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ALEXANDER HAMILTON ON "PUBLIC CREDIT" OR "HOW UNCLE SAM LEARNED TO STOP WORRYING AND LOVE THE NATIONAL DEBT"

By Dr. Willard W. Radell

Alexander Hamilton, our first Treasury Secretary, was the most prominent Founder ineligible for the Presidency. Hamilton was not born in one of the original colonies; he was born to a single mother on the remote Caribbean island of Nevis, where he received an apparently excellent education at a local Hebrew school.ⁱ Among economists, Hamilton is known as the godfather of two important ideas: constructing a national debt as an instrument of economic growth and development, and creating a national bank to support smoothing and servicing that debt. And, of course, in the year 2018 everyone knows Hamilton as the inspiration for a hit Broadway musical.

It is fashionable in our time to disparage the national debt. The popular press is perennially full of warnings of the dire consequences, and there is even an armageddonesque "debt clock" that tolls our march to supposed federal bankruptcy, reckoning, and doom. But the 18th Century took an even dimmer view of debt, with debtor prisons a real threat to citizens and rebellions at least a possibility faced by spendthrift monarchs. The incarceration of Hamilton's fiscal associate, Robert Morris, clearly demonstrated that Founders and patriots were not exempt from debtor prison if they fell behind in debt service. With such dire alarms it might be surprising to some that the first Treasury Secretary of the United States did not share the popular negative view of debt, but, in a very real sense, consciously created the national debt as a means of strengthening the fledgling U.S. economy. Hamilton was the enthusiastic and mindful architect and builder of the first American national debt under the Constitution, facilitated by the first U.S. attempt at a fledgling national bank.ⁱⁱ



Dr. Willard W. Radell

Hamilton infused the new Constitution with his ideas of debt and credit, insisting that the new United States would bundle all the Revolutionary War state debts into a larger U.S.A. debt, thereby bailing out those states with poor credit ratings.ⁱⁱⁱ In a way, he was anticipating 21st Century collateralized debt obligations (CDOs) by bundling tranches of "good" debtor states with "poor" debtor states, although more responsibly than the financial derivative wizards of 2006 and 2007. For the debt to be financed in an orderly manner, the Constitution had to define a nation with a common currency, without trade barriers between states, with a federal government sufficiently strong to enforce tax collections to pay interest and principal (in that order), and with no arbitrary limit on the absolute level of the debt. With the Constitution ratified, Hamilton moved on to solving the problem of financing this new nation, knowing full well that the "American Experiment" in self-government could have the best ideas and formal structure and still fail miserably if backed by inadequate financing. Paying cash for everything the New Republic wanted to do was out of the question. There simply wasn't enough cash to do that.

To sell his idea that the U.S. needed to create a national debt, Hamilton needed to convince President Washington and Congress. On January 9, 1790, Hamilton submitted a report to Congress citing the many economic advantages to be derived from consolidating state debts and financing the accumulated Revolutionary War debts under one, grand, national debt:

- Creditors of the Revolutionary War national debt would be compensated out of the proceeds of new debt. The national debt would have no definite termination date. It would become revolving credit (not unlike modern small business loans, except for a longer time period).
- By eschewing default on interest or principal payments at almost all costs, Uncle Sam's and private interest rates would be lower many decades into the future.

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ALEXANDER HAMILTON ON “PUBLIC CREDIT” (cont.)

