Greetings from the Chair

A heartfelt hello to all of our alumni and friends. Finally, you might say, as this is our first departmental newsletter in over 10 years. It has indeed been too long, and this update cannot possibly hope to touch upon all of the many important developments that have occurred over the last decade. Rather, I will focus my remarks on the two-year period since I have held this position. I was recruited to chair the department in January 2009, to take over from Arne Hallam, who had the opportunity to move into an associate dean position in the Liberal Arts and Sciences (LAS) college.

These have been two challenging years. Because of the economic hardships brought about by the great recession of 2008-09, Iowa State University has had to endure two years of deep cuts in state appropriations. The pain has been felt at various university levels, leading to a downsizing of many programs and activities. Our department had to contribute its fair share in this process, although by some standards we fared reasonably well because we were able to fill a few critical positions that had been in the making for some time—see the faculty and staff update elsewhere in this newsletter. Still, these latest cuts have come on the heels of a decade of gradual erosion of support, and the end result is that the department is now considerably leaner. We now have about 40 faculty lines from the LAS and College of Agriculture and Life Sciences (CALS) colleges combined (not counting our colleagues Hallam and Lawrence who are serving in college administrative positions), a dozen fewer than the high mark of two decades ago. And staff support is at a bare minimum (for example, we are down to a total of three secretarial positions for the entire department). Ironic justice, perhaps—aren't we the peddlers of the notion of “efficiency?”

Despite its shrinking size, the department can still count on some excellent faculty and superb staff. It is actively engaged on a number of fronts and remains well positioned to make key contributions to the University’s mission. We continue to educate a large number of undergraduate students every year on basic principles of economic thinking, a critical skill in today’s world. Econ 101 (Principles of Microeconomics) and Econ 102 (Principles of Macroeconomics) are among the most highly enrolled classes on campus. Agricultural Business continues to be our largest undergraduate major (about 300 students). The economics major is also growing (about 100 students), thanks in part to the increasing popularity of double majors. And we have a new undergraduate major, Business Economics, that we developed jointly with the College of Business. To strengthen our commitment to undergraduate education, we have developed a number of new courses over the last few years, including Econ 207 (Applied Economic Optimization), Econ 234X (Small Business Management), Econ 313X (Economics of Sports), Econ 334 (Entrepreneurship in Agriculture), Econ 339X (Agricultural Marketing), Econ 364X (Rural Property Appraisal), Econ 387X (Economics of China and India), and Econ 418X (Introduction to Game Theory). We are also increasing our efforts in distance education and are currently serving nearly 400 students in this innovative way.

Graduate education is centered on our PhD program, which attracts students from all over the world,
Awards & Acknowledgments

Outstanding faculty receive 2010 LAS awards

Professor Harvey Lapan was one of six faculty members in the College of Liberal Arts and Sciences named “Master Teacher” for 2010-11. The award, in its 12th year, recognizes excellence in upper-level undergraduate teaching. The award also highlights the use of unique methods to enhance student learning.

Lapan’s noted course is Econ 455 – International Trade. He presents theories of international trade in goods and factors of production, and provides a framework for the analysis of government trade policies such as quotas, tariffs, free trade areas, and immigration restrictions. Students have the chance to discuss controversial issues of contemporary interest including globalization, multinational firms, and legal and illegal labor migration.

While Lapan is known for holding students to high standards, his lectures are also designed to engage a broad audience. One former student described them as “intellectually stimulating for the brightest students without leaving behind those who struggle with the material.” His patience and dedication with students are often noted.

Says Lapan of his teaching objectives, “I like to challenge students, see their minds work, and help them relate what they learn in the classroom to contemporary events.”

Lapan started at ISU in 1972, and has been a full professor since 1979. He has chaired 20 PhD students who have completed degrees since 1990.

Professor Brent Kreider was one of two faculty members in the College of Liberal Arts and Sciences to receive the Cassling Family Faculty Award, designed to recognize outstanding faculty.

Kreider, an economics department faculty member since 2001, teaches the entry-level course Econ 101 – Principles of Microeconomics. While his enrollments often exceed 300 students, he’s known for his ability to engage students in a large lecture format. One student said that Kreider’s interesting examples and sense of humor made the course material something “I don’t think I can forget.” He’s also contributed to undergraduate teaching as a teaching coordinator for the economics department, supervising and training a staff of approximately 50 teaching assistants.

Says Kreider of the award, “I’m not sure whether I’m more honored or surprised to receive this award, but I’m grateful to the many people who have supported me at ISU. The down-to-earth nature of ISU students and their many creative, insightful ideas makes this job an especially rewarding experience.”
Hennessy named 2010 AAEA Fellow

Professor David Hennessy was recognized as an Agricultural & Applied Economics Association (AAEA) Fellow in 2010. The prestigious honor is given to individuals who make a significant and continuous contribution to the advancement of agricultural or applied economics through research, teaching, extension, administration, and other contributions to public or private sector decision-making.

