

# the LOWE DOWN

SPRING 2013

## COACHELLA VALLEY CONFERENCE 2013

by Faith Hanna, CMC '14

On April 11, CMC's Lowe Institute and UCLA's Anderson Forecast hosted the Coachella Valley Economic Forecast Conference in Indian Wells, CA. Set against a background of crusty slopes baking in the Southern California sun, economists, healthcare experts, lawyers, and real estate developers discussed the economic forecast for Palm Springs. In light of the economic downturn that has affected the area since late 2007, their sanguine observations were welcome.

The conference debuted with a panel of economists. Among them was Manfred Keil, a professor at CMC's. Prof. Keil explained that, "what comes down must come up," indicating that he is hopeful about future prospects for the state as a whole. Using GDP estimates and other data analysis he developed with the support of Lowe Research Assistant Adam Parower, a junior at Harvey-Mudd College, Prof. Keil showed that the are signs of 'thawing.' In his view, the freeze brought on by the recession is loosening its grip and spring, not winter, is coming.

Jerry Nickelsburg, an economist from UCLA, although also optimistic, did insert a warning. Although the "bifurcated economy" of coastal vs. inland recovery is not likely to go away in his view jobs are coming back. California was third for job-growth in the nation for 2012, he stated optimistically. On the other hand, he reminded the audience "the average time between recessions is five and a half years." With progressive tax legislation going into effect, namely Proposition 30, he is concerned that reliance on this source of federal income could be dangerous if a recession hits the economy before the effects of the tax subside.

Next was a panel on the projected impact of Affordable Care Act (ACA) on healthcare in the Coachella Valley (CV) area. Many of the panelists stressed that there are significant implementation challenges. The professionals agreed that concerted emphases on prevention and wellness, chronic illness care, evidence-based medicine, and primary care are all instrumental in keeping government spending in check. Carolyn Caldwell from Desert Regional Medical Center remarked that attracting and developing qualified primary care doctors in particular, the so-called 'quarterbacks' of the equation is one of CV's key challenged. In addition, private efforts, such as the Clinton Global Initiative, that work with companies to invest in employee wellness contribute to the ACA's success. For every dollar spend on workplace improvement, the speaker said, there is a six dollar decrease in future expenses.

The final group of experts fleshed out the current and future prospects for the Greater Palm Springs area as a business, convention, and tourist destination. The panelists expressed that the main obstacle moving forward is minimizing the length of the 'shoulder season,' or off season. Their strategy involves creating a better experience for visitors

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*A bi-annual newsletter summarizing the programs and activities of the Lowe Institute.*

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# MESSAGE FROM THE DIRECTOR

Marc Weidenmier

## *Spring 2013*

The Lowe Institute has had a busy spring planning two forecast conferences. The Institute, in conjunction with the Rose Institute of Local Government, will sponsor the second annual Coachella Valley forecast conference with UCLA Anderson Forecast in April at the Miramonte Resort and Spa in Indian Wells, CA. We are also planning to hold a forecast conference with UCLA in the Temecula/Southwest Riverside Region in June at Pechanga Resort & Casino.

A team of students, faculty and staff works year long on the articles, books and presentations for the forecasts. The unique economic composition of the Inland Empire, like agriculture and logistics, produce findings that are not always predictable when examined in isolation. To successfully study the region, students apply advanced econometrics and innovative, technical analysis skills to formulate reliable findings. The program attracts many astute RA's from the Colleges throughout the year with various skills and strengths in econometrics and programming. These RA's learn to understand the differences in local economies and also learn valuable academic research and analysis skills which would prepare one for employment at the Federal Reserve Bank, for example.

In February, Mushfiq Mobarek, associate professor of development economics at Yale gave a talk at the Athenaeum which was well-attended by students and faculty. Hilary Hoynes, the current editor of the American Economic Review, was the keynote speaker and gave her address at the Athenaeum in April as part of the 4<sup>th</sup> Annual Southern California Conference in Applied Microeconomics, or SoCCAM.

