
Economics

Department Alumni Newsletter

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Issue #35,

We Are Back!

It has been over one year since the Department Alumni Newsletter was published. So much has happened. More than ever, we want to reestablish contact with our friends. This issue will try to bring you up-to-date on the many changes that have occurred in the Department. In addition, a note from Bob Stonebraker follows, which in part explains why we have been silent. Also included are updates about student activities from Stephanie and Jim Jozefowicz and an article by Will Radell. What is missing, though, is information about you. Please send, e-mail, or fax me information about what is new in your lives, and in the next issue I will include it. So sit back, relax, and let's get reacquainted.

Nicholas Karatjas, editor

I Am Not Here

Thirty years at IUP. Seventeen years of newsletters. Countless conversations with students in my office, in hallways and in classrooms. Conversations about economics and conversations about life. But I am no longer here. I am at Winthrop University in Rock Hill, South Carolina. Winthrop offered my wife a position as full professor and chairperson of the Department of Theatre and Dance, so I took an early retirement from IUP (thank you, Pennsylvania taxpayers), and we moved south to the land of grits and gravy.

Leaving IUP was not easy, but the opportunities Winthrop afforded my wife were too exciting to pass up. And I left with absolute confidence in my former colleagues. They have always provided a high-quality, student-centered educational experience in the past, and they will continue to do the same in the future.

Of course, I could not really retire. Teaching is too much fun. Luckily, Winthrop picked up my option and I am back in the classroom wreaking havoc as always. However I am now learning to say "ma'am, sir, and y'all" as I do it.

Those of you who know me will be happy to hear that I quickly located the Ebenezer Café -- honored by Rock Hill residents for serving the "best hot dogs" in the area -- and have dragged my wife to a number of Charlotte Knights AAA baseball games just up the road. In addition, just to prove that you *can* teach an old dog new tricks, I successfully auditioned for a spot in the tenor section of the Winthrop University Chorale. Three rehearsals per week. Forty-nine chorale students and me. I love it. Picture me doodling cost curves in the margins of my music.

Keep in Touch

This newsletter will change, but please keep in touch with the department. When a student plunks herself down in a faculty office and blurts out that proverbial “what can I do with an economics degree” question, it is incredibly helpful to be able to pull out a list of newsletter replies and say: “Here are some examples of what our alums are currently doing.”

You have helped in so many ways with your time, your ideas and your dollars. All are appreciated. For the sake of students to come, please continue to nurture the alumni network we have been building in these past years. Please support my successors as generously as you have supported me. You have made a very real difference to the department and the students. You have made a very real difference to me. And I will remember that every day for the rest of my life. Thank you.

Bob

Stonebraker

New Department of Economics Scholarships

by

Dr. Jim Jozefowicz

In addition to the other recent changes around the Department, we have new scholarships! In 2001, alumnus Dr. George Chressanthis ('77) established the George A. Chressanthis Department of Economics Scholarship. This award is made possible by the generosity of George and AstraZeneca Pharmaceutical Company, where he is Director of Promotion Response Analytics.

Preference is given to incoming freshmen students who have outstanding academic records and financial need and who have declared a major in our Department. Currently enrolled students may be considered for the scholarship based upon academic achievement and financial need criteria.

Initially, two scholarships were awarded in 2001 (Carrie Jenkins and Rochelle Burkett), but we were able to provide three \$3,000 scholarships this year (Aaron Albert, Stephanie Halliday, and Helena Rados)! We are very grateful to George and AstraZeneca for enabling us to both attract highly qualified freshmen with excellent potential for future success and to support our top current students. As you can imagine, Chressanthis Scholarship recipients are a pleasure to have in the classroom!

New Jersey's Got a Dump in Pennsylvania

by

Dr. Willard Radell

Pennsylvania leads the nation in importing trash. Our approved landfills have been filling as sludge and trash is trucked in from our neighboring states. As Marco Polo had the spice road, New York and New Jersey have their sludge road, Interstate 80. The difference is that the spice road brought something with a positive price to Europe, while the sludge road brings stuff with negative prices to Pennsylvania.