Hennessy leads a research program that emphasizes the structure of production agriculture and linkages with food consumption. His scholarship is noted for its creativity, vision and rigor, as well as the understanding it has brought to issues of agricultural and food economics, including food safety/quality, animal health, farm structure, and risk policy. His work has explored how incentives and institutions affect outcomes in agricultural and food markets. Hennessy believes that consistency and contextual relevance are necessary if the discipline is to fulfill its land-grant teaching, research, and outreach missions.

He currently serves as an editor of the American Journal of Agricultural Economics, and has also served as an associate editor. He is an associate editor of the Journal of Agricultural & Food Industrial Organization, and has served on its editorial council. Hennessy’s work has earned him the WAEA Award for Outstanding Published Research; the AAEA Food Safety and Nutrition Section, Best Economics Paper Award; and the Iowa State University, College of Agriculture Award for Early Achievement in Research.

“Food and natural resources touch all of us in very direct ways,” says Hennessy. “The AAEA has a strong sense of identity centered around scholarship, problem solving and communication on these issues. This award, together with others the department has received, reflects the long history of commitment by the department, university, and state to excellence in the discipline.”

The AAEA, formerly the American Agricultural Economics Association, is a not-for-profit association serving the professional interests of members working in agricultural and broadly related fields of applied economics. It celebrated its centennial in 2010.

Current ISU AAEA Fellows

Wallace Huffman – 1994
Huffman is a professor of economics at ISU and is currently a C.F. Curtiss Distinguished Professor of Agriculture and Life Sciences. He received his BS in agriculture from ISU and completed his graduate work at the University of Chicago. He has published three books and a large number of refereed journal articles. Recent research has focused on consumers’ acceptance and willingness to pay for genetically modified foods.

GianCarlo Moschini – 2003
Moschini is a professor of economics at ISU and holder of the Pioneer Hi-Bred International Chair in Science and Technology Policy. He is also currently serving as chair of the department. Moschini earned his PhD from the University of Guelph (Canada). He has published widely on modeling demand and production systems, and decisions under risk; and more recently, the economics of agricultural biotechnology, intellectual property rights, and the economics of biofuels. He is a former editor of the AJAE and a current board member of the AAEA.

Catherine Kling – 2006
Kling is a professor of economics at ISU and head of CARD’s Resource and Environmental Policy Division. She received her PhD in economics from the University of Maryland and was an associate professor at the University of California, Davis. Kling has been PI or co-PI on over $6,000,000 in grants, and serves on the EPA’s Science Advisory Board. She is a past board member of the AAEA and AERE.

Dermot Hayes – 2007
Hayes is a professor of economics and a professor of finance at ISU. He holds the Pioneer Hi-Bred International Chair in Agribusiness, and obtained his PhD in agricultural economics from the University of California, Berkeley. Hayes has worked and published on a wide range of topics in agricultural economics and has developed an interest in the biofuel revolution’s impact on world agriculture.
Catherine Kling has mastered the art of piecing together the crucial elements needed to address some of agriculture’s most perplexing environmental questions. As a professor of economics, and head of the Resource and Environmental Policy Division of the Center for Agricultural and Rural Development, Kling has handled project funding exceeding $2 million from such sponsors as the Environmental Protection Agency, Natural Resources Conservation Service, Iowa Department of Natural Resources, and many local and national commodity associations.

One such project, with funding from several Iowa-based stakeholders, sought to evaluate the environmental benefits from existing conservation actions in agriculture as well as estimate what additional actions would be needed to achieve water quality goals. About $435 million is spent annually on agricultural conservation practices in the state. What are we getting from that investment?

Targeting to Improve Water Quality

Kling’s group used the Soil and Water Assessment Tool (SWAT), a mainstay of resource research, to incorporate data on land use, soil, management practices and climate.

The researchers looked at three potential water quality targets, with specific reductions in phosphorus and nitrates. Using these target levels, they used an evolutionary algorithm method, a new tool that can systematically analyze enormous data sets, to identify the combinations of conservation practices that can achieve the targeted goals at the lowest cost.

After 91 days of computer processing and over 116,000 SWAT model runs, there were no one-size-fits-all answers. According to the report, “the effectiveness of a given conservation practice on a given field depends on the placement of other conservation practices and cropping systems in the watershed.”

Says Kling, “This type of modeling can really be helpful because it can provide the information about trade-offs. If you are worried about hypoxia in the Gulf of Mexico, that gives you one way to use your funds. If you are interested in improving Clear Lake, that may suggest another use of conservation funds.”

From Iowa’s Lakes and Streams to the Gulf of Mexico

Kling is interested in both of these issues. She and colleague Professor Joe Herriges headed an investigation into how Iowans value their lakes and the recreational opportunities these lakes afford, in a project funded by the Iowa Department of Natural Resources.

