

## Upcoming Events:

**October 22<sup>nd</sup>** -Homecoming, located in Hipp Hall 2<sup>nd</sup> floor Drop In from 10:00am-12:00pm

**February 28<sup>th</sup>** - American Enterprise Lecture with guest speaker Christina Romer, located in the Watkins Room, more details to follow on our website.



Fall  
2011

An Annual Insight into the Department of Economics

# Ceteris Paribus

After a lengthy hiatus, the Furman University Department of Economics brings back *Ceteris Paribus*, the department newsletter. This issue begins with some news for our former students, followed by information about current students and faculty. A profile of Dr. Robert Arden follows, with concluding remarks from our Chair. We would enjoy receiving feedback from our readers about this issue, as well as anything else you'd like to share about yourself. Send any comments to [david.roe@furman.edu](mailto:david.roe@furman.edu), and please tell us if you would allow us to publish your remarks in the next newsletter.

## News For Graduates

If you left Furman in 2002 or earlier, you may not be aware of some major changes to our program. In 2003, we located to newly-constructed Hipp Hall (pictured above), a 20,000 square foot LEED building. In 2004, we separated from Accounting and Business Administration to form our own department, currently chaired by Dr. Ken Peterson, from whom you will hear more below. Ms. Ashlee Bullock serves as our new Administrative Assistant.

In recent years we have said goodbye and hello to faculty: in spring of 2008, Professor Richard Stanford retired after 40 years at Furman. While his presence will be sorely missed, we are pleased to have three new young economists: Nathan Cook (Ph.D. from Michigan State); Jason Jones (UNC-Chapel Hill); and most recently, Jessica Hennessey (University of Maryland). For several years, Dr. Bob Arden (Vanderbilt University) has served as an indispensable adjunct to our program.

Perhaps most significant of all: in 2007, Furman dropped its 40-year-old trimester system in favor of a semester system, bringing the school in line with most other universities. Students take four courses each semester, and freshmen are required to take two first-year seminars.

Furman installed a new President, Rod Smolla, in the fall of 2010. He comes to Furman from Washington and Lee, where he served as the Dean of the Law School.



# Student News

For several years, the Department of Economics has given awards to honor our outstanding students. The descriptions of such awards, and the 2011 winners are as follows.

**The Adam Smith Prize** is awarded by Department of Economics to the winner of The annual paper contest in order to promote and encourage undergraduate writing and research in economics. This contest is open to all undergraduate students at Furman University. Papers written on any topic in economics are suitable for consideration. The 2011 winner is Andy Shin for his paper titled “Beer Wars: Public Interest v. Economic Theory.” Andy’s paper is posted on the Economics Department website.



**The J. Carlyle Ellett Prize** is presented annually to an outstanding senior economics major. The award is based on academic performance, contributions to department and university life, and potential use of the economics major following graduation from Furman. The award is named for Dr. Joseph Carlyle Ellett, who was a professor of economics at Furman from 1939 until his retirement in 1977. The 2011 recipients are Nora Collins and Kelsey Hardy.

**The Arthur Magill Award** is presented annually to a rising junior economics major showing outstanding academic potential and intellectual promise. This award was funded in part by the Piedmont Economics Club in memory of Arthur Magill, the club's founder, who maintained a lifelong interest in the field of economics. The 2011 recipients are Katie Love and Alyssa Richardson.

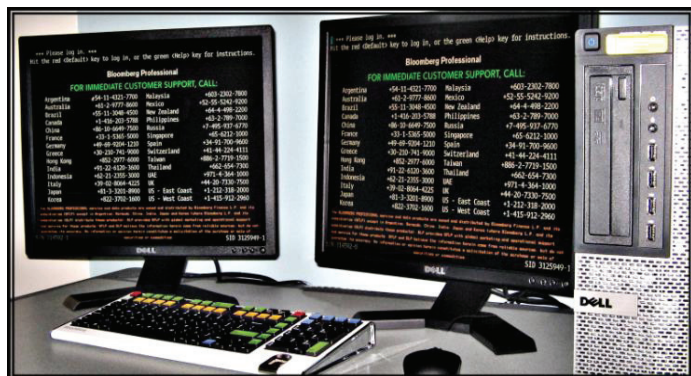
## Hollingsworth Summer Research Program

Each summer, several Economics majors work on research projects under the supervision of a faculty member. These endeavors are sponsored by a generous grant from the J.D. Hollingsworth fund, thus we call the program the Hollingsworth Undergraduate Research Program, or HURP. Each research project culminates in a paper which the students present (to Furman economists as well as to an invited economist from another university) in the spring. This summer’s participants are Chris Picardi and Ryan Leech (Dr. Cook, supervisor) and Cory Allen and Matthew Moulton (Dr. Peterson).