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- As a nation that met its principal and interest payments on the debt, the new country would have a credit reputation that facilitated additional borrowing when needed. A nation that tries to pay cash for everything wouldn't have a credit rating, and, when borrowing was necessary, it would have to pay higher interest rates. If Uncle Sam only borrows when he needs to, he will pay a higher interest rate.
- Although the proposed notes, stocks and bonds were not envisioned as legal tender, they would circulate as near-money, “a substitute for money,” thereby alleviating chronic currency and coin shortages leading to deflation and depression.
- A well-funded national debt would free up working capital by giving businesses and merchants a low-risk place to put money in between production runs, or while goods are in transit.
- As “exigencies” like unanticipated wars occur, a nation with a well-established national debt would be able to finance a standing army more quickly. Hamilton noted that in wars, even the richest nations do not pay cash.
- Real estate values would increase as more properties were bought and sold, since the national debt would increase the overall supply of monetary assets.
- Expansion of the national debt would generally lower interest rates as the creditors perceive a lower risk of default, presumably outweighing the effect of Uncle Sam's increased demand for money.
- Since the benefits of national defense and infrastructure would last for decades, Hamilton believed the tax increases to pay for that should also be stretched out for decades, avoiding spikes in tax burden that would induce depressions.
- If Uncle Sam avoided selective defaults (e.g., foreign investors), then interest rates to finance debts during emergencies like war would be lower.^{iv}
- With a strong power to tax under the Constitution, in contrast to the Articles of Confederation, the national debt could be expanded in recessions, with the federal government having a credible ability to service and amortize the debt in prosperous times.

Thus, creation of the National Debt (“Public Credit”) was accomplished in the first year of the new Congress of the United States, within the first year of Washington's first term.

Although the combination of Hamilton's national debt and his Bank of the United States certainly strengthened the fledgling U.S. economy, in practice they also caused growing pains for the new republic. The tax base for funding part of the debt service was a combination of tariffs (more as revenue-producers than as protection) and excise taxes, including the infamous whiskey tax. Many of the farmers in western Pennsylvania were Revolutionary War veterans who were paid in Continental Dollars (“not worth a Continental”) and land grants of formerly Native American land south and west of “the Purchase Line.” In order to keep their land the farmers had to be able to pay local property taxes. Transportation costs to markets were high, and wheat, corn, barley, rye and oats did not have a high enough value to bear the shipping costs to non-local markets. A whiskey still could convert the grains into a high enough valued commodity that shipping costs could easily be paid. Hamilton's whiskey tax spoiled that Pennsylvania frontier work-around, sparking the anti-tax Whiskey Rebellion in 1792-94. With no standing army, the federal government mustered about 12,000 troops raised from the New Jersey, Maryland, and New York militias. Colonel/Secretary Hamilton rode with President/General Washington to western Pennsylvania to put the rebellion down. The show of force was sufficient and there was no combat, but Hamilton's reputation never recovered. He was viewed as the architect of a tax that sparked a violent uprising, and as a leader in the army that suppressed it.

On the other hand, the rebellion was the first test to see if the new federal government was durable enough to prevail over rebellion. And it was the first test to see if the new republic could effectively tax enough to maintain a base of financing for the collective needs of a new nation financed with a stable national debt. The tariffs, hated excise taxes, and proceeds from sales of lands in the Northwest Territory were sufficient to provide continuous funding for the United States and for its old and new debts. Hamilton's private/public Bank of the United States provided a stable link between the Treasury and the emerging private commercial banking sector. Hamilton's principles served as a pragmatic guide for the United States as it became a financially credible nation.^v

How would our current president and Congress change their fiscal conduct to embrace Hamiltonian ideas of public finance? The quasi-public Federal Reserve is already about as Hamiltonian as possible 225 years after the Constitution. But Congress and the White House would rate a big poo emoji for threatening to default by politicizing the debt limit and withholding spending authorizations for already budgeted items. Hamilton would wonder why it would be desirable to hobble Uncle Sam by adding a risk-of-

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ALEXANDER HAMILTON ON “PUBLIC CREDIT” (cont.)

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default-premium to federal debt for the next half century. He would hope that if the deficit were perceived as problematic, Congress would deal with that by front-end tax and appropriation alterations via “ways and means.” Hamilton would also like to see a 30-year plan to bring down the debt as a percent of GDP (an invention he’d like).^{vi} He would not want it paid down so quickly that it depressed the economy, but he would never recommend a tax cut with a deficit already over \$600 billion. Although he wanted the national debt to be immortal in a sense, he also wanted amortization of existing debt to be regular and orderly.