The project involved gathering data on recreational trips made by households to about 130 primary lakes in Iowa. The purpose of this effort was to better understand the overall usage patterns of Iowa’s lakes and to estimate the value that households in Iowa would place on improvements in water quality.

In their final report, the researchers found that “Iowans report a high usage of lakes in the state of Iowa. Approximately 62 percent of Iowa households visited one of the 132 lakes listed in the survey, and the average number of trips per year was just over eight in 2002.” Iowans also listed the quality of water in the lake as the highest priority when making a decision about whether or not to visit. A similar study was done on the use and valuation of Iowa’s rivers and streams.

Recently, Kling has embarked on a study, funded by the National Science Foundation, of conservation practices and their affect on the hypoxic zone, an oxygen-depleted area in the northern Gulf of Mexico. Kling put together economists, research agricultural engineers and marine biologists from five different universities and other allied research institutions. This

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School segregation has been measured since the 1950s when public schools in the United States were first integrated. While original methods of measurement were adequate for the times, they no longer accurately capture the nation’s rapidly changing, multiethnic public school systems.

Iowa State University professor of economics David Frankel, and professor of economics Oscar Volij of Ben Gurion University, Israel (formerly at ISU) have co-authored research that offers a new and more effective way to measure school segregation. “We wanted to build a better mousetrap,” says Frankel. “To study a problem, you first need to measure it.”

Their research is soon to be published in the Journal of Economic Theory, considered one of the best journals at presenting theoretical research in economics. “The editor thought our work was very definitive,” says Frankel.

While ethnic diversity in the United States has increased since public schools first integrated, Frankel and Volij’s measure shows that public school desegregation hasn’t kept pace with those changes. Information like this is important, says Frankel, because there is “evidence that the gap between black and white wages is due to segregation in public schools.”

“**It’s important that we do more to equalize opportunities.**”

Further research shows a link between minority students who were schooled in segregated districts and lesser employment options.

Desegregating public schools is one answer to improving minority school achievement and employment. “Minorities seem to have better academic outcomes when they attend integrated schools,” says Frankel.

Their research offers a new way to measure segregation that provides a more sophisticated view of the current public school landscape — and ultimately may serve to better solve issues of minority achievement and job opportunity.

Frankel (pictured above) and Volij’s new measure revealed that segregation between black and white students is about as high today as it was 20 years ago.

**How the measure works**

Frankel says there are currently about 20 ways to measure segregation. While many of them “are appealing because they’re simple and easy to grasp,” they often aren’t adequate to reflect the broad changes that have taken place in the United States since schools first integrated.

He and Volij measure segregation using the axiomatic approach common in economics, which he says is “more formal and concise” than sociological measures. The new measure satisfies some new properties and incorporates the best of the former approaches.

“In the 20th century we have many ethnicities that we need to take into account,” says Frankel. The new measure includes these ethnicities, where other measures only compared segregation between black and white students.

It also permits a broader look at segregation within different geographic levels, with the capacity to look at a single school district, or to compare districts, cities, and states to each other.

The measure draws all of this information into one index, viewed as a whole. This whole view can then be “decomposed,” where detailed levels of information are broken out as a portion or percentage.

Frankel says it’s similar to the way nutritional content of food is broken down for closer examination. “It’s
When we spoke with Assistant Professor Chad Hart, Iowa State University’s grain extension economist, he had just visited 11 communities in over a week to talk with ag professionals about the grain industry. The role is fairly new for him, and he considers it a “good match.” Learn more about Hart’s work, and the current state of the grain industry.

**Explain your role at ISU.**

I’m an assistant professor of economics, and 80 percent of my role is to work with ISU Extension as the grain market specialist.

In this role I spend a lot of time talking about corn and soybean prices to farmers, lenders, and ag input suppliers. Communication is a big part of the job. I talk about where prices are today, why they’re there, and where they might go in the future.

**Talk about your evolution at ISU.**

I’ve seen the department from just about every angle — as a student, a staff member, and now as faculty.

I came as a grad student in 1991 and went to work immediately for the Center for Agricultural and Rural Development (CARD). I grew up in the job, doing research in international trade, crop insurance, and federal agricultural policy. When I graduated in 1999 I was hired as a post-doc research assistant in CARD and then as a scientist. When this position became available I applied and felt lucky to get it.

**What’s currently on the minds of Iowa producers?**

Farmers are seeing very good prices for crops, but they are highly concerned about what their cost structure will look like over the next few years. They’re also concerned with how the general economy will affect agriculture — like the deficit, the federal tax structure, and how this will affect their business. They want to know if there are storm clouds on the horizon. Right now they’re seeing very good pricing, but could this fall off?

**What are the potential storm clouds?**

Farmers are worried about how world economics are growing. For instance, if China puts the breaks on their consumption, what are the implications for demand on corn and soybeans? What are the implications of problems in Europe, and troubles with the economy in other countries? They want to know how general economic concerns are also agricultural concerns.

