

DEPARTMENT OF

## ECONOMICS



## A message from the head

Dear alumni, former colleagues, and friends,

I was looking forward to writing to you at the conclusion of the academic year, eager to share with you our transition away from the COVID pandemic. Indeed, as the year wore on, our country and our university seem to be moving steadily away from the extraordinary measures that have helped preserve lives but also greatly impacted academic life. The department has been progressively looking more like its old self, with people in the offices, in-person seminars, and traffic in the corridors. We are hopeful that the next year will see the completion of this transition back to the old normal!



George Deltas

This was a year with other major turning points.

Our department submitted a comprehensive proposal to improve the undergraduate program, involving including a new honors program, opportunities for undergrad research experience, mentoring of students, (particularly those from under-represented groups), an increase in

technical writing coursework, enhanced study abroad options, expanded career services, and other developments. These additional features and improvements will be funded by a modest tuition differential, setting aside funds to ensure that students with financial need do not incur any additional costs.

For the first time, our faculty recruiting was defined, to a large degree, by the research question, not by field. We searched for faculty working on issues of social justice and racial equity, regardless of the tools used and the field specialization. We saw a breadth of candidates from many different areas, and we are happy to have Joshua Shea, from the University of Chicago, and Lena Song, from NYU, join us this coming and the following academic year, respectively. Joshua is an econometrician who has devised new methods to detect and assess police bias, and Lena is a microeconomist with a diverse work portfolio and a job market paper on media content and racial attitudes. We are also thrilled to have Marcelo Medeiros, of the Pontifical Catholic University of Rio de Janeiro, join us as the Jorge Paulo Lemann Chair in



Brazilian Economy. Marcelo is a world leader in financial econometrics and high dimensional data. Our final hire of the season is Daniela Alonso Fuentes, who is joining our department as a clinical assistant professor. Daniela will establish a DataLab that will focus on faculty-led student applied research of interest to corporate and public entities. The lab will increase student research experience of real-world significance and help with placement following graduation.

This year, we have also established a robust system of faculty development that will help streamline promotion to tenure and then a further promotion to full professor. This system should help ensure that our recent trend of successful promotions continues and that the many junior faculty we have hired in the last few years continue their career at Illinois as associate professors.

Due to the generosity of our alumni, we have two new endowed initiatives. One initiative, funded by Carla Tighe Murray, is creating a fund to help doctoral students who experience unusually high expenses associated with the care of a family member. A second initiative, funded by Danielle Alagna-Tomczak and Peter Tomczak, is creating a lecture series in law and economics. Carla is a PhD alumna and Peter is an undergraduate alumnus of our department.

With the end of the pandemic restrictions on events and travel, we were also able to celebrate (one year late) the 125th anniversary of the founding of our department. We welcomed back numerous Econ alumni, many of whom gave lectures on their work, and took the opportunity to bring together current students (of all programs) with current and former faculty.

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Despite the pressures on the doctoral job market from the disruptions of the last two years, we were very happy to see that our PhD students seeking jobs were very successful. We were thrilled to see Tatiana Mocanu land a job at Columbia University, Sergio Rocha take a position at Monash University, and almost everyone else take other academic positions or high-paying private sector jobs.

Finally, we also have two departures due to retirement, and one to another school. Firouz Gahvari, the Leiby Hall Professor of Economics and the longest serving director of the MSPE program, retired at the end of Fall 2021 after spending nearly

30 years in our department. Hassan Arvin-Rad retired in August of this year, after spending more than 15 years of making great contributions to undergraduate instruction. Rui Zhao has left the department to join the University of Chicago, her alma mater. Rui had spent most of her career at Illinois, contributing to macroeconomics instruction at all levels and also being very active in research. All will be missed.

I wish you all a happy and productive year ahead.

George Deltas  
*Department head*

## Undergraduate program update

The return to in-person instruction and activities this spring has been fun and invigorating. We were able to once again host our spring Economics Awards Brunch and our Econ Undergraduate Research Symposium in April. It was so exciting to honor our talented students and our inspiring alumni.