Not surprisingly, Pennsylvanians are not exactly thrilled at our high standing in the art of filling landfills with the refuse of other states. To economize on landfill space Pennsylvanians have imposed upon themselves some of the strictest recycling laws in the nation. It doesn't make us too happy to be paying for recycling that saves space in Pennsylvania landfills for trash, garbage and sludge from states that aren't as serious about recycling as Pennsylvania. As recycling reduces the demand for landfill space and increases the available capacity of Pennsylvania landfills, there is downward pressure on landfill prices in PA. In neighboring states with less recycling, there is a greater demand for landfill space, as well as, rapidly diminishing supply, thereby putting upward pressure on landfill prices. The resulting price differential is what drives the heavy influx of garbage, trash and sludge into Pennsylvania.

To solve the problem some have suggested that we should tax "imports" of garbage to the level that the "foreign" garbage trucks and scows no longer enter PA. Although garbage is not a commodity in the traditional sense since it carries a negative price, the U.S. Constitution prohibits taxes on interstate trade. As long as the courts continue to interpret movement of stuff with negative value across state lines as interstate "commerce," this solution is barred to Pennsylvania.

Is there an economic solution to the problem? Yes, there is, and the Pennsylvania Legislature and Governor have taken a step toward implementing a reasonable solution. What Pennsylvania needs to do is tax landfills more heavily. If the landfill price of one ton of garbage is \$45 per ton in PA with a shipping cost of \$30 per ton from New Jersey and \$100 per ton in New Jersey landfills, then garbage will flow from New Jersey to PA. If we impose a Pennsylvania landfill tax of \$30 per ton, the effective price for New Jersey garbage coming to PA would be above the price at which New Jersey would voluntarily choose to keep its own garbage. The garbage trucks would end their westward trek to Pennsylvania. A side effect would be that recycling would make more sense in Pennsylvania since there would be a stronger incentive to recycle as we too, would have to pay the higher landfill prices. And neighboring states would get serious about recycling as they lose the option to substitute cheap dumps in PA for reusing more of their own trash.

In the summer of 2002, the Pennsylvania State Legislature and the Governor passed legislation to increase the landfill tax. That was a step in the right direction. A further increase in the landfill tax of sufficient magnitude could stop the influx of garbage trucks and scows into Pennsylvania. We'll know when the tax is high enough when the scows and garbage trucks cease their westward and southward treks to PA dumps.

Young Economists: Student Presentations at PEA

by

Dr. Jim Jozefowicz and Dr. Stephanie Jozefowicz

IUP undergraduates are hungry. No, not just for food! They study economics from September to May under our tutelage in the classrooms of Keith and McElhaneys Halls, and then they voluntarily travel to the Pennsylvania Economic Association (PEA) annual conference. For the last three years, the two Drs. Jozefowicz have accompanied students to the PEA meetings at the end of May. While many other students pale at the prospect of presenting a project in the classroom setting, these students have made us very proud as they have attended and presented their own research at these professional meetings.

Each year, one or more undergraduate students who have taken Introduction to Econometrics have submitted proposals to present their work at the PEA conference and have been accepted. In 2000, Emily Knowles presented her paper, *National Hockey League Single-Game Attendance Determinants*. In 2001, Emily returned to PEA to present an expanded version of the paper, *Cold Ice, Hot Seats: A Panel Data Study of NHL Attendance*, co-authored with Dr. Jim Jozefowicz. However, in 2001 Emily was not alone. Students, Michael Keenan, Melissa Erb, and Jessica Kalivoda, also presented papers. Mike presented *Pay and Offensive Performance in Major League Baseball*, Melissa presented *College Enrollment Determinants*, and Jessica presented *Factors Determining the Election of the President of the United States*. A fifth student just finishing his freshman year attended sessions just to attend! Kenny McDermott, the very first Donald A. Walker Scholarship recipient, attended the conference to support his peers and learn more about our discipline. Kenny is already poised to take Introduction to Econometrics the next time it's offered!

This past May, three students traveled to Edinboro to attend PEA. Even though for overall scheduling reasons the decision had been made to delay offering econometrics until the Fall 2002 semester, Anya Sheftel convinced Jim to work with her in an individualized instruction setting to cover course content. The fruit of their labor was a paper entitled, *Trust: An Economic Perspective*. An ex-officio PEA Board Member commented that Anya's presentation of her paper was the best one by an undergraduate that he had ever seen! Additionally, two other students, Bob Viegas and Micah Savidge, went to attend sessions and to attempt to satisfy their hunger for more economic knowledge.

