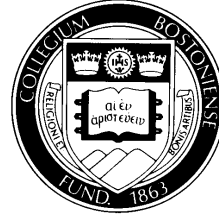


THE BOSTON COLLEGE ECONOMICS DEPARTMENT NEWSLETTER

August 1998



Last September, Boston College announced a major initiative, "Advancing the Legacy," which will entail the investment of \$260 million over the next five years to strengthen all phases of its academic efforts and campus life. Elements of the initiative include the expansion of full-time faculty ranks with 50 new positions; additional resources to support research and faculty development; major capital projects to provide better facilities for humanities and science departments; and a general emphasis on the international dimensions of higher education.

An important component of this initiative is cited in the report of the University Academic Planning Council as an imperative to "improve the quality of graduate and professional programs...by investing in programs where there is special opportunity for quality and distinction, and by continuing strong support for programs that have achieved superior quality and recognition." The Department of Economics has been named as one of the thirteen specific academic units in which these improvements are to be focused, with the stated goal that "...we will be among the 25 best graduate programs in quality and recognition." The first tangible elements of this support were evident this year, when the department received authority to make several senior hires. Given that the market for senior economists of noted reputation is tight, it is expected to take several hiring seasons to staff these positions fully.



When all contemplated positions are filled, our abilities to advance to the top ranks of graduate economics programs (from our current mid-30s ranking) will be significantly enhanced. In this hiring season, we were very successful in making three senior appointments: Arthur Lewbel in microeconomics, Peter Ireland in macroeconomics, and Jushan Bai in time series econometrics. This success must be tempered with the realization that this market works

ics courses and served as a respected colleague. Since that time, he has played key administrative roles at BC, serving as Dean of the College of Arts and Sciences for 1980-1987 and as AVP since 1987. After a well-earned sabbatical leave,

he will become Vice President and Special Assistant to the President, assisting Fr. William Leahy, S.J., with the implementation of the major initiatives planned for the next five years.

Neenan's background is that of a public finance economist, having earned a Ph.D. in economics from the University of

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We were sorry to learn this spring that Prof. Bruce Hansen, one of the most prolific and well-respected members of the department since he arrived from Rochester in 1994, was planning to leave. He'd rather root for the Badgers than soar with the Eagles, it seems, as he and Korinna (with their recently-enlarged family) are heading to Madison this month. Bruce has achieved a signal recognition in Baltagi's "Econometricians Hall of Fame": a #5 ranking **worldwide** in all econometrics publications over the 1989-1995 period (*Econometric Theory*, 1998, 1-43). He has been a great colleague, always ready to help the econometrically challenged with expert assistance and advice. Needless to say, we will miss Bruce, and we wish him well.

Later this spring, Asst. Prof. Enrico Spolaore received an offer he couldn't refuse from our 'friends' down in Providence: a very attractive joint appointment in economics and political science in a new institute at Brown University. Enrico, a protégé of Harvard's Alberto Alesina, has worked extensively in political economy, so this was a great opportunity for him (if not for us!). Enrico visited BC in fall 1993 and 1995-1996 before rejoining us last fall. We will miss his contributions to graduate macroeconomics and dissertation advisement, and his presence as a valued colleague. Our best wishes.

We also are grateful for the collegueship of visiting Prof. Peter Pedroni this last year. Peter, an up-and-coming macroeconomist responsible for some important developments in panel cointegration tests, returned to Indiana University this summer after a year on the Heights. He taught undergraduate macro and graduate international finance courses, and started several collaborative projects with BC faculty. We wish him success in his work.

P A R

For decades, any economics faculty member, graduate student or undergrad in need of assistance at the library has known to "just look for Pearl!" Pearl L. Alberts, the senior reference librarian/bibliographer for economics and management at O'Neill Library, has been of invaluable assistance to all of us. All good things must come to an end, and Pearl is retiring this year—after a 46-year professional career! She joined the School of Management Library (located in the basement of Fulton Hall) part-time in 1968, full-time as the reference librarian in 1974, and was promoted to senior reference librarian in 1979. When the O'Neill Library opened in 1984, she and her protégé Barbara Mento (now head of government documents at O'Neill) moved to the new building, and have collaborated since on the development of an excellent collection of books, journals, reference materials, and datasets for economics and management. The Library has budgetary responsibility for academic datasets, and serves as the institutional representative to ICPSR; Pearl has played a key role in ensuring that researchers in economics, finance and accounting have the datasets needed for their work. She has been instrumental in assisting many dissertation students over the years in acquiring the unique data for their projects, be it Coast Guard data on oil spills, a Lexis/Nexis search, or real-time S&P options data.

