAT), in addition to writing two or three exams. A friend of mine in the Math Department at Bentley College in Massachusetts told me that she had successfully introduced end of semester poster presentations of students in front of a jury of professors.

Being faced in my second year here with three sections of ECON 120, I thought about active learning techniques in statistics that complemented the strength of liberal art students: superior presentation skills, both orally and in writing.

Towards that end, I introduced a professional Power Point group presentation of students in front of a jury of peers, administrators and faculty, together with a prize. In addition, textbooks or supplementary books were chosen that emphasized statistical computations using Microsoft’s Excel.

Some of the End of Semester presentations have been quite remarkable, even if they did not win the Gosset prize for the best presentation. In this issue I want to talk about a presentation titled “Does College GPA determine Starting Salary?” by Maria Anguiano, Giselle Baykal and Sihle Dinani. The students set out to determine whether it paid off for economics majors to study hard in terms of starting salaries. They also wanted to analyze if there was discrimination against females and if you received a higher starting salary offer with an economics degree from CMC.

With one week to go before the project was due, I suggested to the students to collect data for 1997, when the unemployment rate was 6.7 percent. Here is what they found for that year:

- For every GPA point increase (on a 12 point scale), Economics majors receive $2,170 higher salary offers.
- Econ-Accounting Majors received a $4,078 lower average salary offer than Econ Majors.
- Females had a $3,226 lower salary offer, controlling for GPA, although their GPA average was not significantly different from that of male students.

Interesting, isn’t it? I hope that we will read about your project in this column soon.
In this section we will list research interests of faculty together with senior thesis topics they would like to see students work on. We hope that this will make it easier to match Juniors and Seniors with the “right” professor.

**Richard Burdekin**
(Full Professor). Monetary Economics. Inflation and Deflation.

“Monetary Policy and Asset Prices.”


“Deflation.”


“Central Bank Policymaking.”

Judd, J. and G. Rudebusch.


“Chinese Economic Reforms.”


**Manfred Keil**

“The New Economy vs. the Phillips Curve.”


“Presidential Approval Ratings and the Rational Electorate: The Role of Consumer Sentiments.”


**Marc Weidenmier**
(Assistant Professor). Money and Inflation. American Economic History.

“Money and Inflation.”


“Economics of Natural Disasters.”


The 3rd Annual End of Academic Year Awards will be handed out at our end of academic year banquet at the Athenaeum, on May 6, 2002, 6:00-7:30 p.m. There will be seven awards this year and we list the prizes, together with the names of the recipients for the last two years below.

**Outstanding Senior Thesis**
2000: Rebecca Lapin, "From Government Reliance to Nonprofit Reliance: The Effects of Changes in Welfare on Nonprofit Organizations"

**Outstanding Junior**
2000: Daniel O’Neill, Nicholas Janof

We will announce a new forecasting prize in the next issue.
"Your economic theory makes no sense."
Sting.
"The do-do-do, the da-da-da, is all I have to say to you."
Sting.

**Civilization Prospers with Commerce**

The Economics Department at Claremont McKenna College has 20 faculty members. By comparison, Pomona College has only 11 in its Economics Department. Together with the Government Department, it constitutes one of the two most important departments at CMC. This is due to the mission of the college, which states: "[The] mission ... is to educate its students for thoughtful and productive lives and responsible leadership in business, government, and the professions, and to support faculty and student scholarship that contribute to intellectual vitality and the understanding of public policy issues. The College pursues this mission by providing a liberal arts education that emphasizes economics and political science."

There are roughly 400 majors at CMC who will see the word Economics on their B.A. degree, ranging from Economics-Asian Studies to Economics-Theatre. Economics Majors are required to take six elective courses in addition to the core of Principles of Economics, Intermediate Microeconomics, Intermediate Macroeconomics, and Fulfillment of the Statistics Requirement. In terms of number of majors, the most popular is Economics, followed by Econ-Accounting and the Economics-Mathematics Dual major.

For more details, Web resources for Economists, and for the Honors Degree requirements, see our Web site.

**Top 10 List of “Why You Want to be an Econ Major at CMC.”**

During last year’s End of Year Economics Award Banquet, the following Top 10 list “Reasons Why You Want to Be an Economics Major at CMC” was presented. (There are actually 15.) We found it worth repeating here. By Richard Hossfeld, ’01 and Manfred Keil.

# 15: Economists Supply it on Demand.
# 14: Learn to use Lagrangians to maximize utility of beer drinking and pizza eating.
# 13: Forget bull and bear, go for Nabisco.
# 12: It is no fun to be different, so you might as well be an econ major like the rest of the school.
# 11: Blue Jean baby, LM lady.
# 10: Mick Jagger and Arnold Schwarzenegger both studied economics and look at how they turned out.
# 9: You don’t have to worry about grade inflation at CMC.
# 8: The development office will make sure never to lose your address after graduation.
# 7: Understand the term “fringe department.”
# 6: You get to take classes from the best professors CMC has. Just ask them, they will tell you.
# 5: You understand why the economist was not embarrassed to introduce his partner by saying, “Have you met my wife, Mrs. Slutzky?”
# 4: Homoskedasticity good, heteroskedasticity bad.
# 3: You can say “trickle down” with a straight face.
# 2: Receive special swim suit edition of *The Economist* with Alan Greenspan on the cover.

And the Number One Reason why you want to be an Economics Major at CMC is:

1. You don’t have to worry when Pomona students chant, “that’s alright, that’s ok, you’ll be working for us someday.”

---

"Your economic theory makes no sense."
Sting.
"The do-do-do, the da-da-da, is all I have to say to you."
Sting.

We're on the Web:
http://econ.academic.claremontmckenna.edu/

Claremont McKenna College