## Student Summer Experiences

We made a brief and unscientific survey of our returning students, asking them what they did this summer. Students held a wide variety of internships at organizations that include KPMG (economic and valuation services), Hilliard Lyons (wealth management services), Piedmont Natural Gas (business development services), Morgan Stanley (New York—sales & trading and high net worth wealth management), Canadian Parliament, Kilpatrick Townsend Stockton in Atlanta (law firm), Senator Jim DeMint’s Office (Washington, D.C.—constituent services and attending Senate hearings), the Weitzman Group (New York—commercial real estate development), Marzulla Law Firm (environmental litigation support), and the Greenville Housing Fund (affordable housing not-for-profit). In addition, students worked for Bridges to a Brighter Future (Furman’s not-for-profit academic enrichment program for high school students whose “potential outdistances circumstances”), while others volunteered at a dental clinic and shadowed physicians in preparation for health-related careers.

## The Bloomberg Terminal



Furman students received access to their first Bloomberg terminal this semester. The Bloomberg terminal (i.e., Bloomberg Professional service) provides access to real-time financial data; including price quotes, trading volumes, and historical information, along with key economic time series. The service also lists the dates on which key economic data will be released by government agencies. Our Investments Club and Fed Challenge Team, and students in selected economics courses expect to receive great benefits from this new resource. A number of students have also expressed an interest in completing a series of educational modules provided via the terminal, which will allow them to become “Bloomberg Terminal certified.”



# Faculty News

The past couple of years have been productive and successful both personally and professionally for the department's faculty.

**Jason Jones** was elected as a co-chair of the EUSA (European Union Studies Association) Economics Interest Section. He had a research note published in the anthology section of the Atlantic Economic Journal titled "Financial Integration and Business Cycle Synchronization in the Expanded EU" and supervised two Hollingsworth summer study students (Lubaina Balasinorwala and Andy Shin) who wrote a paper on the potential monetary union among countries that belong to the GCC (Gulf Cooperative Council). The students presented this paper at the undergraduate session of the Eastern Economic Association meetings in New York City. He welcomed his fourth child, Steelman James Jones, who joins Isabel (8) Cannon (5) and Colton (2).

**Jessica Hennessey** attended APEC (Asia-Pacific Economic Conference) 2010 with a group of five students, including 3 Econ majors in Yokohama, Japan this past November. She also worked with two Hollingsworth summer scholars (Caroline Bowman and Thomas Flood) studying the Department of Education's Race to the Top Fund. They went to the NCSL Summit (National Conference of State Legislatures) last July to learn more about the role state legislatures have in education policy. The students presented their research at the Eastern Economic Association meetings last spring. She was invited to present a new paper, "Loss of Control: Apportionment Changes and the State-Local Relationship" at the Southern Economic Association conference this past November. The paper looks at the relationship between the size of the state legislature and adoption of general laws for municipalities. She formed a new student-led group (Furman Economic Society) with Dr. Jones this past year. They drafted a constitution that was formally recognized by the Student Government Association last spring and elected 6 new officers. Currently Dr. Hennessey is working on a project that examines the transition in state constitutions from special to general laws for families, private corporations, and public corporations. She and a co-author presented a paper at the NBER Summer Institute last July.

**Nathan Cook** presented "Using Trade Policy to Influence Firm Location" at the Western Economic Association International Conference in Portland, OR in June 2010 and "Attitudes Toward Economic Globalization: Does Knowledge Matter?" at the Western Economic Association International Conference in San Diego, CA in July 2011. He taught a new course entitled, "Issues in African Economic Development" as part of Furman's Study Away program in Africa in the spring semester of 2011. Dr. Cook spent two weeks with 20 Furman students in South Africa and Namibia as part of this program. He also supervised two Economics majors (Ryan Leech and Chris Picardi) who are working on a research project investigating microfinance as part of the Hollingsworth Undergraduate Research Program.