The Lowe Institute also held the Spring Senior Thesis Writer's Conference in May. Professor Mary Evans chairs the conference. We strongly encourage underclassmen to attend the event so that they gain insight into writing a senior thesis.

I would like to thank our graduating seniors who have contributed their energy into thoughtful work at the Lowe Institute and wish you success in your future endeavors. I would also like to thank our board members for their invaluable advice and financial support throughout the year.

Have a wonderful summer,

*Marc*



*Special Thanks to...*

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# FORMER LOWE RAS LOOK BACK ON THEIR EXPERIENCE

by Juancho Gabriel Sunga, CMC '16

Working as a research assistant (RA) at the Lowe Institute offers students an opportunity to gain crucial undergraduate research experience and has enabled many students to pursue research related occupations. This article will feature three of five ladies whose experience at the Lowe has contributed to them being hired by the Federal Reserve. The five former RA's are Carissa Tudor (CMC '09), Candace Adelberg (CMC '10), Sarah Quincy (Scripps '11), Jane Brittingham (CMC '12), and Taryn Ohashi (Scripps '13). Below you will find interviews with Ms. Ohashi, Ms. Adelberg, and Ms. Tudor.

## HOW DID YOU START TO WORK AT THE LOWE? WHAT DID/ DO YOU DO AT THE LOWE?

**Ohashi:** Professor Keil taught his Intermediate Macroeconomics course at Scripps one semester when our regular professor was on sabbatical. I took his class, loved his teaching style, became interested in the subject matter, and eventually was offered a job at the Lowe to do research under his guidance.

I worked with several other RAs to produce the figures used in the UCLA-CMC forecasts' and Coachella Valley conferences' analyses. As the Senior Student Manager, I also schedule group meetings, help Professor Keil assign work to the other RAs, edit the written pieces submitted for the conference books, and help create the presentations' visual aids.

**Adelberg:** I was interested in getting involved in research at CMC, so I asked a couple professors if I they had any use for a freshman RA. I started working on papers with Prof. Keil that were funded by the Lowe. Those segued into more Lowe projects, and eventually the Inland Empire Outlook.

I worked on various projects over my years at CMC. I started with a paper with Prof. Arndt that looked at cross-border propagation of financial instability in the EU. Later I worked on a paper with Prof. Keil that looked at the economy of California and the Inland Empire. That segued into the Inland Empire Outlook, for which I was the student manager. This was a new endeavor with the goal of becoming a long-term, staple project of the Lowe. Along

with other research assistants and Prof Keil, we developed economic analysis and forecasts for the Inland Empire, and created a quarterly newsletter. We also held a joint conference with the Anderson School at UCLA.

**Tudor:** I started working at the Lowe after seeking out a research assistant position with Professor Shelton. I attended an Ath dinner hosted by the Aspiring Economist Society at which Professor Shelton spoke. As a government major with significant coursework in math and economics, I was incredibly interested in his political economy research. The Lowe institute funded/facilitated my research assistant position with Professor Shelton. While working at the Lowe for Professor Shelton I worked on a project in which we investigated the impact of political volatility on legislative electoral budget cycles.

## HOW DID/ HAS THIS EXPERIENCE PREPARE / PREPARED YOU FOR THE FED?

**Ohashi:** Since we use Stata, EViews, MATLAB, and Excel at the Lowe, I gained coding experience in all four programs. This familiarity was particularly crucial to the research assistant position at the Federal Reserve. Our job at the Lowe is to critically analyze and discuss the effects of changes in GDP, payrolls, housing markets, employment, and more on the economy as a whole in the Greater Los Angeles area. I think that the undergraduate exposure to this type of thinking will help me in my future at the Fed.