**What's your view of these changes?**

I tend to think of the old adage in history that you’re doomed to repeat it. Within agriculture we’ve seen good economic times and bad economic times. Right now we’re in good times on the crops side, and so the question is, what could put us in a bad situation? I try to point out what to watch for so that producers can prepare themselves if we have another economic downturn.

Part of my role is to talk people back to the middle. In good times I’m pointing out where the potential storm clouds are, and in bad times where the rays of sunshine are, knowing that we always come back to an average. I try to be a long-run realist, helping people understand that things can’t always be good or bad, but to moderate their perspective.

I’m accustomed to taking the research that we do at ISU and compartmentalizing and processing it for the general public—essentially taking our research from the ivory tower to the real world, then hearing feedback from producers. I enjoy communicating with producers and translating this information back and forth is my favorite part of the job,” says Hart.
“In good times I’m pointing out where the potential storm clouds are, and in bad times where there are rays of sunshine, knowing that we always come back to an average.”

helping the public see the real world impact of what we do here at ISU.

As academics we’re used to peer reviews of our papers, but what are the real life reviews of producers on the ground? I get to participate in that interplay, which is very exciting. Translating this information back and forth is my favorite part of the job.

What’s new with producers?
It’s been exciting for me to hear discussions of biofuels in the past year, and the marketing. I’m walking producers through what we see today, the advantages and disadvantages, and getting their feedback about what they believe is possible.

I communicate feedback from producers back to researchers and let them know what I’ve heard, or answer their questions. I want to be able to tell producers that we’ve looked into questions that they’ve asked and this is what we have learned.

People are also making a lot of long-range decisions. Typically in good times like this, producers will reinvest in the industry. Producers are purchasing a lot of new machinery and putting in more tile to drain farmlands to handle high moisture like we’ve seen in the past few years.

The agricultural economy has fared better than the general economy, especially on the crops side. Crops have had three very good years.

What’s on the horizon?
We’ll continue to watch the evolution of biofuels. We’ll also watch China as the dominant player in the crop markets, and how they’ll continue to grow in that role. They’re a very strong buyer of our soybeans, and they could potentially be a very strong buyer of our corn as well. But will that come to pass and how quickly that occurs becomes the issue. I tend to be, in the long run, very bullish on the crop outlook, because I see growing demand for Iowa’s crops.

Recognitions
Kling’s leadership in environmental economics garnered recognition by her peers when she became a Fellow of the Agricultural & Applied Economics Association in 2006. Further, she was asked to present the 2010 Fellow’s Address, which will be published in an upcoming issue of the American Journal of Agricultural Economics. The address was titled “Economic Incentives to Improve Water Quality in Agricultural Landscapes: Some New Variations on Old Ideas.”

When it comes to understanding all facets of water quality issues, Kling points to the synergy created by linking together experts in different fields and disciplines. “All this stuff sounds very academic, but it is absolutely critical to have a knowledgeable team to answer these questions,” she says. “It’s really exciting to do research that people care about, that is grounded in academics.”

Portions of this article are taken from “Using Watersheds to Study the State of Conservation,” by Barbara McBreen. This article appeared in Stories in Agriculture and Life Sciences, published by ISU’s College of Agriculture and Life Sciences.

At extension sessions, Hart says producers want to know how “general economic concerns are also agricultural concerns.”
Some fisheries in the United States are poised to undergo major changes in the regulations used to protect fish stocks, and Iowa State University researchers have estimated that the new system will be an economic boon to the fishing industry.

Quinn Weninger and Rajesh Singh, both associate professors in economics, estimated harvesting costs under the old system and compared that to the newly proposed fishing regulations that lift many restrictions that cause inefficiency, while still limiting amounts to be harvested.

Their analysis focused on the Pacific Groundfish fishery, which manages fishing in waters off the Northwest coast of the United States, and found the Groundfish fleet could save between $18 million and $22 million annually under the new regulatory system.

Pacific Groundfish fishery is one of several fisheries around the country that monitors fish harvest by location and types of fish. Similar economic conclusions would apply to other areas and other fish types, according to Weninger.

“What we’ve tried to do is come up with the cost savings that would be involved when we change from the old to the new system,” he said.

The new system controls catch amounts through a system of tradable fishing permits and allocates a certain amount of fish to be harvested by each fisherman each year, said Weninger. The amount of each fisherman’s total harvest is determined by the total number of permits he holds.

Fisheries managers, who are National Marine Fisheries Service employees, monitor fish stocks and calculate the total harvest that will allow fish numbers to remain at sustainable levels, while letting fishermen survive economically.

Under the new system, for example, if a fisherman owns 1 percent of the permits, that fisherman can harvest 1 percent of the total amount of fish, which is chosen annually by the manager.

The new regulations begin by allocating permits to active fishermen based on that fisherman’s past annual haul of fish. A key feature is that the permits can be bought and sold, allowing more flexibility for fishermen.

