

NORTHWESTERN UNIVERSITY
Department of Economics

Chair's Annual Update

Date: November, 2003

To: Graduate Alumni and Alumnae

From: Martin Eichenbaum, Chair

Once again I have the pleasure of writing to you about the state of the department. As you are no doubt aware, the past year was financially challenging for many Universities. Northwestern was no exception. Despite this, the University made unprecedented commitments to maintain the quality of our department. As alumni, I hope that you are pleased by the support that the University has given us. In return, the department asks for your support to help make us an even more exciting place to study economics and do research. Any advice on how we can accomplish this goal will be deeply appreciated.

The last year was full of initiatives. Some have already come to fruition. Others will occur next year. For example, the department now has a Center for International Economics and Development, currently co-chaired by Sergio Rebelo of Finance and me. In addition, to funding graduate student fellowships, the Center brought in five visitors last year to co-teach an advanced topics course in International Economics, including Fabrizio Zilibotti (LSE), Jonathan Eaton (NYU), John McLaren (Virginia), Fabrizio Perri (NYU) and Abhijit Banerjee (MIT). The Center co-hosted its first conference jointly with Banca d'Italia and the University of Rome. This year we will be bringing in five visitors, Francesco Caselli (Harvard), Luca Dedola (European Central Bank), Maitreesh Gatak (London School of Economics), Diego Puga (University of Toronto), and Helene Rey (Princeton). Also we will host a joint conference with the University of Tokyo and continue to fund graduate students. For a fuller report see the Center's web page which you can access from the department's new and effectively improved website www.econ.northwestern.edu

This year, we expanded the list of activities associated with the Nemmers prize in economics. Edward Prescott visited the department in the spring. After delivering his Nemmers lecture, we hosted a dinner in honor of Ed which was attended by many of Ed's colleagues and students from all over the world. Robert E. Lucas Jr. and V.V. Chari spoke about Ed's research and role as a teacher. The following day, the NBER and the Chicago Federal Reserve co-hosted a conference in honor of Ed, which many of our students attended.

Next year we will initiate a new series of two week visits by distinguished faculty in the areas of econometrics, theory, macroeconomics, applied micro and economic history. In addition to presenting papers in regular seminars, each visitor will deliver a series of lectures to our grad students.

Regarding news about people in the department, I am happy to announce that we hired a new Assistant Professor, **Raquel Bernal**, who recently received her PhD from New York University with a specialty in labor economics, econometrics and applied microeconomics.

You will be happy to know that **Jeffrey Ely** was selected as an Alfred P. Sloan Fellow and **Joel Mokyr** was elected to serve as the 2002-2003 President of the Economic History Association. I am also happy to report that Joel's most recent book, *Gifts of Athena: Historical Origins of the Knowledge Economy* (Princeton University Press, 2002), won the Don K. Price Prize for the best book relating to technology from the American Political Science Association.

The department has a number of visitors this year. **Sam Williamson** (Miami University of Ohio) will teach U.S. economic history in the fall. **Patricia Reagan** (Ohio State University) will visit for the entire year; her interests are labor economics and industrial organization. Winter and spring quarters, **Ali Hortacsu** (University of Chicago) visits the Center for the Study of Industrial Organization. **Reuben Gronau** (Hebrew University), a labor, regulatory and transportation economist, will teach a household behavior course spring quarter. **Chris Sleet** (University of Iowa), a macroeconomist, will visit winter and spring quarters. The Transportation Center will be welcoming **Ken Small** (UC Irvine) spring quarter.

Other faculty changes include assistant professors **Gadi Barley** moving to the Federal Reserve Bank of Chicago, **Jeff Ely** going to Boston University, and **Ricky Lam** working for the consulting firm of McKinsey and Company in Chicago. **Wolfram Latsch** is teaching for the University of Washington after two years as a lecturer in our department.

Graduate student **Hugo Nopo** and his co-authors received a first-place award for their work on the economics of social exclusion in Peru from the Global Development Network at their January annual meeting in Cairo.

Congratulations to **Nir Jaimovich** and **Enrichetta Ravina** on winning the NU Graduate School Dissertation Year Fellowships; and to **Ran Abramitsky** for winning a similar award offered by WCAS. The Department's Robert Eisner Fellowship has been awarded to **Joerg Stoye**.

Once again our students did very well on the job market. Even though we had a small number of students on the market and overall demand was weak for reasons related to the business cycle, we still placed students at excellent institutions like Cornell, UBC and the University of Texas at Austin.

Our biggest change in staff personnel structure came at the end of March with the resignation of **Ethel McKay King**. After serving for 13 years in the department, Ethel decided to pursue personal interests and will be missed by everyone. Our new Department Assistant, **Lynette Horn**, is making the transition well. **Jelani Branch** has assumed the duties of **Rhonda Jefferson** who is no longer with the university.

Staff member **Sandy Shaver** earned a second Service Excellence Award from the University in recognition of her outstanding attitude and service excellence in our main office. And **Terri Parrish** also received a Service Excellence Award for contributing her time and skills for the North American Summer Meeting of the Econometric Society conference that Northwestern hosted this year.

One note regarding our mailing address: recently Northwestern University and the City of Evanston have agreed that a unified number - 2001 Sheridan Road - applies to the building complex in which we are housed. Although mail will surely reach us using the 2003 address, we would appreciate you changing your records and palm pilots.

On occasion, an additional name might be added to the full mailing address - Jacobs Center - as opposed to Andersen Hall or Leverone Hall. This is because the complex as a whole has been deemed the Jacobs Center. So 302 Andersen Hall is the *same* as 302 Jacobs Center. Either address will work if you write to us.