**Adelberg:** This experience prepared me for the Fed in several ways. First, it exposed me to a range of research tools and techniques that I would use as an RA at the Fed. Second, I honed my statistical package programming and presentation skills, both of which helped me at the Fed. Third, it allowed me to get to know professors at CMC very well - had I not gotten involved with research at the Lowe and consequently worked closely with professors, I never would have thought to apply to the Fed (and wouldn't have gotten a couple letters of rec). Finally, my work at the Lowe, and all the research experience and skills I had gained, gave me a leg up on other candidates applying to the Fed, and looked really good on my resume. I would say that the main reason I was hired was due to my research experience, most of which came from the Lowe.

**Tudor:** While working for Professor Shelton, I worked extensively with Stata. I used the program in many unconventional ways. Deeply understanding how this one statistical program worked has helped me to more easily learn others. I use many statistical programs and computer languages daily at the Fed.

Additionally, Professor Shelton was (and is) an incredible mentor. We routinely discussed issues related to the project and economics research more generally. These interactions helped me to better understand the research process; this understanding has been extremely useful in my work at the Fed.

### WHAT WILL/ HAS YOUR WORK AT THE FED INVOLVE/ INVOLVED?

**Ohashi:** I am still a senior at Scripps College, but I will be a Research Assistant in Capital Markets in Research and Statistics at the Board starting this summer.

**Adelberg:** I worked at the Fed from June 2010 thru Feb 2013. Since then, I've been working as a Strategist at Google. While I was at the Fed, I was a research assistant in a section called Macroeconomic Studies and Quantitative Analysis. I worked on a range of projects including policy simulations and projections of macroeconomic activity, alternative scenario monetary policy simulations, development and improvement of techniques for model specification (including developing and coding a large scale dynamic factor model), statistical estimation, and model simulation, and various other analyses of alternative monetary and fiscal policies. Both my work at the Fed and at the Lowe involved empirical forecasting analysis, which employed related econometric techniques (though those at the Fed were usually much more complicated and involved much larger datasets.) Some of the statistical packages (such as EViews and Stata) I learned at the Lowe were also employed at the Fed, and in the cases where the Fed used different ones, the basic skill set needed to learn those new languages was acquired while I was at the Lowe. Additionally, the ability to present complicated economic analysis in a clear, concise, and engaging way was a vital skill also developed at the Lowe.

**Tudor:** I work in the Global Capital Markets section of the International Finance division. I work on projects related to international financial issues some of the projects are long term research while others are short term policy work, such as memos or presentations for the Board of Governors which economists routinely give. I am currently working on a long term research project in which my co-authors and I are investigating the determinants of cash holdings

for foreign and US firms. Although this project is primarily corporate finance focused, I have been motivated by the important tax policy questions which are related to it. Recently there have been many policy and media discussion regarding the US corporate tax policy of repatriation and the potential for implementing a short term tax holiday. The cash holdings of US firms abroad is often cited as a reason for needing such a tax holiday. We hope our research will help shed light on this issue.

### WHAT ADVICE WOULD YOU GIVE TO ANY CURRENT STUDENTS WHO WOULD LIKE TO FOLLOW IN YOUR FOOTSTEPS?

**Ohashi:** Take math and CS classes! If I could have triple-majored by adding CS to my economics-mathematics double major, I would have.

**Adelberg:** For CMC students interested in working at the Fed or doing anything involving real economic analysis and/or policy, I would advise the following 3 things, in this order:

1. Get to know your professors, and get involved in research! Start early! You can be useful, even if you're just a freshman! The ability to do this is why you are paying \$50K a year for this school, so take advantage of it!
2. Learn some programming. It's important for your resume and is the basic tool of work in economics in the real world. Try to get good at at least one language, and survey a few others. I would recommend R and Matlab, though EViews, STATA, SAS, Perl, and even LaTeX are great to get a taste for as well.
3. Take econometrics and math classes! Calculus and Linear algebra are a must! Differential equations is helpful, and Advanced Macro and Econometrics II were also very useful to have taken.