Pearl Alberts received a Master of Science in Library Science from Boston's Simmons College in 1952, after earning her bachelor's at UNH. She hadworked in the Boston Public Library and at M.I.T. before joining the BC library staff. In recent years, she has been instrumental in acquiring several major gifts, including the Bloomberg Financial Services terminal at O'Neill. She has also organized and presented many classes in use of on-line

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sources and the Internet for faculty in economics and management. Alberts authored the Investments chapter of the on-line guide to "Business Sources on the Net," for which she was the joint recipient of the prestigious Mecklar Award for Innovations in Technology in 1995.

Pearl's efforts in support of business and economics have won two recent awards: the Distinguished Member Award from the Business and Finance Division of the Special Libraries Association in June, and the Special Recognition Award from the Boston Chapter of that society in May. The prior award cited her role in founding the Boston Area Academic Business Librarians Group, her receipt of the Carroll School of Management's Distinguished Service Award, and her contributions to "Business Sources on the Net."

Pearl Alberts has exemplified the very best in the academic community to so many of us in the years and decades of her service to Boston College, and to our department in particular.

If Boston College is truly going to "Advance the Legacy" and make it a reality, we must all do our part. Pearl's shoes are a testament to her dedication and hard work.

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Pearl's shoes. Ct isostry.C

Senior Honor Theses Excel

Just as spring blossoms burst forth, so did the fruits of the seniors who wrote theses for the Economics Honors Program. For those students and their advisors, the culmination of months of effort proved worthwhile. The impressive coalition this year included: *George Aragon*, "The Effects of Celebrity Endorsements on Shareholder Wealth," Harold Petersen; *Brett Artmann*, "An Analysis of the Impact of European Monetary Union on Eurodollar Futures Prices and Spread," Kit Baum; *Erika Dreyer*, "The East Asian Currency Crisis," Joe Peek; *James Gruber*, "The Effect of Athletic Success on Applications and Student Quality," Bob Murphy; *Ryan Hess*, "Assessing Bank Risk," Joe Peek; *Peter Morrow*, "Trade, Productivity and Growth in Transition Economies," Doug Marcoullier; *Eric Rucinski*, "Reforming Social Security," Joe Quinn; *Brian Soucek*, "The Metaphorical Frame: A Philosophic and Economic Theory of Art," Dick Tresch; and *Victor Weber*, "The Gods Must Be Crazy: A Functional Analysis of the Great Depression," Harold Petersen. The prestigious Alice E. Bourneuf Award, given annually to the highest ranking economics major, was won by Brian Soucek. The award for

Economics. Father William P. Leahy, S.J., President of Boston College was the presenter of the awards at a ceremony held in Gasson Hall on April 27.

Silvia Ardagna and *Antonio Menezes* rose to the top, against stiff competition, to win the Graduate A&S Dissertation Fellowship Awards for 1998-1999. Freed from teaching responsibilities for the year, Silvia and Antonio will have time to focus on making giant strides toward

tive job offer from the Asian Development Bank in the Philippines. • *Jim Monks* (Ph.D. '94) is leaving Mt. Holyoke College, after completing three one-year appointments. He will be joining the Consortium in Financing Higher Education, situated, you guessed it, in Cambridge, MA.

BC **EC** Alumni Profile

Michael French (Ph.D. '86) is a research associate professor at the University of Miami School of Medicine & Health Services Research Center, and he is director of academic programs in Health Administration at the University of Miami School of Business. Mike has held both positions since 1995. He has brought us *au courant* with his publications, which are: "Alcohol Use and Wages: New Results from the National Household Survey on Drug Abuse," with G.A. Zarkin, T.A. Mroz, and J.W. Bray, *Journal of Health Economics*, 17(1):53-68, 1998; "Cost Effectiveness of Detecting Breast Cancer in Lower Socio-Economic Status African-American and Hispanic Women Through Mobile Mammography Services," with M. Schweitzer, S.A. Ullmann, and C.B. McCoy, *Medical Care Research and Review*, 55(1):99-115, 1998; "Estimating the Economic Cost of Substance Abuse Treatment," with K.A. McGeary *Health Economics*, 6:539-544, 1997; "A Structured Instrument for Estimating the Economic Cost of Drug Abuse Treatment: The Drug Abuse Treatment Cost Analysis Program (DATCAP)," with L.J. Dunlap, G.A. Zarkin, K.A. McGeary, and A.T. McLellan, *Journal of Substance Abuse Treatment*, 14(5):445-455, 1997; "Factors that Influence the Use and Perceptions of Employee Assistance Programs at Six Worksites," with L.J. Dunlap, P.M. Ro-