Under the old system, fishermen faced a host of regulations designed to ensure the fleet did not overfish the resource. These regulations included imposing gear restrictions, seasonal closures, area closures, limits on the number of boats, bimonthly catch limits and other regulations that make harvesting fish less and less efficient and more costly.

“Prior to the new system, an entire year’s halibut was harvested in two, six-hour openings,” said Weninger. “We’re talking about thousands of boats going out there and filling their boats to the point of sinking on the way home with all of these fish.”

While the new system has gained popularity in recent years, little was known about how much money would be saved industry-wide. Weninger and Singh answered that question.

The $18 million to $22 million savings for the Pacific Groundfish fishery will result mainly from reducing the size of the fishing fleet from around 117 vessels, to around 40 to 60 that will be required to catch the government-set limit. That is a reduction of more than 50 percent.

“Basically the revenues stay the same [under the new system], but you’re able to harvest those fish at a fraction of the cost,” Weninger said. The old systems had too many redundant boats providing the same service, he added.

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Iowa State University sophomore Andy Chamra isn’t sure yet whether he’ll return to work on his family’s 2,000 acre farm in Oskaloosa or take a job in Iowa’s growing agribusiness industry. What he does know is that his involvement in the nationally honored Ag Business Club gives him the chance to explore all of the possibilities.

The Ag Business Club was established in the 1950s when former economics department chair William G. Murray developed ISU’s degree program in agricultural business. Professor and club co-advisor Ron Deiter says that “Murray had the foresight to see that students would need to be ready to enter professional positions in a changing agricultural industry.”

Initially the club was a way to bring students together who shared a common major. But over the years what started as a “social hour with pizza and beer” has evolved into something “more professional,” says Deiter.

“It also helps the department recruit and retain new students.”

It’s the “professional networking opportunities” that Chamra, an ag business and economics major, says first attracted him. Monthly meetings not only connect students, but also give them a chance to interact with representatives from top agribusiness companies. Last year Chamra interned at MaxYield Cooperative, and this summer he’ll be buying and selling grain for Cargill.

“In recent years Deiter has courted corporate sponsorship. He says that industry representatives are eager to meet with students, making it a “win-win for everyone.”

Sponsors offer internships, and their financial support has helped the club thrive. Support has enabled scholarships, or food at meetings, which typically bring in between 50 to 100 students each time.

Students have opportunities to attend professional meetings and go on industry tours of agribusiness companies. The club also competes at the annual national Agricultural & Applied Economics Association, receiving “Outstanding Chapter” and “Creative Club” awards for the past five years.

Deiter has served as a co-advisor since the 1970s, and was joined by Professor William Edwards in 2004. Over the years Deiter says he’s received a number of “appreciative e-mails” from parents.

“It also helps the department recruit and retain new students.”

“Parents see the professional transformation that takes place in their sons and daughters,” he says.

Chamra is serving as Ag Business Club president this year. He wants members’ time to be fun — “but this is also about business, so I’m approaching it very professionally,” he says.

He’s planning an upcoming officers’ retreat that will be held in a corporate boardroom, and credits Deiter and Edwards with helping to arrange such unique opportunities.

“This is a club that offers a lot, and you really get out of it what you put into it,” he says.
A recent survey of universities conducted by the National Research Council showed that Iowa State University’s graduate program in economics is ranked high compared to others nationally.

The findings and approach of the survey are complex, so we asked John Schroeter, Director of Graduate Education (DOGE), to shake out the details.

**Explain the new ranking.**
The last time the National Research Council did the rankings was in 1995, and their intention was to rank every 10-15 years. The previous ranking had a panel of economists who offered their expert opinion, which was much more subjective.

The information for the new study was requested from individual departments and faculty involved with the PhD program in 2005-2006. They were also measuring 61 other fields, so this was a very complex and wide ranging study.

This time I think they wanted to make this more objective, so they set up 20 measures of program quality. The results were based on these measures and expressed not as a single rank for each program but as a range of ranks. For example, one of the two approaches used by the NRC put our program between 22nd and 30th best among the 117 economics programs ranked.

**What helped the department perform so well?**
Among the 20 measures of program quality, our strongest performance was in research productivity of the faculty.

Beyond that, just about all students who come to the department receive an assistantship, which is uncommon. This has helped us attract international students, who make up 80 percent of our PhD enrollment.

We also retain a strong percentage of students throughout their graduate work, and the majority reach completion. This speaks to the quality of our admissions and the strength of our teaching.

Our program has an applied emphasis. PhD students in the department do dissertations that sometimes emphasize data analysis and theoretical modeling but are always motivated by a real-world policy issue. I would describe it as applied economics with a strong policy orientation.

We’re also unique in that economics and agricultural economics are together, when it’s more typical for them to be separate. We offer strong areas of study including agricultural, environmental and resource, international, and labor economics.

We really set store by our academic placements, and the ability of our graduates to find entry-level teaching placements at other strong universities. We’ve done well with this.