**Tudor:** Proficiency in programming is very important. At this point it is not always enough to have experience with one or two statistical programs, you need to be proficient in computer languages such as C++ or python. I would highly recommend taking some computer science classes if you have chance. Additionally, most people who I work with have a major or minor in math in addition to their economics training. If you are interested in research (and potentially a PhD), a substantial math background is incredibly helpful. Finally, prior research experience is also very important. Working at the Lowe is a great way to acquire this experience. Actively engaging in this research is critical!

# HIGHLIGHTS FROM THE SPRING LOWE SENIOR THESIS WRITER'S CONFERENCE

by Fred Taylor, CMC '15

On Monday December 10, 2012, professors and students gathered in the Parents Room Dining Room at the Marian Minor Cook Athenaeum for the Lowe Senior Thesis Writer's Conference. Faculty members nominated Neil Malani, Harmony Palmer, Kelsey Gross, and William Dodds to present their findings and discuss their experiences. The Athenaeum was a fitting location as this was where these students had previously seen many others present their ideas. In the spirit of the Athenaeum, the event opened with a reception and a dinner. The students were allotted 10 minutes each to present followed by a five minute question and answer session. Three of the presenters, Neil, Kelsey, and William participated in an interview afterward to comment on their experiences.

## WHAT WAS YOUR QUESTION?

**Neil:** My question was, the short version of it, can regulators be bought by political contributions. So if I donate to a Congressman, does that cause my congressman to influence regulators to back off when inspecting my mine? I used mining data specifically.

**Kelsey:** I was looking at teacher salaries and if there's any merit pay system in place for teachers that have backgrounds in STEM fields, so in Science, Technology, Engineering, and Mathematics. And that's because a bunch of psychology research shows that teachers with strong backgrounds in STEM have a positive impact on student achievement as we can measure it today, which granted has many flaws in and of itself. I wanted to see, since we've known this for ten to fifteen years, are our school districts and states working to motivate teachers with strong STEM backgrounds to come into the system through merit pay.

**Will:** My thesis was about medical malpractice insurance. What I was looking at was how one particular kind of tort reform affects malpractice insurance premiums for physicians in different specialties. Basically what I was looking at was caps on non-economic damage. So when someone files a malpractice claim they go to court and their usually compensated for missing work because of the injury and what not, but where the big money from a

malpractice claim can really come is basically pain and suffering damages: non-economic damages. Because juries in recent years, since the 60s have started more and more to give just really large malpractice claim payments and as a result premiums have just shot through the roof for doctors really starting in the seventies and then there was another huge increase in the eighties. As a result doctors started dropping out of the market because if it cost you \$300,000 to insure yourself against malpractice claims then some doctors cannot make enough money for that to be feasible. So what states started doing is they started putting caps on the amount of damages that a jury could award. What I'm looking at is when states institute these laws, one does it affect physicians at all and two does it affect their premiums.

## WHAT METHODS DID YOU USE?

**Neil:** I wanted to look into regulatory capture because I had actually taken a class at Georgetown in Business, Politics, and Policy and a large section of that had to do with regulation. I thought inspections would be a really good proxy for quality of regulatory oversight because you can count quantity, you can count quality. There are like various quality metrics within an inspection and so on. I went to the government's data website, data.gov, I typed in inspections, came up with mine inspections and went with that.

**Kelsey:** I used the American community survey, which is part of the census every year and basically just analyzed teacher salaries by state and school and region. I had that teacher's background education as part of my variables. I did a lot of research on the states to see: okay, North Carolina has run this program for the past several years that was specifically to incentivize and I want to see, that was kind of at the state level, do we actually see salary differences in North Carolina as compared to other states.