man, and P.D. Steele, *Journal of Occupational Health Psychology*, 2(4):312-324, 1997; "Drug Abuse, Crime Costs, and the Economic Benefits of Treatment," with A.S. Rajkumar, *Journal of Quantitative Criminology*, 13(3):291-323, 1997; "Costs of Employee Assistance Programs: Findings from a National Survey," with G.A. Zarkin, J.W. Bray, and T.D. Hartwell, *American Journal of Health Promotion*, 11(3):219-222, 1997.

Mike's presentations included "Personal Attributes, Workplace Performance, and Wages," with A.G. Holtmann, K.A. McGeary, and G.A. Zarkin, at the Western Economic Association Annual Conference, Lake Tahoe, Nevada, July, 1998; "The Economics of Drug Abuse Prevention and Treatment: State of the Science," at the Agency for Health Services Research Annual Conference, Washington, DC, June, 1998; "Modified Therapeutic Community for Mentally Ill Chemical Abusers: Outcomes and Costs," with S. Sacks, G. DeLeon, G. Staines, and K. McKendrick, at the International Conference on the Reduction of Drug Related Harm, and "Drug Abuse, Crime Costs, and the Economic Benefits of Treatment," with A.S. Rajkumar, both at Saõ Paulo, Brazil, March 1998; "Personal Attributes, Workplace Performance, and Wages," A.G. Holtmann, K.A. McGeary, and G.A. Zarkin, at the University of Kentucky, Department of Economics, Lexington, Kentucky, February, 1998; "Chronic Drug Use and Crime," with K.A. McGeary, D.D. Chitwood, C.B. McCoy, J.A. Inciardi, and D. McBride, at the Pacific Rim Allied Economic Organizations 3rd Biennial Conference, Bangkok, Thailand, January, 1998. Mike is a member of Health Services Research Initial Review Group (IRG), U.S. Department of Health and Human Services, Public Health Service, National Institute on Drug Abuse, 1995-present.

Continued, next column



Faculty News Notes

1997; "Cross-National Comparisons of Earnings and Income Inequality," with Timothy Smeeding, *Journal of Economic Perspectives*, 35:2, 1997; *Global Inequality*, edited with Richard Freeman, Russell Sage Foundation Press

Presentations in the fourth quarter of 1997 included: "The Effects of Interstate Banking on Small Business Lending," Conference on The Impact of Bank Mergers and Acquisitions on Small Business, U.S. Small Business Administration, Office of Advocacy, Washington, DC, October; "The Dissemination of Adverse Information Prior to the Bank of New England Failure: 'What We Have Here Is a Failure to Communicate'," Financial Management Association Meetings, Honolulu, October; "Collateral Damage: Effects of the Japanese Real Estate Collapse on Credit Availability and Real Activity in the United States," Office of the Comptroller of the Currency, Washington, DC, in October, and at The Fifth Mitsui Life Symposium on Global Financial Markets, University of Michigan Business School, in November. "How Well Capitalized Are Well-Capitalized Banks?" with Eric Rosengren, appeared in the *New England Economic Review*, September/October 1997, 41-50.

Joe Quinn's activities included: "Social Security Reform: Marginal Change or Radical Reform?" a talk given at the Maxwell School, Syracuse University, June 1998; "New Paths to Retirement," a paper presented at the Wharton School, University of Pennsylvania, Philadelphia, PA, April 1998; "Options for Social Security Reform," a lecture presented at the Social Security Administration's Management Forum, Denver, CO, March 1998; "Demographics and the Labor Market: Trends in the USA," presented at a conference on "Pension Reform in an Ageing World," Berlin, March 1998; "Privatization and Social Security Reform," a lecture presented at the Social Security Administration's policy education seminar, Philadelphia, PA, January 1998; "Social Security Reform: Is Privatization the Answer?" a lecture presented to the Drury College community, Springfield, MO, November 1997; "A Research Agenda for SSA," remarks to the Social Security Advisory Board, Washington, DC, June 1997; and "Cross-National Patterns of Labor Force Withdrawal," with Tim Smeeding, a paper presented at the

annual conference of the Foundation for International Studies on Social Security, Sigtuna, Sweden, June 1997.