The United States of America owes a great debt to Alexander Hamilton that this short article can only begin to gauge. Fusing the great ideas of Adam Smith’s *Wealth of Nations* with the emerging global economy of his time, he was a prophet and practitioner of the promise of the emerging manufacturing sector fueled by monetary systems unfettered by the gold and silver fetishes of the mercantilists.^{vii} Hamilton clearly understood that specie standards (gold and silver) only worked well if the circulating paper based on the specie exceeded the value of the specie itself. Anticipating our modern fractional bank reserve system, Hamilton argued that the monetary expansion over the specie base would be safe up to two to three times the value of the specie. In our time, required reserves substitute for inert gold and silver reserves and, in Hamiltonian fashion, our commercial banking system creates money out of nothing as banks make more loans and credit (debt) is extended.

While modern monetary and fiscal theory has gone way beyond the classical quantity theory of money used by Hamilton, the new insights have not invalidated the monetary innovations advocated by Hamilton. I close with a recommendation that Chernow’s Hamilton biography and Hamilton’s writings on debt and banking be read to get a full appreciation for his genius, knowledge and foresight. A small selection of Hamilton’s own words should whet readers’ appetites for learning more about Alexander Hamilton as a practicing economist:

“Everything ... which tends to lower the rate of interest is peculiarly worthy of the cares of Legislators. And though laws which violently sink the legal rate of interest greatly below the market level are not to be commended, because they are not calculated to answer their aim, yet whatever has a tendency to effect a reduction, without violence to the natural course of things, ought to be attended and pursued. Banks are among the means most proper to accomplish this end”

“Gold and Silver, when they are employed merely as the instruments of exchange ... have been not improperly denominated dead Stock; but when deposited in Banks, to become the basis of a paper circulation ..., as representatives of value, they then acquire life ..., an active and productive quality.... Banks in good credit can circulate a far greater sum than the actual quantum of their capital in Gold & Silver ... at the proportions of two and three to one.”^{viii}

[Among the advantages of well-funded public debt, is that] “it shall be rendered a substitute for money.... The interest of money will be lowered by it; for this is always in a ratio, to the quantity of money, and to the quickness of circulation. This circumstance will enable both the public and individuals to borrow on easier and cheaper terms. And from the combination of these effects, additional aids will be furnished to labour, to industry, and to arts of every kind.”^{ix}

ⁱAndrew Porwancher, *The Jewish Founding Father: Alexander Hamilton’s Hidden Life* (forthcoming), Harvard University Press, 2019.

ⁱⁱAlexander Hamilton, “Report on Public Credit,” January 9, 1790; Alexander Hamilton, “Report on a Plan for the Further Support of Public Credit,” January 16, 1795.

ⁱⁱⁱPennsylvania defaulted on its debts in 1780.

^{iv}Federal paper held by English lenders was not repudiated during the War of 1812.

^vHamilton did have to compromise one of his principles by allowing discrimination against holders of continental bills of credit. See George J. Hall & Thomas J. Sargent, “Fiscal Discriminations in Three Wars,” Sept. 14, 2013, Carnegie-Rochester-NYU Conference on Public Policy.

^{vi}Hamilton suggested the use of 30-year bonds as a means to re-finance the national debt.

^{vii}Alexander Hamilton, “Report on Manufactures,” December 5, 1791.

^{viii}Alexander Hamilton, “Final Version of the Second Report on the Further Provision Necessary for Establishing Public Credit (Report on a National Bank),” December 13, 1790.

^{ix}Alexander Hamilton, “Report on Public Credit,” January 9, 1790.

SCHOLARSHIPS: HOW YOU CAN HELP

As current economics students juggle financing their college education with other responsibilities, they often look towards scholarships to help fill the gap. Through the support of generous alumni, faculty and staff members, emeriti professors, and friends, five scholarships are currently (or eventually will be) available to current economics students:

- 0505 - Karl A. McDermott Scholarship for Economics
- 0449 - Robert J. Stonebraker Scholarship for Economics
- 0359 - Donald A. Walker Department of Economics Scholarship
- 5351 - Economics Department Scholarship
- 0648 - Drs. Jozefowicz Department of Economics Scholarship