**Will:** The first third of my thesis was all sort of theoretical stuff. I started from basic assumptions about insurance markets and, assuming that things are actually fair, how things should change, how premiums are affected by specialty. And by specialty really what I'm looking at is the sort of risk type. We know that an obstetrician is more likely to



have something go wrong and for a malpractice claim to be filed there is someone like a general practitioner. So how premiums varied by risk type. So I came up with a model and said basically what I predict is that for physicians with high-risk specialties, relative to physicians with lower risk specialties, premiums should go down more in nominal dollars, but in terms of percentages, the decrease should be roughly equivalent.

## WHAT WERE YOUR CONCLUSIONS?

**Neil:** There's some more research needed because I looked at things at the Congressional district level rather than at the company or mine level. But given the data I had, it was yes, contributions do buy leniency.

**Kelsey:** Despite knowing for fifteen years or so that having teachers with strong STEM backgrounds in the classroom can be a positive thing for student achievement, I really haven't been able to find state or district or type of school that really aggressively pursued that type of merit program.

**Will:** I basically find what my model predicted. My model said that we would see relatively constant premium decreases in percentage terms and that's basically what I find running my regressions and that we should see statistically significant differences for high-risk specialties relative to low risk specialties in nominal terms. Percentage wise there is no statistically significant difference in terms of drops.

## QUESTIONS

**Neil:** I got the short end of the stick when it came to questions because Professor Helland wrote his PhD dissertations or Masters dissertation on my topic so despite the fact that I did research on this, this being a thesis that you do, review and everything, he obviously knew a lot more about the topic than I did and so he was asking me about some methodological stuff that... But he obviously prefaced his questions with, "I wrote my thesis on this topic."

**Kelsey:** I got a lot of questions about whether I tested certain things or why I choose to include X over Y and that sort of thing. Their questions prodded me to think about my methodology and my motivations for testing certain factors and really inspired me to work on pursuing the research a bit more that I'm hoping to do with Professor Antecol in the future.

**Will:** Most of the questions I got were fairly technical, like: you ran a weak instruments test if you used the Yokizawa test or did you use the White weak instruments test which you should use if there is some serial correlation.

## EXPERIENCE

**Neil:** It was a pretty good experience. I got to hear from other people's thesis because you never, well if you're nerdy enough to go through the library's website and start downloading people's theses, sure, you're going to hear about other people's senior theses but otherwise you're never going to get the chance to hear what your peers are doing and get an understanding and truly see the depth of their data and analysis. I think it was really interesting to see what everybody else did.

**Kelsey:** I really enjoyed it. It really forced me to up the quality of my presentation. When I presented to just my Econ180 class, they had been listening to me talk all semester about it and so there wasn't as much pressure and making really sure that I was correct in everything that I said. Speaking to a panel of that regard certainly puts the pressure on but I think that it's a great experience to have to give a presentation on your work for the past several months to your bosses.

**Will:** I really thought that it was valuable. One, it's valuable in that it is always good to get experience presenting your work and two, it's valuable in getting to listen to other people and learn how they go about similar endeavors.

## Coachella Valley, from pg. 1

by coordinated investments in advertising, infrastructure, transportation, and the surrounding community. Among the panelists were Scott White, President and CEO of the Greater Palm Springs Convention & Visitors Bureau, and Thomas Nolan, Executive Director of the Palm Springs International Airport. Both delved into how providing a quality experience is the best form of ensuring that the area continues to grow as a prime destination.

Shortly after the conference, Robert Lowe, co-founder of the Lowe Institute and one of the panel moderators, offered his impression of the event. The annual conference, he says, provides "great publicity for CMC and also stimulates discussion about political economy in the Inland Empire."

Two CMC juniors involved with the Lowe Institute, Alexandra Sloves '14 and Faith Hanna, were invited to attend and help out with the event. Sloves, who works closely with Prof. Keil, observed that the conference was very well attended by a diverse set of professionals. Both students look forward to seeing how the conference's predictions play out over the coming months.