It’s also a strength that a significant portion of our faculty receive outside funding.

**What does this mean for the department and your role in reaching out to prospective students?**
We were quite pleased and naturally keen to get as much mileage out of this — we want to be able to use this to attract good applicants, and have included the results in recent marketing.

We’ve set a goal to attract more domestic students, and we’ve had a lot of success in placing them in academic jobs after graduation. Certainly these results should help in attracting this group.

New rankings reflect graduate program strength
an interview with John Schroeter, department DOGE

Interview and photos by Kristin Senty

As department DOGE, Schroeter (above) works with graduate students on admissions and ongoing progress.

Learn about the National Research Council rankings at http://www.nap.edu/rdp/
The findings are published in the journal *Marine Resource Economics.*

Weninger said the cost savings could eventually lower prices at the supermarket. Another benefit for consumers is the availability of fresh fish. In the past, since all the halibut had to be harvested in just a few hours, consumers had to settle for frozen fish for much of the year. Now, with the expanded time window to catch fish, there will be fresh halibut available for more of the year, he said.

Another benefit is safety. Since fishermen won’t be required to fish during a time preset by the government regulations regardless of weather conditions, they can fish when conditions are favorable and fishing is safer.

### Segregation measure continued from page 5

a unique way of looking at the information that has never been done before,” he says.

### New Findings

Use of the new measure and the unique decomposed view has already revealed some important findings.

Ethnic diversity in the United States has increased over time, and most ethnic groups have become more integrated with each other. In contrast, Frankel and Volij learned that segregation between black and white students is about as high today as it was 20 years ago.

They confirmed that within cities, most segregation occurs between school districts rather than within them. They also learned that there is more segregation between central cities and suburbs, and less segregation within central cities or within suburbs. Finally, the new measure revealed that the high levels of segregation between states is due mainly to concentrated Hispanic settlements in border states.

When it comes to making some thoughtful choices that could impact educational outcomes for minorities, he says this type of information will be useful. Frankel has already started to see an impact on other work in economics at the theoretical level and hopes economists studying public school districts will soon discover the new measure.

“This may have the potential to impact policy,” he says. “Our hope is that experts in the field will start using these tools.”

He also says that individuals can use the information to empower their own decisions about where to live and have their children schooled.

Frankel originally studied sociology before earning his doctorate in economics, and has always had an interest in issues of racial inequality.

“It’s important that we do more to equalize opportunities,” he says. “It bothers me that there are kids who are disadvantaged by no fault of their own.”

### Meet Amy Bainum, graduate studies coordinator

Amy Bainum joined the department in 2010 as the new graduate studies coordinator. A graduate of Iowa State University with a master’s in higher education, working with students and guiding them through the course of their studies was a role that she says “came naturally” to her.

During her time as an undergrad, Bainum volunteered as a student ambassador, and coordinated prospective student visits.

“I liked working with students, and have always felt that college campuses are some of the most exciting places to be,” she says. Her provost noticed her enthusiasm, and remarked casually that she could “make a career of this.” At that point Bainum says her “future suddenly seemed clear.

“College is one of the times in your life when you’re making some of the biggest transitions,” she says. “It’s a cool thing to be a part of that for other students.”
Three experts with distinguished careers in the financial sector discussed the future of the mortgage market and financial regulation in a panel discussion at Iowa State University on Thursday, Oct. 28. The open forum “Fixing Financial Markets: Views from Freddie, Finance and the Fed” was part of Iowa State’s National Affairs Series.

The three panelists were Donald Bisenius, executive vice president of the single family credit guarantee business at Freddie Mac; author Dan Laufenberg, former chief economist and vice president of Ameriprise Financial; and Kevin Moore, senior vice president in charge of the supervision and risk management division of the Federal Reserve Bank of Kansas City.

Bisenius oversees the sourcing, pricing, and securitization of new business as well as the overall performance of Freddie Mac’s $1.8 trillion single family credit guarantee business. He previously served 12 years as senior vice president for credit policy and portfolio management. Bisenius joined Freddie Mac in 1992 after working at the Federal Housing Finance Board and the Federal Home Loan Bank Board. He earned his doctoral degree in economics from Iowa State.

Laufenberg is an economic consultant, author, editor, and publisher of the Laufenberg Economic Quarterly. He also serves as economist for the investment firm of Stonebridge Capital Advisors. In 2009, he retired from Ameriprise Financial, where he worked for nearly 22 years. Laufenberg previously served 14 years on the research staff of the board of governors of the Federal Reserve System, including nearly two years as special assistant to Federal Reserve Board member Henry Wallich. Laufenberg earned both his master’s and doctoral degrees in economics from Iowa State.

In his position at the Federal Reserve Bank of Kansas City, Moore is responsible for the supervision and regulation of the district’s state member banks and bank holding companies, as well as the bank’s discount window and risk management functions. A native of Harlan, he holds an MBA degree from Rockhurst University, Kansas City. Moore also is a graduate of the Stonier Graduate School of Banking, a program of the American Bankers Association.