The Donald A. Walker Department of Economics Scholarship and the Robert J. Stonebraker Scholarship for Economics were established to provide a lasting tribute to acknowledge the impact of these (emeriti) professors on economics students during their tenure at IUP. Scholarships can also be established by alumni. Dr. Karl McDermott set up an endowed scholarship to recognize the impact of his IUP education on his professional career and to provide scholarship assistance to future economics students. These funds will continue to supply annual scholarships for IUP students for years to come. In addition, the Drs. Jozefowicz Department of Economics Scholarship has recently been established (see the Fall 2017 newsletter). The Economics Department Scholarship provides scholarships to students focusing their studies in the degrees/programs offered through the Department of Economics. However, to increase the impact of the annual scholarship payout, additional donations to these funds are needed. Your gift will assist in increasing the annual scholarship payout. You can support future economics students by designating your gift to any of these scholarship funds. Go to the IUP secure on-line giving form at www.iup.edu/giveagift to make your gift now. Be sure to select the "specific area at IUP" option and indicate your fund designation (see account numbers above) in the "other" area on the form.

For more information about how you can support one of these economics scholarships or to discuss the process of establishing your own scholarship, please contact: Anthony Cancro, Development Officer, at (724) 357-2380 or Anthony.Cancro@iup.edu.

I would like to support scholarships for IUP students in the Economics Department by making a gift to the Foundation for IUP.

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- 0505 – Karl A. McDermott Scholarship for Economics
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- 5351 – Economics Department Scholarship
- 0648 – Drs. Jozefowicz Department of Economics Scholarship



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MY CULP EXPERIENCE

BY RYAN REDILLA

Editor's Note: Economics major Ryan Redilla, who is an IUP Army ROTC Military Science II Cadet, was selected to participate in a Cultural Understanding and Learning Program (CULP) trip to Lithuania in May 2018. CULP slots are awarded on a competitive basis and take into account several factors, such as GPA, physical fitness, language ability, and other pertinent selection criteria. The program grants approximately 900 national slots every year and covers around 20 countries all across the globe. Ryan, along with seven other Cadets, was selected based on the nationally ranked system. CULP's mission is to basically immerse Cadets in another country's culture and provide an opportunity to do some military training and educational and humanitarian work with the designated country's military.

According to the Index of Economic Freedom, the United States has an economic index of 75.7, making its economy the 18th freest in 2018. Coming in directly behind the U.S., in 19th place, is Lithuania, with an index of 75.3. This is a remarkable economic achievement for a country that is still transitioning from a communist regime to a capitalist society. It is hard to believe, based on its economic health, that Lithuania has only been an independent country since 1991. In just 27 years, the country has come a long way.

Over this past summer, I was given the unique opportunity to visit and train with Lithuanian Armed Forces through a ROTC program. The Cultural Understanding and Leadership Program, CULP, allows ROTC Cadets from around the country to travel abroad and train with different foreign militaries. Throughout my time in Lithuania, I experienced many new things. My team participated in two different military exercises, and we worked alongside both volunteer and professional Lithuanian soldiers. While we were on base, we completed an obstacle course and played volleyball and basketball with young soldiers. Later, we visited popular cities and experienced cultural tours. My team also spent time at a day care center for disabled youth and focused our attention on building local relationships. We worked with the local basketball organization, Basketball Power, which tries to connect underprivileged teens with a common goal or activity. (See photo on right.)



CDT Ryan Redilla snaps an off-court photo with two members of the Lithuanian basketball program Basketball Power.

What did I learn from CULP? The real question is what didn't I learn from CULP? It was an incredible experience that made me a more culturally aware individual. Although it was mostly military oriented, many of my experiences can be applied universally. I enjoyed my time in Lithuania and learned a lot about culture, language, communication, the military, and myself. CULP, like many other ROTC programs, is a team event. However, I learned an equal amount from an individual perspective. I developed personal relationships with Lithuanian soldiers and had to mentally and physically push myself through an obstacle course and work with fellow team members throughout the deployment. I learned about the importance of communication and the use of time during military operations. Information needs to be passed down to the lowest levels, and during our training exercises there were many communication issues. As a result, our missions were compromised and drastically affected.