# THE ECONOMIC IMPACT OF CHINESE STIMULUS PACKAGE

by Caroline Lu, CMC '16



Professor Weidenmier, the director of Lowe Institute, researches China in the era of post-financial crises. His most recent research with Professor Burdekin investigates the economic impact of the \$586 billion Chinese Stimulus Package announced in November 2008, which aims to minimize the impact of global financial crisis on its economy. Insufficient details about the plan were published and the effect of the stimulus package is controversial. Professor Weidenmier seeks to unveil the impact of the Chinese Stimulus Package

## WHAT'S YOUR MOST RECENT RESEARCH?

A: I am working on a paper about Chinese Stimulus Package. As you know, China tried to get out of the 2008 global financial crisis by spending lots of money. The paper is trying to look at the effect of China's expansionary fiscal policy. The problem is that most economists don't believe the GDP data of the Chinese economy, so our solution to this problem is to look at the performance of A Share in Shanghai Stock Market. We have two students, Michael and Joey, who worked for us last summer.

## WHAT'S THE FINDING OF YOUR RESEARCH?

A: The finding is that Chinese Stimulus Package failed to generate a broad-based effect to boost the whole economy. Its effects are confined in certain areas such as housing, construction and real estate. We looked at the effect of the government announcement of a \$586 billion Stimulus Package on different stocks in Shanghai Stock Market Division A Share. If the Stimulus Package is effective, then we should expect that it boosts the economy and lifts the profits of Chinese companies. Therefore, the stock price of Chinese companies should go up. However, our research about the fluctuations of the stock prices of Shanghai A Share doesn't show a big increase in the general stock prices, which means the average firm revenue doesn't go up significantly.

Unfortunately, we don't find that the Chinese stock markets significantly outperformed the other stock markets in the world.

We also looked at the Chinese stocks listed in Hong Kong and US markets and compared the performance of the Shanghai stock market with other markets in Asia and the rest of the world. Unfortunately, we don't find that the Chinese stock market significantly outperformed the other stock markets in the world. Therefore, it's fair to say that the effect of the Stimulus Package is confined in the housing, construction and real estate areas.

## WHAT DO YOU THINK IS THE BEST POSSIBLE REASON TO EXPLAIN THIS?

A: In economics, there is a so-called "crowding-out" effect. If the government borrows to pay for a stimulus, it drives up the interest rate, which increases the borrowing cost for households and firms. Therefore, the increase in government spending crowds out the private investment, which makes the expansionary fiscal policy less effective. Most economists also believe the "crowding-out" effect is fairly large.

# INTERVIEW WITH PROFESSOR HELLAND

by Caroline Lu, CMC '16

*Professor Helland's recent research with the Lowe Institute is quite unusual and interesting. He investigates about the degree of correlation between the financial holdings of federal judges and the outcomes of the trial.*

**Q: What is your recent research about?**

A: First I need to give you some background. In the United States a federal judge has to disqualify himself from hearing a case if he has a financial interest with any party involved in the case. If this kind of incidence happens, the court has to replace the judge with another one because of the interest conflict. However, this problem has not had sufficient attention because, statistically the chance of systemically excluding a group of judges from sitting on the bench is low. Nevertheless, the assumption of always having a random draw of judges breaks down if we take the financial disqualifications of judges into account. Judges are required to make yearly disclosures of their investments and to step aside from cases in which they have a financial interest, no matter how small, by federal law. Preliminary evidence shows that 20% of federal judges own stocks in General Electric, which is a quite shocking number. If General Electric files an appeal to the higher court, then one out of five judges has to disqualify themselves from hearing the case. We also found out that they are disproportionately Republicans, so excluding the more conservative judges from the bench may have a profound effect on the outcome of the case. It becomes a problem in our justice system because, if the findings of my research suggest that the stockholding judges are ideologically different from the non-stockholding judges, then perhaps we are systematically excluding a group of judges from hearing certain cases. Right now I ask my students who are involved in this project to help me code the financial holdings of all the federal judges. They code up all the shares and stocks that judges own from 2003 to 2010 and match them with the trials. The results will allow me to investigate the actual scope of this problem.