Real World Economic Adventures: Welcome to Washington, DC

by

Dr. Stephanie Jozefowicz

Economists are a predictable lot, even at young ages: they relish good deals. One effect of the September 11 tragedy is that there were lots of good hotel deals to be had, just as our beloved supply and demand model would predict. After booking a terrific internet special and cancelling prior reservations, I discovered that if you enable students to keep more of their consumer surplus than they were expecting, you definitely will earn bonus points in their eyes.

The Economics Club trip to Washington, DC had long been on the books for September 27-30, 2001, and five of our students remained committed to the trip. We had reservations to tour both the Federal Energy Regulatory Commission (FERC) and the Federal Reserve System Board of Governors Boardroom on Friday. Hence Thursday evening after classes, the two Drs. Jozefowicz loaded up in the rain and drove our students to DC.

The other Dr. Jozefowicz (we still are coming to terms with how to handle the confusion our marriage has caused with my name change!) had lunched with an IUP alumnus, Mike Mrozowski, during the previous year, and an invitation had been extended for a tour of FERC if we ever came with students to DC. We came. FERC economists and staff graciously gave up their entire morning so that we could tour the facilities, spend time in the newly designed Market Observation Resource (MOR) Room, and talk with economists about what FERC does. We listened and watched as economists tracked energy flows and prices across the country. We learned about different regulatory objectives and implementation procedures of FERC. We discussed how the California energy crisis came to pass. In the process, our students gained a better understanding of economics and economists in the "real world."

After grabbing a quick bite to eat, we hopped on the DC Metro and hastened to make it to our 1:00 p.m. appointment at the Fed. After passing through appropriate security checkpoints, we were greeted by one of the economists at the Fed for a presentation and Q & A session in the Boardroom. While learning more about Fed history and policies was interesting, the advice that probably most caught our attention was to not press the buttons under the Boardroom table as doing so would summon Secret Service agents who, needless to say, would be less than amused! Truthfully, for professor and student alike, the highlight of the afternoon was posing for a prized photo as we one-by-one took turns sitting in none other than Alan Greenspan's chair.

The Economics Club voted to go to the District in September 2002. This time we met with young economists at the Bureau of Labor Statistics, and we returned to FERC with a different set of students.

Another Successful Year: The IUP Summer Program in Economics

by
Dr. Jim Jozefowicz

For the fifth consecutive year, the Department of Economics and IUP's Robert E. Cook Honors College hosted high school students from across the Commonwealth of Pennsylvania for the 2002 Summer Program in Economics. The participants represented Indiana, Westmoreland, Allegheny, Fayette, Warren, and Lancaster counties, among others.

During the week of July 15-19, the five girls and eight boys attended classes on money and banking, game theory, public goods, experimental economics, economic mysteries, sports economics, and the Stock Market Game. They, once again, ventured out into the wilderness to investigate remnants of the Frankstown-Kittanning Path, and they visited the Allegheny Portage Railroad and Horseshoe Curve. Their luck was better than last year's group! Multiple trains passed by as the students enjoyed the sunny afternoon near Altoona.

Another highlight of the week was the picnic at the house that the Drs. Jozefowicz had purchased in 2001 thanks to the Fed's interest rate cuts! Fortunately, the weather was good and the students enjoyed a lively game of Frisbee with Mr. Cross while the burgers and hot dogs (in honor of Dr.

Stonebraker) sizzled on the grill.

The students had fun during the program, and so did we. More importantly, they left IUP with a better understanding of just how much economics is a part of their daily lives. Yes, it was a challenge, but we managed to show them some of the economics behind dating, charitable giving, summer jobs, and N'Sync tickets!

When all was said and done, one participant summed up the experience like this, "I only wish I could have stayed longer because I have enjoyed this week so much." There is no better endorsement than that!

