

UNIVERSITY OF VIRGINIA  
DEPARTMENT OF ECONOMICS

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Dear Former Students and Colleagues:

The past year saw fewer changes in our permanent faculty, but the intellectual life of the Department was greatly enriched by an unusually large number of visitors. Improvements in our facilities continued apace. Before telling you about these developments and other news, I want to invite you to our cocktail party at the ASSA Meetings in Washington, D.C. It will be on Friday, January 6 from 5:30 to 7:00 P.M. in the Hemisphere Room of the Washington Hilton Hotel. Please join us. We love to hear how our former students and colleagues are doing.

Dick Selden's tenure in our department ended with a retirement party in the garden of the Colonnade Club on a lovely day in May. He takes with him a wealth of institutional knowledge about monetary policy and the banking system that will be hard to replace. Gerhard Glomm has moved to Michigan State University. We'll miss Gerhard's rigorous thinking, and his wife Angela's many public-spirited activities.

Our only new permanent addition is Brent Kreider, a public economist from Wisconsin. Brent is teaching our undergraduate public economics course and a new undergraduate course in health economics this year. His dissertation won the award of the National Academy of Social Insurance for the best dissertation on social insurance last year.

We hosted an unusually large number of stimulating visitors in 1994. In the spring, Marvin Goodfriend (Vice President for Research, FRB-Richmond) taught a graduate course in empirical monetary economics, Paul Rilstone (Associate Professor, Laval) graduate cross-sectional econometrics, and Amit Mitra (Director of the Policy Unit of the Business India Group and Director of the Board of the Industrial Finance Corporation of India) our undergraduate development course and a new course on restructuring of economies in developing nations with a focus on India. In the fall, our own Lisa Anderson (Ph.D., 1994) taught environmental economics, Jeff Prisbrey (Assistant Professor, Pompeu Fabra) intermediate microeconomics and graduate public economics, Alex Tabarrok (Ph.D., George Mason, 1994) financial markets and a new course on public choice, Genia Toma (Professor, Kentucky) a new course on the economics of education, and Kei-Mu Yi (Assistant Professor, Rice) intermediate macroeconomics and graduate international finance. Dennis Starleaf (Professor, Iowa State) is a non-teaching visitor for the academic year.

Our visitors have enabled us to greatly increase the variety of undergraduate courses offered. We have also used senior graduate students to this same end. In the fall, they taught courses on the economics of welfare reform and law and economics. These courses will be repeated in the spring, and a new course on economic forecasting will be offered. All of the new courses have been enthusiastically received by our undergraduates.

We continue to make progress on improving our physical surroundings: new carpets for Snavely Library and the Graduate Student Lounge, lockers for graduate students, classrooms painted, tables in classrooms refinished, and new equipment for our computer labs. As I write, all of the old ceiling tiles in Rouss are being replaced and new light fixtures installed. The total renovation of the building is in the foreseeable future. Next semester, we will get ten additional offices in an adjacent building. This will enable us to provide desks to all graduate students beyond the second year. Carrels in Snavely and terminals in the computer labs should accommodate all first and second year students who want to work in Rouss. The life expectancy of dustballs in our buildings has dropped precipitously. The department has entered the modern age of communications. Virtually, all memoranda are distributed by e-mail. Phone mail is on the horizon.

Simon Anderson and Len Mirman organized the Southeastern Economic Theory and International Trade Conference this year. Rouss Hall was crawling with economic theorists early in November. Simon has been appointed associate editor of *Regional Science and Urban Economics* and the *Journal of Regional Science*. Marianne Baxter has been named Research Associate of the prestigious National Bureau of Economic Research and a member of the board of directors of the Committee on the Status of Women in the Economics Profession (CSWEP). Charlie Holt finished his three-year term as president of the Economic Science Association this year. Charlie's political stock market for the 1994 Senate race in Virginia received considerable press attention. The market trading prices showed that Jim Miller (Ph.D., 1969) would have beaten Charles Robb and all other Democratic candidates and that Oliver North would lose to Robb and the other Democratic alternatives. Ken Elzinga was the subject of a morals investigation. He was exonerated. I just wanted to see whether you are awake. Actually, he was the subject of a lengthy article in the *Cavalier Daily*. Ken is chairing a committee to consider the future of the *Southern Economic Journal*. If you have any thoughts on this matter, please send them to him. Jon Skinner was on the Program Committee for the 1993 Econometric Society Winter Meetings.