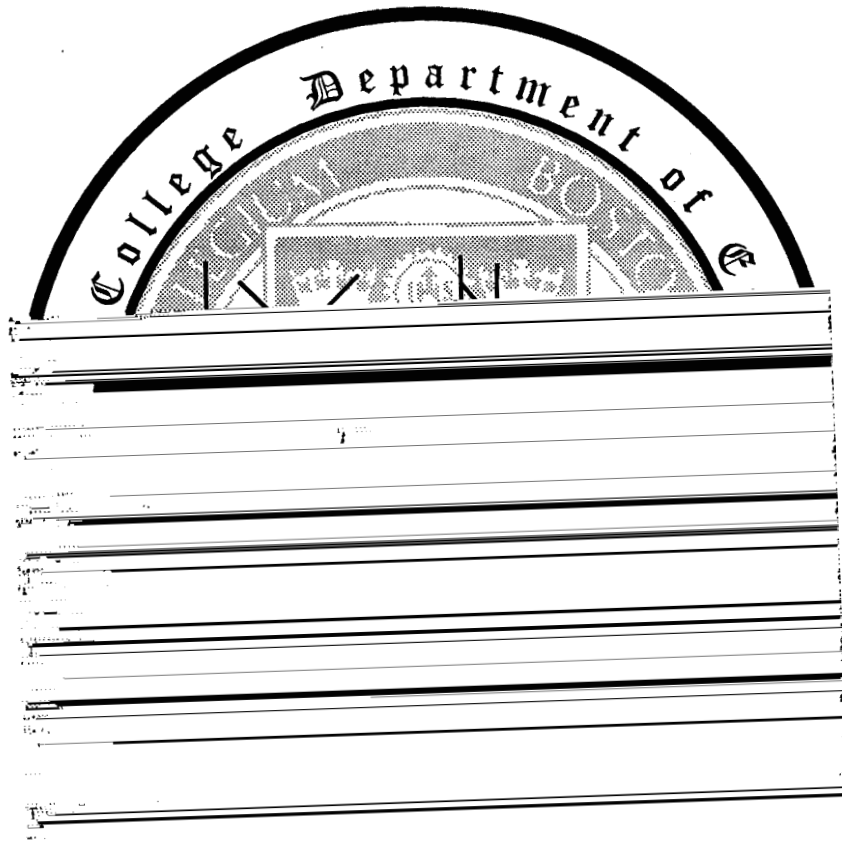
Quinn's recent publications include "Employment and the Elderly," *The Gerontologist*, April 1998; "Economic Implications of an Aging Society," *Review of Income and Wealth*, December 1997; "Implementing Pro-Work Policies for Older Americans in the Twenty-First Century," with Richard Burkhauser, in *Preparing for the Baby-Boomers: The Role of Employment*, U.S. Senate Special Committee on Aging, July 1997; "Retirement Trends and Patterns in the 1990s: The End of an Era?" *The Public Policy and Aging Report*, Summer 1997; "The Role of Bridge Jobs in the Retirement Patterns of Older Americans," in *Social Policy and the Labour Market*, Philip deJong and Theodore Marmor, eds., 1997, reprinted in *Retirement Prospects in a Defined Contribution World*, Dallas Salisbury, ed., Employee Benefit Research Institute, 1997; and "Social Security Reform: Marginal or Fundamental Change?" *Journal of the American Society of CLU & ChFC*, July 1997.

Joe continues to serve as the NCAA Faculty Athletics Representative and Chair of the Boston College Athletics Advisory Board. He is a member of the editorial board for *The Review of Income and Wealth*; a member of the Board of Governors, Foundation for International Studies on Social Security; a member of the (Mass.) Governor's Council on Economic Growth and Technology; and Chair of the National Academy of Social Insurance Dissertation Award Committee.

Fabio Schiantarelli was promoted to full professor last March. His recent work includes "Production Smoothing, Firms' Heterogeneity, and Financial Constraints: Evidence from a Panel of UK Firms," with A. Guariglia, 1998, and "Variable Markups in a Model with Adjustment Costs: Econometric Evidence for U.S. Industry," with M. Galeotti, forthcoming in the

Funny you should ask! *Basma Bekdache* (Ph.D. '95) has an article, "The Time-Varying Behavior of Real Interest Rates: A Re-Evaluation of The Recent Evidence," forthcoming in *Journal of Applied Econometrics*. • *Karen McCormick Blanford* (Ph.D. '82) has re-
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two items to report: his publication of “Precautionary Savings: A Panel Study” in *Review of Economics and Statistics*, May 1997, and his relocation from Northeastern’s b-school to the bucolic surroundings of Stonehill College in North Easton. (Don’t worry, prospec-



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