Students, staff, and faculty alike were thrilled to return to in-person graduation ceremonies, with more than 300 students in our department participating in our Economics Convocation. Our undergraduate program now consists of more than 1,290 students across our three majors and minor: the economics BA, econometrics and quantitative economics BS, and computer science + economics BS. Although our biggest growth is in our econometrics (199 students as of Spring '22) and CS + econ majors (139 students), our economics BA remains the most popular by far with 815 students, in addition to our 141 economics minor students.

Econ at Illinois has expanded our offerings for undergrads, now featuring everything from behavioral economics to applied machine learning, to enhance our students' marketable skills and align with their interests. Outside of the classroom, our three econ abroad programs (in Vienna, Paris, and Pavia, Italy) are in high demand as students are ready to study abroad again. Our new 4+1 program makes it easier than ever for econ students to pursue a Master of Science in Policy Economics.

As we celebrate the 125th anniversary of the Department of Economics, we have many more plans underway to enhance our undergraduate students' experiences while maintaining that sense of tradition and community that makes econ at Illinois so special.

Jamie Thomas-Ward  
*Associate Director of Undergraduate Studies*



# MSPE program update

**The Master of Science: Policy Economics (MSPE) Program** welcomed a new staff member this spring. Molly McLaughlin joined the MSPE staff as an office support specialist. Molly will handle questions by students and faculty. She will also work with Professor Ali Toossi to schedule student advising appointments, to assist the students with registration, and to maintain the academic records of the students.

Two of our favorite alumni from our PhD program were visiting this spring to teach important econometrics courses. Christos Agiakloglou was visiting from the University of Piraeus located in Athens, Greece, and taught the required core course in econometrics for the first-year students. This course leads to popular elective courses on advanced topics in econometrics offered during the summer and fall semesters. Yannis Biliadis was visiting from the Athens University of Economics and Business, also located in Athens, Greece, and taught an elective topics course on machine learning. Machine learning is a branch of artificial intelligence that is useful in econometrics for finding empirical relationships in very large data sets.

Fall 2022 applications are arriving somewhat ahead of last year, so we will surely receive more than 500 applications again. An increasing number of international applicants have completed their undergraduate degrees at a university in the United States. Numerous applicants have had interesting internships with banks or investment firms. Many applicants have strong backgrounds in mathematics, statistics, and/or computer programming, and some have also done substantive empirical projects for one or more of their undergraduate courses. In their personal statements, many applicants express an interest in improving their econometric skills in order to find positions in public policy. Finally, it appears that we will have sponsored students from a variety of countries again next year.

Marty Perry  
*Director of MSPE program*

# PhD program update

We started the year with an incoming class of 11 students selected from a pool of almost 400 applicants. There were two students each from the U.S., India, Korea, and Iran, and one student each from Brazil, China, and Peru. Three students from the PhD track of our MSPE program joined the second year of the PhD program.

Several of our PhD students received rewards and recognition for their research. Evangelos Constantinou received a dissertation completion fellowship from the Graduate College, which is a prestigious campus-wide award. Mahounan Yedomiffi was awarded a dissertation travel grant which will help him to run a randomized control trial in Benin that investigates the impact of parental involvement in students'

learning outcomes. We are also very proud that Sebastio Oliveira received a Werner Baer fellowship from the Lemann Center for Brazilian Studies. Finally, Vinicios Sant'Anna and Sergio De Holanda Rocha's dissertation research was supported by a fellowship from the Mr. Jorge and Mrs. Susanna Lemann Endowment.

It has certainly been good for us to teach all our PhD classes in person, to meet up at a pizza party in the fall, and to hold additional social get-togethers in the spring.