**Q: How do you get the data of the financial holdings of the federal judges?**

A: Judges are required to make yearly disclosures of their investments that are open to the public by requests. There is a group of people who files the requests for the financial information of the federal judges, and publishes it on their



website. Theoretically, we should be able to get 100% of the data, but in fact only 80% of the federal judges allow this website to have records of their financial holdings and the remaining 20% just don't want to disclose their financial information. Therefore, we have no way of knowing their stock holdings and how they are different from judges who are willing to disclose. The trial data is publicly available. Hence, we can know which judge hears what case easily.

**Q: What is the implication of your research?**

A: I can't be certain yet because it mainly depends on the findings. However, I can give you one potential aspect of the implications. Imagine that it's actually really common for the judges to hold stocks in the largest 50 corporations. We normally assume that the ideology of a panel of judges lies in the middle which means the panel of judges consists of liberal and conservative judges. Nevertheless, if the results of my research suggest that the ideology of stockholding judges and non-stockholding judges is different then we are systematically excluding one side of the view-the view of stockholding judges- on certain issues because they have to exclude themselves from hearing the case that related to the companies they have stocks. Take the example of 20% of judges holding stocks of General Electric. If we systematically exclude pro-business judges, then General Electric will face a bench that is against it.



# SOCCAM 2013

by Faith Hanna, CMC '14

On April 19, dozens of economists trickled in to the Kravis Center's Freeberg Forum to attend the 2013 Southern California Conference in Applied Microeconomics, or SoCCam. The event was organized by CMC Prof. Heather Antecol and sponsored by the Lowe Institute, the Rose Institute, the Berger Institute, and the Robert Day School. SoCCam began as a tradition at the University of California, Los Angeles (UCLA) and CMC began holding the conference in 2010, after state budget cuts limited UCLA's funding for the event. This is the first year that the conference was actually held on CMC's campus.

In short, SoCCam is an annual forum for Southern California's top experts in the field of applied microeconomics to present, review, and discuss their research.

While the audience was cautious about ceding too quickly or easily to the presenters' findings, overall the evidence they exhibited held up well to the scrutiny and led to some surprising conclusions.

As a junior majoring in International Relations, attending the extremely technical sessions elicited a mix of feelings. At times, the terms used were so far beyond my scope that it was as if I was being addressed in a foreign language. Yet thanks to a class in intermediate microeconomics, I was able to understand some of the methodologies that went into the research. It was abundantly clear that the approaches were complex and even divisive among those present. Throughout each presentation other experts in the audience grilled the speaker. Following this, a discussant, who had previously studied the presenter's material in detail, would trade places with the speaker and critique specific areas of the presenter's methodology and/or argument. As frightening as this sounds, however, the mood in the room was more inquisitive than critical. And while the audience was cautious about ceding too quickly or easily to the presenters' findings, overall the evidence they exhibited held up well to the scrutiny and led to some surprising conclusions.

During the session on Education, for example, labor economist Kate Antonovics from the University of San Diego's Department of Economics, discussed the effect of Prop 209 on student composition at California's state universities, or UCs. Her analyses of several pools of data suggests that the, "admission advantage lost by URM [Under Represented Minorities] after Prop 209 was restored through race-neutral changes to the admissions process." That is, steps taken by some UC's softened the shock of the ban on affirmative action. These measures included giving more weight to high-school GPA and family background over SAT scores. The discussant, CMC Prof. David Bjerk, expressed that although economists are usually critical of papers, Antonovics' research was well done and her findings were highly relevant for those interested in affirmative action.