Department News

- It is with great sadness that we report that Dr. George M. Radakovic passed away on July 17, 2001. He was 58. Dr. Radakovic graduated with a B.A. degree (with honors) in Economics from St. Vincent University in Latrobe, PA. He received his Ph.D. in Economics in 1972 from the University of Pittsburgh. Dr. Radakovic joined the Department in 1984. Those of you who had the privilege of being in one of George's classes know that he was an excellent instructor who cared about his students. Most recently, Dr. Radakovic was co-director of the SCI Pine Grove Community Impact Assessment Study. He is survived by his wife Nancy; two sons, David and Michael; and two granddaughters, Jillian and Alyssa. We miss him.
- On a happier note, Dr. Stephanie Brewer and Dr. Jim Jozefowicz were married on Saturday, July 28, 2001 in Indiana, PA. They enjoy sharing the economics of married life with their students including examples of household specialization and trade.
- After 32 years with the Department, Dr. Arthur H. Martel retired on June 28, 2002. The Department held a luncheon in his honor at The Train Station Restaurant in Indiana, PA. Even though he has retired from teaching, he will continue as the Treasurer of the North American Pre-Law Association. In addition, he has some exciting trips planned. We wish Art a wonderful retirement. He can be reached at amartel@auxmail.iup.edu.
- The Department is pleased to announce the addition of two new tenure-track faculty members. Dr. David Yerger previously taught at Lycoming College and received his Ph.D. in Economics from the Pennsylvania State University. He is editor of the Pennsylvania Economic Review. He is currently teaching Intermediate Macroeconomics and intends to offer a course in Environmental Economics in the near future. Dr. Todd Potts joined us right after completing his Ph.D. in Economics at the University of Georgia. He taught the Economic Organization of Industry in the fall. This spring he is teaching Monetary Economics, and he hopes to contribute to the Economics of Sports class in the future.
- Even with his full schedule, Dr. Jim Jozefowicz has taken on some additional responsibilities. With the departure of Dr. Martel, Dr. Jozefowicz assumed sole leadership of the Center for Economic Education. In addition, he has been appointed to the board of the Pennsylvania Economic Association.
- A number of new courses have been developed. Dr. Stephanie Jozefowicz has offered a course in Experimental Economics and is currently teaching a course in Information

Economics. Both of these courses are emerging fields and will help keep the Department on the cutting edge. Some additional new offerings include the Economics of Crime, Sports Economics, Travel Industry Economics, and Advanced Econometrics.

- A number of our faculty presented papers at professional meetings this fall. Dr. David Yerger was on the program of the International Atlantic Economic Society in Washington, DC. He presented two papers: *German Inflation and Productivity: Threshold Effects* and *International Trade and U.S. Manufacturing Concentration*. Dr. Stephanie Jozefowicz presented a paper, *Does Economics Really Have any Relevancy to My Life? The Use of Journals and Reflection Papers in Introductory Economics Classes*, at the meetings of the Southern Economic Association in New Orleans, LA. Dr. Jim Jozefowicz was also on the Southern Economic Association program presenting a paper, *Determinants of Military Enlistment Decisions*, co-authored with Stephen J. Mihalacki ('01).
- The Department held a picnic to start the year. The Jozefowiczs hosted the picnic at their home. We were thrilled with the turnout. Almost 50 students and faculty (with spouses and children) attended.
- We are pleased to report that Scott Harshman, who graduated in December 1992, was selected to receive the 2002 IUP Alumni Ambassador Award for the College of Humanities and Social Sciences. While he was here he spoke to the Economics Club. It was great seeing him. Congratulations Scott!
- At the May 2002 Department graduation ceremony, the following students were honored with awards: Matej Majercak – The Wall Street Journal Award, Rochelle Burkett – The McGraw-Hill Award, and Anya Sheftel – The Dr. Brewer Award.
- Lastly, we welcome Ms. Diane Brocious as our new secretary. She previously worked in the Continuing Education office (the past two years) and before that worked at the Kittanning Campus. Our former secretary, Ms. MaryAnne Lupinetti has been promoted to another position on campus. We wish her the best of luck.
- The Department web site has a new address: <http://www.chss.iup.edu/economics/>. There have been some additions to the site, and it continues to be a work in progress. Check it out and let us know what you think.

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