In addition to participating in the open forum on financial markets, Laufenberg and Bisenius also had another reason to be back at Iowa State University: they attended the LAS 2010 Alumni Award ceremony on Oct. 28 and were presented with College of LAS Academic Department Awards. Laufenberg was honored for his Distinguished Service to Private Enterprise and Bisenius was recognized for his Distinguished Service in the Public Interest.

The panel discussion was cosponsored by the Department of Economics, National Affairs Series, and the Committee on Lectures, which is funded by the Government of the Student Body.
Jim Borel receives 
College of Agriculture 
and Life Sciences 
alumni honor

Adapted from an article by Barbara McBreen, 
CALS Communications Service

Frank Orazem Scholarship Fund established

A scholarship fund for graduate work in agricultural economics was established in 2010 in the name of Frank Orazem.

Orazem received his PhD in agricultural economics at Iowa State in 1956 under Earl Heady. He greatly valued the ISU education that enriched his personal and academic life. His $80,000 gift aims to help provide that same opportunity for quality graduate training to the next generation of agricultural economists.

Orazem taught at Kansas State University for 34 years, specializing in agricultural production, economic development, and taxation. His research and economic interests were shaped by life on a peasant farm, experience with government oppression, and an appreciation for the economic and political freedom possible in the United States.

Both he and his wife Slava were originally from Yugoslavia. They were opponents of communist rule during WWII, and spent four years living in refugee camps in Austria. They each came individually to the United States as displaced persons, relocated to Kansas, and eventually met there. Slava passed away in 2005 and Frank in 2008.

The couple’s son Peter Orazem is currently a professor of economics at Iowa State University. He says of his parents, “I often think about the lessons of my parents’ life — how faith and hope was enough to sustain them when they had nothing but faith and hope. My own path is so much easier.”

Economics professor’s gift benefits college

Retired economics professor and alumnus Neil Harl, together with his wife Darlene, have pledged $1.5 million toward renovations of Curtiss Hall, the building housing the administration of the College of Agriculture and Life Sciences. This generous gift, announced in September 2009, will help create Harl Commons, a renovated space to be used primarily by students and located on the ground floor of Curtiss Hall. Neil Harl, a Charles F. Curtiss Distinguished Professor in Agriculture, holds a PhD degree in economics from Iowa State University, as well as a law degree from the University of Iowa. He was a faculty member in the Department of Economics for about 40 years, retiring in 2004.
Faculty & Staff Updates

Faculty Changes

Professor Roger Ginder retired in 2010. He came to ISU as an assistant professor in 1978. He continues to live in Ames.

Professor Robert Jolly retired in 2010. He came to ISU as an associate professor in 1979, and served as an assistant dean and an interim associate dean for the College of Agriculture in the 1980s. He continues to live in Ames.

Marcelo Oviedo resigned in 2009 to move to Argentina where he currently lives. He came to ISU as an assistant professor in 2003.

Charles Zheng resigned in 2010 to move to the University of Western Ontario, Canada. He came to ISU as an associate professor in 2006.

James Bushnell joined the department as an associate professor in 2009. He is the Cargill Chair in Energy Economics and the director of the Biobased Industry Center. Bushnell attended the University of California at Berkeley for his graduate work. Research interests include industrial organization and regulation, energy economics and policy, and environmental economics.

Gray Calhoun joined the department as an assistant professor in 2009. He attended the University of California at San Diego for his graduate work. Research interests include econometrics, with applications to forecasting, macroeconomics, and finance.

Juan Carlos Cordoba joined the department as an associate professor in 2009. He attended the University of Rochester for his graduate work and was previously on the faculty at Rice University. Research interests include macroeconomics, economic growth and development, and urban economics.

Keri Jacobs joined the department as an assistant professor in 2010. She attended North Carolina State University for her graduate work. She teaches in the Ag Business program, and her research interests include agricultural policy analysis, and the intersection of conservation and agricultural production.

Kevin Kimle was appointed the Rastetter Chair of Agricultural Entrepreneurship in 2009 and serves as director of the Agricultural Entrepreneurship Initiative. He is a lecturer in the department and is well-known for his work in electronic commerce and commodity price risk management.

Markus Mobius joined the department as an associate professor in 2010. He attended Massachusetts Institute of Technology for his graduate work and was previously on the faculty at Harvard University. Research interests include social networks, social capital, and advanced game theory.

Sebastien Pouliot joined the department as an assistant professor in 2009. He earned his PhD from the University of California at Davis. Research interests include agricultural policy and trade, with a current emphasis on food safety and traceability issues.

Staff Changes

Judy Strand transferred in 2010, and took a position in the Graduate College at ISU. She had worked in the department since 2002 as a graduate studies coordinator.