Everything in the Army and everything in life doesn't always go as planned. There are many reasons for this. It could be a lack of communication, cultural differences, some sort of obstacle, or even just a simple, innocent mistake. CULP provides future leaders an opportunity to experience failure on an international scale. It demonstrated how one little mishap or obstacle can compromise the mission and put others at risk. Individuals cannot always make the "right" decision or weigh every single variable quickly enough to decide. They just need to make a decision, especially in a timely manner. This is where CULP shines! It provides Cadets like myself with many foreign obstacles and allows us to experience adversity and stress in a new way. Whether it's with U.S. team members or Lithuanian counterparts, every component and individual must come together to achieve success.

CULP teaches Cadets that every mission is important and that every component is essential to the mission. Understanding culture, language, nonverbal cues, and foreign instruments are vital to unit cohesion. Leaders need to understand their tasks and understand their team. Personal relationships, civil engagements, and community presence are very important aspects of the overall mission. I am grateful I was selected to participate in CULP because it is a wonderful opportunity that provides Cadets a firsthand look at different cultures and different environments, as well as a different look at people.

DAKAR: A DREAM COME TRUE

BY NATHAN ZISK

Editor's Note: Nathan Zisk is a senior majoring in Economics and Journalism and minoring in French and Pan-African Studies. This past summer he did an independent study in Dakar, which is the capital of Senegal in West Africa.

Going to Senegal was a dream come true for me. I've wanted to go to Africa ever since I was very young. My mom told me many stories about her time in Botswana and South Africa, and I became obsessed with everything that had to do with Africa. Thanks to Dr. Yaya Sissoko, my dream to go to Africa finally came true.

I went to Senegal for an IUP independent study. The six-credit independent study was a three-week trip to Dakar, Senegal's capital city, where I conducted economic research and interviews. The credits for the internship were split between Economics and Pan-African Studies. Before traveling to Senegal, I wrote a case study about Senegal's economy using data from the *World Bank*, *Global Insight*, *World Atlas*, and *The Encyclopædia Britannica*.

I flew from JFK Airport in New York to Dakar, Senegal. Mouhamadou Lamine Traore picked me up at the airport when I got to Senegal. I met Lamine at IUP the year prior, and he told me to visit him in Senegal. So, I took him up on his offer and planned an independent study in Senegal. For the economics portion of my independent study, I developed economic surveys with Dr. Abdourahmane Barry, an economics professor at the University of Dakar who specializes in unemployment. The surveys measured unemployment, the informal sector, and political confidence. The surveys were written in French and, in some cases, had to be translated into Wolof. The data for the research was collected from a randomized sample of 77 people in busy market places around Dakar and Thiès. For the Pan-African Studies portion of the independent study, I observed culture in Senegal and related it to my studies about Senegal, Africa, and Pan-Africanism. I kept a daily journal and interviewed a variety of people from different backgrounds to tell me their opinions on Senegalese culture. I interviewed a college student, a college professor, a hip-hop artist, a mayor and presidential campaign manager, a female business owner, an elderly woman who remembered colonization, and an immigrant from Guinea. Interviewing these people helped me gain different perspectives of culture in Senegal, and it helped me make friends and connect with people along the way. Aside from collecting data, I also attended university seminars, shopped at local market places, visited historical monuments, interviewed people, traveled to various islands, and participated in major religious holidays such as Eid and Assumption.

I lived with a traditional patrilineal family in Dalifort, a city in the suburbs of Dakar. I even interviewed Dalifort Mayor Idrissa Diallo, who is the president of the "Khalifa for President" campaign and the representative of presidential candidate, Dakar Mayor Khalifa Sall – who was recently imprisoned under order of Senegal's current president.