The event's keynote speaker was Hilary Hoynes, a Professor of Economics at UC Davis and co-editor of the American Economic Review. Her presentation on "The Health Impacts of the Non-health Safety Net" showed the implications of the publicly funded food-stamp program on the poor's economic self-sufficiency and 'metabolic syndrome,' a group of health indicators. Hoynes remarked that because the system is universal, the program's effects are especially hard to study. Yet by using data analysis, Hoynes was able to show just how much the program matters, especially when made accessible during certain time frames. She noted that it has the most impact on health measures when it affects children below the age of three. Since the level of poverty is the highest among children, approximately 4.7 million of them live in poverty, this shows the importance of the food-stamp program. In addition, it significantly adds to the self-sufficiency of women. In sum, her results have led her to conclude that the benefits of the non-health safety net are broader than generally thought.

By bringing together seasoned experts to evaluate methodologies behind current research, SoCCam contributes to making these and other endeavors in applied microeconomics more productive, accurate, transparent, and legitimate. And in granting a space and incentive for microeconomists to use their skills to tackle real questions, CMC is instrumental in advancing this field.

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## SPRING 2013 CALENDAR

- FEB 22** **Mushfiq Mobarek**, Associate Professor of Economics, Yale School of Management – Marian Miner Cook Athenaeum, CMC
- MAR 18** **March Madness Bracket Pool** – for 5C Students, Faculty, Staff
- MAR 11** **CMC-UCLA Coachella Valley Forecast Conference** - Miramonte Resort, Indian Wells, CA
- APR 19** **SoCCAM 2013** – Hilary Hoynes, Professor of Economics, UC Davis - Key-note Luncheon Speaker, Marian Miner Cook Athenaeum, CMC
- APR 30** **Low Senior Thesis Writer's Conference** - Parents Room, MMCA, CMC
- MAY 31** **RDS Internal Faculty Seminar** – Oana Tacoian, Chair, Kravis 321, CMC
- JUN 13** **CMC-UCLA Temecula Valley Forecast Conference** - Pechanga Resort & Casino, Temecula, CA

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| Abinaya Thenappan '16        | Keerthana Nunna '15   |
| Adam Parower HMC '14         | Kelsey Helfin '16     |
| Alexandra Sloves '14,        | Kunal Menda '15       |
| Anna Eames '13               | Kyle Johnson '16      |
| Arthur Chang HMC '14         | Madeleine Bannon '14  |
| Audrey Breitweiser '16       | Marco Martellini '14  |
| Aviv Caspi '16               | Marina Giloi '14      |
| Benjamin Goldberg '15        | Matthew Lee '14       |
| Cameron Whiting '15          | May Kim SCR '14       |
| Charles Blyzniuk '14         | Meghan Fuelling '16   |
| Chloe Whang '14              | Mengyue Yang '15      |
| Christian Mkpado '15         | Michael Greim PZR '13 |
| Clark Kissiah '14            | Nicole Appleton '14   |
| Connor Schlegel '15          | Nikita Mehandru '15   |
| Elan Bernstein '15           | Patrick Shultz '15    |
| Eli Coon '14                 | Philip Liao '14       |
| Emilia Perez-Orselli SCR '13 | Rachit Khaitan        |
| Faith Hanna '14              | Remy Guerico '16      |
| Fred Crawford Taylor '15     | Sam Blomberg '16      |
| Greyson Blue '13             | Sam Meyers '15        |
| Han Dinh '14                 | Scott Anderson '15    |
| Hye Won Chung '13            | Sirah Hosni '14       |
| Iris Liu '16                 | Taryn Ohashi SCR '13  |
| Isabel Harbaugh '13          | Tenzin Tseky '13      |
| Jared Goldberg '16           | Tess Sewell '14       |
| Jedant Vaitha '14            | Valerie Ho '15        |
| Ji Young Huh '15             | Wendalyn Tran '14     |
| Joseph Stone Newbry '14      | William Dodds '13     |
| Juancho Sunga '16            | Yijing Shen '13       |
| Kanupriya Rungta '14         | Zaoyuan Ge '13        |
| Katerina Abazajian '14       | Zheyuan Li '15        |