**Jeff Yankow** presented a research seminar titled "Some Empirical Evidence of the Efficacy of Job Matching in Urban Labor Markets," at Elon University, Department of Economics in November 2009. He spent spring of 2010 in Chernivtsi, Ukraine where he served as an official international election observer for the Ukrainian presidential elections in January 2010 and presented talks at two Ukrainian conferences. He oversaw a (summer 2010) research project by Alex Draftz and Ella Krivitchenko that examined the impact of state and county tax policies on entrepreneurship. He presented a paper "State Economic Freedom and Labor Supply" at the Eastern Economic Association annual meeting in New York City in February 2011 and published "The Impact of Advertising on Fund Flows in Alternative Distribution Channels" (with Thomas I. Smythe, Michael Jones, and Vance Lesseig), *International Journal of Financial Research* 2 (1), March 2011, 2-22.

## Faculty News continued

**Ken Peterson** supervised two Economics majors (Corey Allen and Matt Moulton) who are estimating a model of urban parking garage utilization; he also assisted Upstate Forever, a local not-for-profit organization, with an EPA-funded targeted watershed grant project. Furman students, under Dr. Peterson's supervision, collected parking utilization data that resulted in a change in the City of Greenville's municipal code (e.g., minimum parking requirements were reduced based on utilization data).

## Study Away



Faculty in the Department of Economics actively participate in a number of Furman's faculty-led Study Away Programs. In the fall of 2010, Professor Bruce Brown was the faculty director of Furman's Brussels Internship Program in Belgium. Dr. Brown taught an interdisciplinary studies course and oversaw the placement of each student in an internship in Brussels, many of which were with the European Parliament. In addition, students in this program take two courses at Vesalius College in Brussels. In the spring of 2012, Dr. Brown will serve as the faculty director of the Furman in Edinburgh program, another program in which students will be placed in local internships and take courses at a local university. In the spring of 2011, Dr. Nathan Cook participated in the Africa Study Away Program in southern Africa. Dr. Cook traveled with the students in South Africa and Namibia and taught a course on issues in African economic development. As the students traveled throughout South Africa, Namibia, Botswana, and Zimbabwe, they also took courses in History, Psychology, and Sociology, each taught by a Furman faculty member. In the future, we anticipate continuing to actively participate in Furman's faculty-led Study Away Programs.

# Activities

## The Fed Challenge

The Fed Challenge program, which is now in its third year at Furman, is an academic competition designed to expand student's understanding of the role of the Federal Reserve System in the economy and the importance of Federal Open Market Committee decisions. A Fed Challenge team is composed of three to five presenters, one to two faculty advisors, and any alternates or research assistants to the presenters. The team is responsible for crafting a 15 to 20 minute presentation in which they analyze the current economic situation, suggest future economic prospects, identify significant issues in need of special attention, and provide a policy recommendation. Following the presentation, the presenters will field questions from a panel of judges. Teams will be judged on how well they demonstrate (both in the presentation as well as the question and answer session) knowledge of monetary policy and the role of the Fed in policy implementation. The winner of the district competition, which is held at the Richmond Fed, will move on to the national competition at the Federal Reserve Bank of New York.