Senegal was much different than the U.S. The air was a lot heavier, pollution was a lot more visible, and the trash was burned all around the city and suburbs. There were many forms of transportation in Dakar. There were horse-drawn wagons, informal taxis, taxis, informal buses, and city buses. Traffic laws were rarely enforced, if ever. So, it was very common to have traffic jams due to accidents, and almost every car and bus had dents. Although Senegal is a franco-phone country, I did not speak much French. Lamine told me people were not fond of France, for obvious reasons, and were much more fond of Americans. I ended up speaking more Wolof and Fulani than I did French.

Life was very good at home. Most of the meals I had in Senegal were at Lamine's house – where I stayed. For meals, everyone would sit on the floor and eat from one large dish. The food was always delicious, even though my stomach did not fare well. But despite that, I miss the Senegalese food every day. Lamine's mom would call me "my youngest son" in Fulani, to which I would respond "my dear mother." In the short period of time I spent in Senegal, Lamine's family truly became my own. I made great bonds with so many people, and I am more than eager to go back.



Pictured from left to right: Lamine Traore; Idrissa Diallo, the mayor of Dalifort and representative of presidential candidate Khalifa Sall; Nathan Zisk; and Nathan's English translator.

FACULTY NOTES

The Department of Economics is sad to report that **Mr. Harry G. Holt** passed away on April 17, 2018. Mr. Holt was a faculty member in the department from 1968 to his retirement in 1999, completing over 30 years of service at IUP. He taught various economics courses and served on a number of committees. He had an interest in health economics and developed the liberal studies synthesis course *Making Decisions in Health Care*. After his retirement, Mr. Holt continued to keep in touch with the department and would cheerfully stop by the office every fall semester after distributing *Gideon Bibles* to IUP students. Mr. Holt also had fond memories of Keith Hall – besides teaching in Keith Hall, he attended Keith Laboratory School from kindergarten through 9th grade. (A little known fact about Mr. Holt's fondness for Keith Hall: When the Department of Economics moved from Keith Hall to McElhaney Hall, Mr. Holt chose a smaller office that had a window facing Keith Hall so that he could always see Keith Hall as he looked out.) Mr. Harry Holt was a wonderful teacher and colleague, and he will be missed.



Mr. Harry G. Holt

Congratulations to **Dr. Nicholas Karatjas** who was awarded the distinguished Professor Emeritus recognition for his outstanding contributions to the Department of Economics. Dr. Karatjas retired in January 2017 after more than 38 years of service to IUP.

Congratulations to **Dr. Yaya Sissoko** on his recent promotion to Full Professor. See picture on right.

Congratulations to **Drs. Christopher R. Jeffords, Alexi S. Thompson, and Brandon C. Vick** on their recent tenure and promotion to Associate Professor. See picture on right.

"Dropping Out of School: A County-Level Panel Data Analysis of Pennsylvania Secondary Public School Dropout Rates," co-authored by honors-track economics alumna **Jessica Black Gehman ('15)** and **Dr. Stephanie Brewer Jozefowicz**, has been published in the *Pennsylvania Economic Review*.

Dr. Willard W. Radell's article "Decoding L. Frank Baum's and W.W. Denslow's Wicked Witch of the West" appears in *Great Plains Quarterly* (Vol. 38, No. 3, Summer 2018, pp. 273-293). Dr. Radell develops the likelihood that Baum and Denslow had the creator of the Great Northern Railroad, James J. Hill, in mind when they crafted the character of the Wicked Witch of the West for their classic book, *The Wonderful Wizard of Oz*.

Dr. Alexi S. Thompson presented "Abortion and Property Crime: What Becomes of the Mothers?" (co-authored with **Dr. Christopher R. Jeffords**) at the Pennsylvania Economic Association in Altoona, PA, on May 31-June 1, 2018.

Dr. Alexi S. Thompson presented "The Tourism Market in Greece: A Two Stage Estimate" at the 14th Annual Tourism Conference (Athens Institute of Education and Research) in Athens, Greece, on June 11-14, 2018.

Dr. Yaya Sissoko spent most of Summer 2018 teaching ECON 121 Principles of Macroeconomics, ECON 122 Principles of Microeconomics, and ECON 325 Monetary Economics at Juan University (JNU) in Guangzhou, China. Every year, JNU invites faculty from the U.S. to teach at one of their 6 campuses in China and Taiwan.

