

July 2013

Dear Alumni,

In the last year we have added many new faculty members, hosted two Nobel laureates, received generous gifts for our Duke Financial Economics Center and had a doctoral student win a significant prize. Needless to say, our hands have been quite full! I would like to share with you these and some other highlights.

New Faculty Members

Todd Sarver is a microeconomic theorist with interest in decision theory and behavioral economics. His research includes modeling psychological phenomenon such as regret and temptation, cognitive constraints and bounded rationality, and attitudes toward risk in dynamic environments. He received his Ph.D. from Boston University and joins us as an associate professor after serving on the faculty at Northwestern since 2006.

Rafael Dix-Carneiro conducts his research in the fields of international trade and labor economics. His recent work explores the effects of trade liberalization on labor markets. He received his Ph.D. from Princeton and joins us after two years of teaching at the University of Maryland.

Matthew Masten is an econometrician with interests in both theoretical and applied econometrics. Some of his recent work looks at simultaneous equations models with applications to social interactions and peer effects. He received his Ph.D. from Northwestern University and is joining us as an assistant professor.

Xiao Yu Wang is a development economist with strong interests in micro theory and political economy. She uses a combination of theoretical and empirical tools to study the evolution of institutional structure in equilibrium. In particular, she is interested in the emergence and structure of sophisticated informal credit and insurance institutions, and the application of this understanding to policy evaluation and design. She received her Ph.D. from MIT and is joining us as an assistant professor.

We also look forward to the arrival of two additional faculty members in 2014:

Rob Garlick is a development economist and applied econometrician. His current research focuses on peer group effects in education, and how living, studying, and working with different types of students affects academic performance. He received his Ph.D. from the

University of Michigan and is currently working on a postdoctoral fellowship at the World Bank.

Juan Carlos Suárez Serrato specializes in public finance, focusing mainly on the analysis of the effects of government spending and taxation at the local level. Through his research he has analyzed the short-term effects of government spending on local economic growth as well as the incidence of long-term changes in the provision of public services. His current research analyzes the effects of state taxes on firm location decisions as well as their effects on local labor market outcomes. He received his Ph.D. from the University of California, Berkeley, and is completing a postdoctoral fellowship at the Stanford Institute for Economic Policy Research.

Duke Financial Economics Center (DFE)

The [Duke Financial Economics Center](#) (DFE) was chosen to be included in the current [Duke Forward](#) fundraising campaign. The DFE has already received generous commitments from alumni and friends of Duke for additional faculty positions in economics: Named Professor in Financial Economics, Named Associate Professor of the Practice of Financial Economics, and Named Visiting Professor in Financial Economics.

Additional funds are also being raised for more than a dozen programs offered within the [Financial Education Partnership](#) (FEP), which is designed to expand educational and career opportunities for Duke undergraduates interested in finance. The newest FEP programs include the [BlackRock Asset Allocation competition](#), the [Finance Boot Camp](#) and the [Duke In London](#) summer program.

Research & ERID Visitors Program

[Economic Research Initiative at Duke](#) (ERID) continues to serve the Department's commitment to research that spans traditional field boundaries. Especially noteworthy is [ERID's Visitor Program](#), which brings top researchers to spend some days in our department and to give a few lectures. This year ERID had 23 visitors, including two Nobel laureates, Alvin Roth and George Akerlof. A video of Akerlof's lecture can be seen on our [YouTube channel](#).

ERID organized two conferences this spring, the [Decision Day Conference](#) and the [Macroeconomic Jamboree](#). I also encourage you to check out some of the latest research in the [ERID working paper series](#).

Graduate Programs

Our graduate programs continue to attract and develop excellent students. Among this year's graduating doctoral students is Sophia Zhengzi Li, who won First Prize of the [2012 Morgan Stanley Prize for Excellence in Financial Markets](#). This fall she will be an assistant professor of finance at Michigan State Broad College of Business. Other [Ph.D. placements](#) include the University of the Pacific, Hong Kong University of Science and Technology, University Carlos III Madrid, Ozyegin University, the Federal Reserve Board and the Bureau of Labor Statistics. Postdoctoral fellowships include the California Institute of Technology, the University of Michigan Population Center and Harvard School of Public Health.

Many of our graduates from the [Master's program](#) will be pursuing doctoral studies this coming year, including an unusually large group entering PhD programs in business fields – they are headed to Columbia, Stanford, Duke (three at Fuqua), New York University, and the University of Rochester. Those on the professional track will be joining organizations such as the World Bank, Mathematica Policy Research and RBS Markets & International Banking.

Faculty News

In faculty news, [Thomas Nechyba](#) was selected last summer as the director of the [Social Sciences Research Institute](#) (SSRI). SSRI was created in 2003 with a core mission to catalyze pioneering social science research and methods across the disciplines in social and behavioral sciences. Nechyba is also the leader for the [Education and Human Development](#) theme of Duke's new [Bass Connections](#) program, which has been launched by a \$50 million gift from Anne and Robert Bass.

[Frank Sloan](#) was one of four faculty members across Duke to receive the [Dean's Award for Excellence in Mentoring](#) from the graduate school. We are grateful for the mentoring Sloan has given his students throughout the years and know that it is such relationships that help our Department flourish.

More faculty news can be found in our [news archives](#).

Graduation

I would like to extend special congratulations to our newest alums from the class of 2013. This year we recognized 15 graduates with a Ph.D., 57 graduates with a Master of Arts and 291 graduates with an economics major. I chose [Connel Fullenkamp](#) as our honorary faculty

speaker, and he gave some great advice to our students. To watch his speech and the rest of the ceremony check out our [YouTube channel](#).

In Closing

For those of you who haven't been to Durham in a while, you might not recognize it. The Triangle Area continues to be a great place to live and work. The New York Times Travel Section [highlighted Durham recently](#), and the Chronicle of Higher Education named Duke as [one of the best colleges to work for](#).

Our goal is to email you once or twice per year so that we can remain connected. We hope you find these emails valuable. Please feel free to contact our communications specialist Ana Glass (ana.glass@duke.edu) or me (patrick.bayer@duke.edu) at any time with suggestions for the Department.

Consider joining the more than 800 of us in the [Duke Economics LinkedIn Network](#) if you haven't already, and please know our [Facebook page](#) is also available for interactive communication.

Wishing you an enjoyable summer,

Patrick Bayer
Chair, Department of Economics