Don Fullerton and his wife Jo Worthy finally solved their elusive joint location problem. He is a chaired professor at Texas, and she has a tenure-track position in their highly regarded School of Education. We miss them but are delighted that they found such a good situation. T.R. Snavely recently celebrated his 104th birthday. Bill Wood has been promoted to full professor at JMU and continues as director of their Center for Economic Education. He recently won an award from the National Federation of Independent Business for his paper entitled "Cost-Benefit Analysis of Small Business Assistance." On a sad note, Margaret Vining, wife of Rutledge Vining, died on July 1, 1994.

Tom Kinnaman's (Ph.D., 1994) dissertation research on the effects of charging for garbage collection in Charlottesville attracted the attention of the national and international press. This just goes to show the value of getting up early and getting your hands dirty. To generate data for his study, Tom weighed the garbage of 75 households for several weeks before and after the collection fee went into effect. Cathy Eckel (Ph.D., 1983) is spending her sabbatical at the University of Arizona. She and Phil Grossman (Ph.D., 1984) have recently received an NSF grant to study the effect of status on bargaining. Elaine Susan McBeth (formerly Koppana) (Ph.D., 1987) is now the Associate Director of the Thomas Jefferson Program in Public Policy at William & Mary. Skip York (Ph.D., 1988) has transferred to the New Jersey office of Exxon, where he works on international aspects of the business. Cheryl O'Dell Champayne (M.A., 1972) has worked in financial reporting and planning for several companies in Hartford, Connecticut since leaving Charlottesville. Although she has never been employed directly as an economist, she says that her economics education has been an invaluable aid in helping her to perform all of her jobs better than she would have without the formal economics education and in quickly finding interesting career employment as life changes necessitated seeking new employment. Fred Graham (Ph.D., 1985) has been promoted to associate professor at American University; Amy Behrendt Graham (Ph.D., 1987) has moved from CNA to the DOD; and Nisha Agrawal has transferred within the World Bank from the East Africa Division to the Indonesian and Other Tropical Paradises Division. Chip Curran (Ph.D., 1983) reports the birth of a daughter last summer. Last but not least, Jeff Eisenach is reported to be a major advisor to Newt Gingrich. A piece of advice from outside the beltway. Go with the let's-work-together strategy.

Our optimism about the prospects of our job candidates last year was justified. Lisa Anderson accepted a temporary position here to facilitate her research with Charlie Holt, Amy Crews went to Syracuse, Dirk Early to Southwestern University (Texas), John Elder to Bryant College, Tom Kinnaman to Bucknell, Rick McGrath to William and Mary (visiting position), Cathy O'Connor to Ohio State, Debra Patterson to Trinity University (Texas), and Francisco Ruge-Murcia to the University of Montreal. We have another good group this year. Some are outstanding teachers with the awards and student course evaluations to prove it. Virtually all of our students have substantial experience teaching independently and are considered to be good teachers by our undergraduates. Lisa Anderson, Thomas Jeitschko, and Ben Scafidi have already presented papers at professional meetings. I hope that those of you who are hiring will rely on your former teachers and colleagues to give you an honest appraisal of whether a particular student would be a good hire for your organization. We awarded the Ph.D. degree to the following students during the past year:

Amy Crews  
A.J. Holliday  
Tom Kinnaman

Lisa Anderson  
Debra Patterson  
Dan Zabinski

Obviously, this is only a small sampling of the news from the Department and from our graduates. We look forward to hearing your news at the cocktail party. If the address on this envelope is not current, please send us an update.

Cordially,

Ed

E.O. Olsen  
Chairman

E00/psp

P.S. As chairman I occasionally get unintentionally amusing mail. For example, a recent letter addressed to Mr. T. Jefferson began, "As a regular purchaser of our microform collections..."