Dr. Yaya Sissoko's article, "Is it Factor Accumulation or Total Factor Productivity Explaining the Economic Growth in ECOWAS? An Empirical Assessment" (co-authored with Brian W. Sloboda and Soloman Kone) has been published in the *African Journal of Economic Review*, Vol. 6, No. 2, 2018.



A reception was held at President Michael Driscoll's residence recognizing faculty who were recently promoted to associate or full professor. Attending from the Department of Economics were Dr. Christopher Jeffords, Dr. David Yerger (Chair), Dr. Brandon Vick, and Dr. Yaya Sissoko.

FACULTY NOTES (cont.)

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Dr. James J. Jozefowicz presented “Graduate School: There are more options than just Economics!” at September’s Economics Club meeting. Dr. Jozefowicz provided an overview of graduate school options pursued by IUP economics graduates and discussed key strategic considerations of the application process.

“The Phillips Curve and the Japanese Economy: A Teaching Application,” co-authored by Dr. Koichi Yamaura (Tokyo University of Agriculture and Technology) and **Dr. Alexi S. Thompson**, will be published in the *Australasian Journal of Economics Education* (forthcoming).

Dr. Yaya Sissoko presented “The Price of Cocaine and the Colombian Peso: An Empirical Investigation” (co-authored with **Dr. Alexi S. Thompson**) and “The Evaluation of Local Entrepreneurship and Tourism in the United States: What is the Evidence?” (co-authored with Drs. Brian Sloboda and Norris Kruger) at the Public and Private Ethics in Economics: Leadership and Transparency in Economic Analysis and Policy, organized by the Association for Integrity and Responsible Leadership in Economics and Associated Professions (AIRLEAP, Midwest Office), held in St. Charles, MO, October 5-6, 2018.

Drs. Stephanie M. Jozefowicz and **James J. Jozefowicz** attended the annual fall meeting of the Pennsylvania Economic Association board of directors held at the Penn State in State College, PA, on Saturday, November 3, 2018. Stephanie Jozefowicz was reelected PEA secretary in June 2018, and James Jozefowicz is an ex-officio member of the PEA board of directors.

Dr. Stephanie M. Jozefowicz presented “Résumé Night” at November’s Economics Club Meeting. Dr. Jozefowicz discussed tips for building a résumé and taking advantage of the many opportunities available on campus and off campus to distinguish oneself from other job/internship candidates.

“Rural-Urban Differences in the Unemployment-Crime Relationship: The Case of Pennsylvania,” co-authored by applied mathematics alumna Sarah Frederick ('15) and **Dr. James J. Jozefowicz**, has been published in the *Atlantic Economic Journal*.

“Abortion and Property Crime: What Becomes of the Mothers?,” co-authored by **Drs. Alexi S. Thompson** and **Christopher R. Jeffords**, has been accepted for publication in the *Economics Bulletin*.

Dr. David B. Yerger presented two papers, “Is it a Trump Bump, Spike, or Plateau? India’s Changing Interest in Canadian versus U.S. Universities” and “Is Eastern Canada Missing Out on the Shale Gas Boom?,” at the MANECCS Conference on Canadian Studies on October 26-27, 2018, in Lake Placid, NY. He also participated in Executive Board meetings for both MANECCS and ACSUS (the national association of Canadian Studies).

On November 6-7, 2018, **Dr. Christopher R. Jeffords** returned to his alma mater Hofstra University to participate in an alumni panel and to present his original research on constitutional environmental (human) rights. Together with four other Hofstra alumni, he discussed the benefits of an undergraduate economics degree, specifically at Hofstra. Then, during his research presentation, he discussed the increasing prevalence of constitutionally embedded environmental rights and the conditional impact said provisions have (or don’t) on environmental outcomes at the country level.