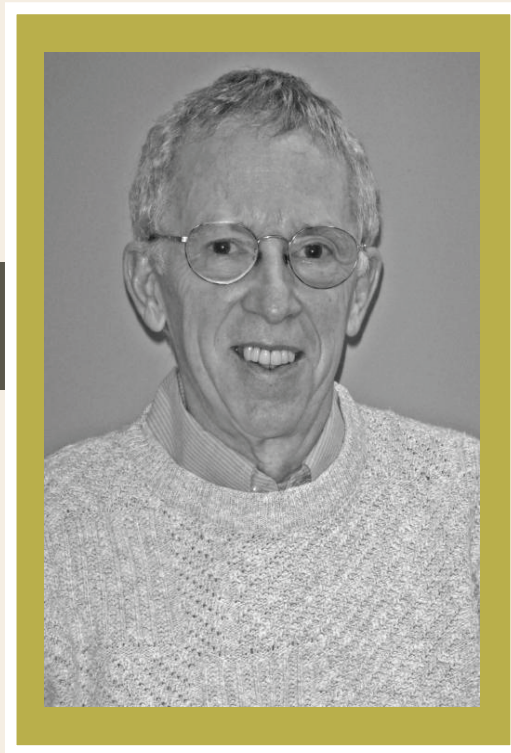
## Furman Economics Society

The Furman Economics Society is a student-run organization that's purpose is to provide a voice for students in departmental decisions, to work with the Economics department to select guest lecturers and assist in the planning of their visits, to encourage participation in and advertise for Economics department events by working closely with faculty and staff, and to further encourage a sense of community through student and faculty social events. So far, FES has brought guest lecturers, hosted alumni to speak to students about post-graduate opportunities, and helped organize department socials. If you are visiting Furman or the Greenville area, and would like to set up a talk, formal or informal, with students about what you have done since Furman, and the opportunities available to Furman Economics graduates, please contact Thomas Flood at [thomas.flood@furman.edu](mailto:thomas.flood@furman.edu).

## Investments Club

The Investments club is a student organization with advisors Kris Kapoor, Furman's chief investment officer and Dr. Bruce Brown, professor of Economics that has manages approximately \$250,000 of the University's endowment under management. The students meet once a week to discuss investment ideas. The club's objective is to outperform the Standard & Poor 500 index. At the end of spring semester, the club's holdings are sold and put into Spider Exchange Traded Funds (ETF) for the summer. They are now in the process of making weekly presentations so that they can start to move out of the ETF's and into individual stocks. The club looks forward to a bull market going into 2012!





Each issue, *Ceteris Paribus* will profile a faculty member; this issue starts with Dr. Bob Arden. Dr. Arden, an Allegheny College graduate, received his Ph.D. in economics from Vanderbilt University. He has worked in academics, government and industry, beginning with the economics faculty at Seton Hall University. While at Seton Hall, he consulted for the State of New Jersey's social services agency. From there, he spent many years with (then) AT&T in a variety of different activities. He began as a macroeconomist, providing forecasts and analyses of the US economy to assist AT&T's planning. He then worked in the Consumer Products Division, helping to guide the company through an unprecedented era of deregulation to a competitive market, a time period Dr. Arden describes as both exciting and stressful. Subsequently, he managed a group that developed market and strategic assessments of the computer industry for AT&T's Computer Division.

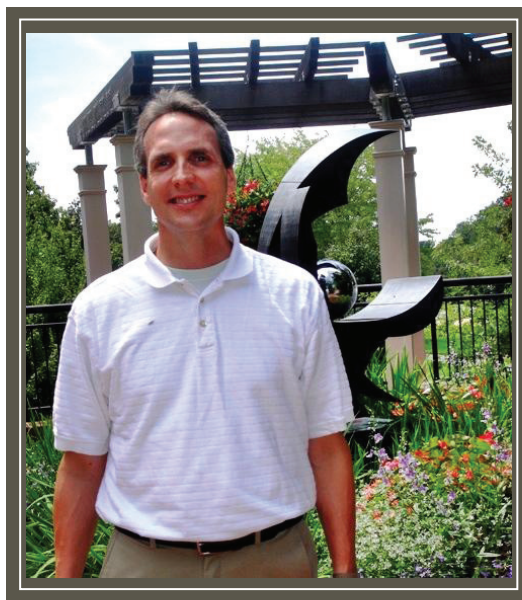
As AT&T began to reorganize, Dr. Arden took a position with Bellcore (now Telcordia) where he studied the development of new communications services for local telephone companies. Finally, he moved to Lucent Technologies supporting its marketing and sales organizations with financial analyses of the myriad products that Lucent offered to Internet and telecom companies.

Dr. Arden has brought his research interests and expertise with him to Furman. He cites in particular three projects he is currently engaged in: the rise and fall of AT&T; broadband Internet access competition between the telephone and cable TV companies; and evolution of the mobile wireless market. In addition, he has studied South Carolina's educational equity lawsuit and is completing a study of the Southern Connector Toll Road in Greenville. Dr. Arden involves his students in his research projects, and both they and the economics faculty benefit from his practical experience and research skills.