Deb Thornburg transferred to CARD in 2010 and is working as an administrative specialist. She started in the department in 1987 as a secretary.

Kathy Larson retired in 2010. She started working at ISU in 1997 and transferred to CARD as an administrative specialist in 2001.
Dennis Starleaf served in the Department of Economics at Iowa State University for 35 years, from 1963 until 1998. He retired as a full professor, served as department chair for 10 years, and finally, as interim associate dean in the College of Liberal Arts and Sciences.

Starleaf witnessed many changes in the department and the university throughout his career. Early on, he was heavily involved in undergraduate teaching, but graduate student teaching and mentoring gradually became the central focus of his activities. He was major professor for 32 PhD and 26 MA students. Throughout his tenure as a faculty member he was also heavily involved in extension and outreach activities, and made more than 400 presentations to audiences of lay persons and extension personnel. The majority of these presentations were sponsored by or closely associated with ISU Extension.

“Economics is a large and diverse department, and it was interesting to play a leadership role in such an excellent institution.”

He became department chair in 1984. “I enjoyed being department chair. Economics is a large and diverse department, and it was interesting to play a leadership role in such an excellent institution. As chair, I also learned a lot about the Ag and LAS Colleges and the university. I got to see how they all worked,” he says. He particularly enjoyed his role hiring new faculty members, and felt the department made some strong choices during his tenure. He thinks that the department and ISU have bright futures. Starleaf retired early at age 60, “35 years to the day that I started, which was completely by accident,” he laughs.

He and his wife Liz continue to live in Ames and have enjoyed extensive travels throughout Europe and the United States. Starleaf also spends time shotgun shooting, pheasant hunting, working out at the ISU Lied Center, and swimming laps at the indoor municipal pool.

He regularly talks with lay audiences about topics in economics, helping to make sense of things like the deficit and the recession. Twelve years into retirement, he says that he doesn’t read the professional journals anymore, “but I do keep up with what’s going on in the macro economy.” He enjoys his retirement but says that “there are some things about working that I miss.”

Dennis Starleaf can be reached at dstar@iastate.edu.

Amy Bainum started as a graduate studies coordinator in 2010. She worked formerly at Mercy College of Health Science in Des Moines as an admissions counselor. Bainum earned her MEd from ISU in 2008.

Kristin Senty started as a communications specialist in 2010. She worked formerly as an independent contractor through the Annie E. Casey Foundation and Grassroots Grantmakers, writing about the impacts of philanthropy in struggling communities. Senty is an ISU alumna.

Terry Dannatt started working at ISU in 1992 and came to the department as a secretary in 2008. She retired in 2010 and lives in Missouri.

Diana McLaughlin has been with the department since 1973. She was promoted to her current new position of Administrative Specialist III in 2009. In this position Diana has an array of budget, personnel and administrative responsibilities, combining duties that, in a not too distant past, were spread among several employees. Diana’s multiple skills, efficiency, and work ethic are critical for the smooth functioning of the department.

Former faculty profile: Dennis Starleaf
although we continue to invest in our MS program as well. Our doctoral students are holding their own in a very competitive job market, thanks to the rigorous training and excellent dissertation supervision provided by our dedicated faculty. A major recognition of our efforts in this area was provided by the long-awaited NRC ranking of US doctoral programs released last September. Economics at ISU was ranked very well, as discussed elsewhere in this newsletter; indeed, our doctoral program was one of the very highest ranked programs on the ISU campus.

Research continues to be a centerpiece of our academic activities. In addition to traditional disciplinary efforts (in agricultural and resource economics, theory, macro, international, and labor), the department is making a foray into the newer area of behavioral and experimental economics, and is taking leading roles in timely issues related to biofuels and the bioeconomy, water and environmental issues, and food quality and nutrition. The Center for Agricultural and Rural Development (CARD), which Bruce Babcock has led for more than 10 years, continues to make important contributions in applied policy analysis and maintains its traditional high profile in its outreach activities.

Our extension activities have dealt with declining state funding, which has resulted in the loss of several positions in this area and is providing strong incentives for us to prioritize our efforts. We are also challenged to cope with the changing demand for extension in the rapidly evolving new world of the information age. Our current activities continue to emphasize grain and livestock marketing, farm management and risk management, as well as a selected number of other programs that bring value to the citizens of Iowa.

As we move forward in these uncertain but interesting times, we are mindful of the expectations that a department like ours faces. We owe it to our current students to provide them with the same solid education that has been a key to success for generations of past students. And we owe it to ourselves to live up to the standards of the great scholars that have defined our department’s history. One positive outcome of the recent great recession is to remind the university community and the public at large of the critical role that economics plays in everyday life. As we renew our efforts in the pursuit of a diverse and challenging portfolio of scholarly activities, we are thankful for the continued support of our alumni family and friends. We welcome your ideas, your good wishes, and, if you are so moved, your financial help. Keep in touch.

GianCarlo Moschini
Professor and Chair