Dr. Stephanie M. Jozefowicz and **Dr. James J. Jozefowicz** have been named as inaugural members of the IUP Leadership Society Council. They are the sole faculty member representatives on the 15-member body, which has been established as part of the IUP Imagine Unlimited Campaign. The mission of the Leadership Society Council is to “provide philanthropic inspiration to our constituents to make an impact at the Leadership Society level to enhance the academic experience for our IUP students.”

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STUDENT NOTES

The following graduates received awards during the May 2018 Department of Economics Graduation Ceremony. *Congratulation to these award recipients as well as all of our graduates!*

- Bright Dismal Scientist Award, which is awarded annually to the graduating major chosen by the faculty on the basis of academic interest, achievement, and service: **Gina LaRocca**
- Dr. Brewer Award, which is awarded annually to a female graduating major chosen by the faculty on the basis of academic achievement in Economics and professional character: **Kayla Good**
- Dr. Jack D. Julian Memorial Award, which is awarded to the graduating major with the highest grade-point-average in Economics: **Julien Panaro** and **Paul Shaloka**

In addition, the Department of Economics Honors Track graduates were: **Kayla Good, Jordan Gwinn, Gina LaRocca, James Luft, Paul Shaloka, and Kaylee Walker.**

Congratulations to the following 2018-19 Department of Economics scholarship recipients:

- **Brooke Allen** was awarded the Karl A. McDermott Scholarship for Economics.
- **Shannon Ferguson** was awarded the Donald A. Walker Department of Economics Scholarship.
- **Hailey Fisher** was awarded the Robert J. Stonebraker Scholarship for Economics.
- **Justin Foran** was awarded the George A. Chressanthis Department of Economics Scholarship.

Economics major **Brooke Allen** was inducted into the Phi Kappa Phi honor society during the spring 2018 semester. In order to be considered, junior students must rank in the top 7.5 percent of their class and be nominated and approved by a local chapter. According to its website, Phi Kappa Phi is the oldest, largest, and most selective honor society in the nation, having been founded in 1897. *Congratulations, Brooke!*

The Department of Economics is pleased to recognize economics major **Tony Juhasz**, who was acknowledged by the Military and Veterans Resource Center with the 2017–18 MVRC Military-Affiliated Student Award among undergraduates. Tony currently is president of the Military Philanthropic Organization, a group he founded in spring 2017. With the goal of giving back to veterans in the local communities, the nonprofit MPO boasts 45 active student members and engages in numerous outreach activities ranging from lawn mowing to remodeling, in addition to various fundraising efforts. Furthermore, Tony and a business partner operate the American Philanthropic Apparel Company, which devotes the profits from its production and sale of shirts to assisting homeless veterans and veteran organizations. The American Philanthropic Apparel Company was the winning entry in the inaugural University of Pittsburgh Business of Humanity Competition in fall 2017.

The Department of Economics is proud to acknowledge economics major **Jacobo Diaz** and economics alumni **Lauren Wolosik ('17)** and **Austin Cooper ('18)**, who earned Pennsylvania State Athletic Conference scholar-athlete recognition. They are among a record 196 IUP student-athletes who maintained a minimum 3.25 cumulative grade-point-average at the completion of the 2017–18 academic year. Jacobo plays for the men's basketball team, while Lauren is a member of the women's basketball team, and Austin was on the men's cross country team. *Congratulations Cobo, Lauren, and Austin!*

Economics major **Jacobo Diaz** ranks as one of only 10 NCAA Division II basketball players in the nation to be selected for the preseason All-American first team by Street & Smith. This marks the second consecutive honor for the Crimson Hawks senior forward from Street & Smith's Yearbooks. In addition, Cobo was named a Super 16 Selection on the All-American team by Division II Bulletin. *Congratulations, Cobo!*

Economics Club members **Brianna Dalessio, Shannon Ferguson, Hailey Fisher, Justin Foran, Anthony Maticic, and Brooke Sheffield** participated in *Into the Streets* on October 20. (Check out the pictures on the IUP Department of Economics Facebook page.) Organized by the Office of Service Learning, Economics Club members, along with the IUP Student Accounting Student Association, volunteered to help clean up downtown Indiana. *Thank you!*

Indiana University of Pennsylvania

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