When he is not teaching or writing, Dr. Arden is an enthusiastic hiker, a talented graphite artist, and enjoys gardening with his wife, Jean. An excellent teacher, a great colleague, and a solid researcher, he adds much to our economics program, although he seems far too unassuming to be from New Jersey!

# final thoughts...

In July, the Bureau of Economic Analysis shared some bad news: from the end of 2007 to June 2009, output declined by 5.1 percent, a full percentage point worse than earlier estimates indicated. This came as little surprise to those of us who were watching (or experiencing) the rise in the unemployment rate from 4.4% in May 2007 to 10.1% in October 2009. Not surprisingly, the depth of this recession and the duration of its effects



have presented significant challenges for our students.

In 2009, several students who had intended to pursue careers in the financial sector ended up working for the Federal Government or enrolled in graduate and professional programs earlier than planned. Others found themselves searching much longer and across more fields and geographic space than anyone expected in order to find their first post-Furman job.

Internships were affected by labor market conditions as well. One student who had planned on interning at a municipal economic development department in a middle-size city was told by his prospective supervisor that he could not in good conscience agree to supervise his summer internship because he didn't know whether he would still be working for the city when the proposed start date for the internship arrived.

In times like these, the value of Furman's network of alumni, parents, and friends is at its pinnacle. Over the past three years, many of you have alerted us to internship and job opportunities that we would not have known about had you not taken the time to drop an email or call. In some cases, you walked or emailed a resume of a current Furman student to your HR department to ensure that it would receive a fair reading. And several of you initiated new internship programs specifically for current Furman students. It is difficult to

express the gratitude that we, the students, and their families feel for this support; it has been truly inspirational. There is no doubt in my mind that actions like these enhance the value of a Furman education.

As you have seen elsewhere in this newsletter, our students pursue a wide variety of internship and career paths. From investment banking to not-for-profit management, from law to health care administration, our students have a set of analytical reasoning and data analysis capabilities that transcend career boundaries. How wonderful it would be if out of the ashes of the Great Recession of 2008, our relationships among Furman alumni, current students, faculty, staff, parents and friends emerged stronger and more effective than ever.

Toward that end, I invite you contemplate whether you might make your experience and/or your social and professional networks available to help meet our current students' needs. For example, perhaps you are in a career or belong to an organization in which a current student is interested. Would you be willing to answer a few questions via email or phone for that student? Perhaps you work in an organization that hires interns or recent graduates. Would you be willing to alert your selection committee or HR department when a Furman student has submitted an application? Or you might work for an organization that doesn't have internship program. Would you be willing to work with Susan Zeiger, Furman's Internship Program Director, to create one? Furman can assist in creating the internship description, collecting the applications, and even interviewing the applicants (with assistance from a professor). Or, while you are on campus, would you be willing to participate in a panel presentation to current students about your career? If you answered yes to any of these questions, please complete and return the response form on the back of this newsletter or send an email to [ken.peterson@furman.edu](mailto:ken.peterson@furman.edu). We need your help now more than ever.

I would be remiss if I didn't thank those of you who designated your Furman contributions for the Economics Department. We are about to graduate the largest number of economics and mathematics-economics majors in Furman's history (thirty-eight) at a time when our discretionary funds to support our students are not yet back to pre-recession levels. Your gifts over the past three years have been more helpful than ever.

I realize that it's not fair to ask more of you. After all, many of you face the same labor market challenges and uncertainties as our new graduates. Please know however, that whatever assistance you can offer to our current students, it will be greatly appreciated.

To borrow a line from Garrison Keillor, be well, do good work, and keep in touch. And see you at homecoming!  
Ken Peterson



**Did you know?** Since Economics became its own department, the number of Economics majors has more than doubled!



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# We'd love to hear from you!!

Name \_\_\_\_\_ Class \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Would you be willing to help out with any of the following? (please check all that apply)

- Answer a few questions via email or phone for students
- Alert your committee/HR department when a Furman student has submitted an application
- Work with our Internship director in creating one for your organization
- If on campus, willing to participate in a panel presentation to current students about your career

Any news you would like us to include in our next issue? Any comments? Please list below.

\_\_\_\_\_

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Send form to Dr. Kenneth Peterson, Department of Economics, Furman University, 3300 Poinsett Highway, Greenville, SC 29613, or email your ideas or comments to [ken.peterson@furman.edu](mailto:ken.peterson@furman.edu)