Stefan Krasa  
*Director of PhD program*

# Doctoral student placements for 2022 graduates

**PhD students from the Department of Economics accepted offers from the following organizations/institutions:**

- Analysis Group
- Centers for Medicare & Medicaid
- Columbia University
- Digonex
- Discover Card
- Facebook
- Keystone
- Massachusetts Institute of Technology
- Monash University
- Rensselaer Polytechnic Institute



# PhD spotlight

## Eduardo Medina-Cortina



**Eduardo Medina-Cortina** is a PhD candidate in economics and a MSc student in applied statistics. Before coming to Illinois, he earned his bachelor's and master's degrees in economics in Mexico City, where he is from. During his academic career he has conducted research with the World Bank, the Central Bank of Mexico, El Colegio de Mexico, Claremont Graduate University, and Duke University.

His research agenda focuses on improving measurements of the undocumented population's flows and stocks in the United States, as well as the effect of U.S.-based policies on current and future migration patterns. Eduardo's job market paper studies the effects of deportations and immigration enforcement on the size and internal mobility of the Mexican immigrant population in the United States. His previous research, joint with the World Bank and the Bank of Mexico, focused on how the COVID-19 pandemic influenced remittance-sending behavior from the United States to Mexico by utilizing data on migrant networks. An additional collaboration with

the Bank of Mexico and fellow graduate student, Priya Ghosh from Illinois, studied the Mexican labor market's adjustment processes, including migration into the United States, in reaction to economic shocks. Eduardo has previously published co-authored manuscripts with research investigating the effects of skin color on social mobility in Mexico, and the effect of skin color on the future aspirations of young Mexican students.

During his time at University of Illinois, he worked as a teaching assistant for principles of microeconomics between 2019 to 2020, where he was rated as an excellent TA by his students. Eduardo also collaborated as a research assistant for Professors Hyun Hong and Adam Osman. Finally, Eduardo has received honorable mentions during his time at Illinois, including the 2020 Hans Brems Graduate Research Award for his third-year paper and the 2021 Paul W. Boltz Fellowship.

# PhD spotlight

## Tatiana Mocanu



**Tatiana Mocanu** is a labor economist studying the impact of organizational practices and policy design on gender and racial inequalities in labor markets. Her work combines natural experiments with the development of new text extraction and processing methods to tap into previously unavailable data sets and economic phenomena. She will join Columbia University as an assistant professor of economics in 2023, after spending a year as a postdoctoral research fellow at the Stone Centre at University College London.

In her job market paper, Tatiana addresses a central question to firms and organizations: how to optimally design screening to improve employee diversity. Despite increasing resources devoted to improving gender diversity in the workplace, firms still grapple with under-representation of women at various levels of the corporate ladder. Designing hiring processes that are bias-free and that select the best candidates requires balancing the precision of screening methods being used, the potential disparate impact associated with these methods, and the bias of evaluators conducting the selection process. Studying how these forces interact and determine gender gaps requires a level of access to firms' hiring practices that economists often lack, leaving employee selection as a black box.

By developing new text analysis methods and implementing an innovative identification strategy, Tatiana leverages information in millions of hiring records from Brazil's public sector to study how several different changes in screening methods impact gender equity for a wide variety of skill levels and occupations, ranging from lawyers to drivers and nurses. Her main results show that screening changes that limit discretion in existing hiring practices or add new impartial screening tools reduce the gender hiring gap up to 40 percent, while policies that eliminate subjective screening tools, such as interviews, are ineffective because the loss of screening precision outweighs the reduction in bias from evaluators. In addition, more gender-balanced hiring committees induce male evaluators to become more favorable toward female candidates in subjective stages.

Tatiana's research has been extensively supported by the Department of Economics, including numerous travel grants and through the Morris and Sally Kleiner Labor Economics Prize, the Paul W. Boltz Fellowship, and the Robert E. Demarest Memorial Teaching Award.

# Alumni awards



*Carla Tighe Murray*

**Carla Tighe Murray** is a private consultant with an extensive career analyzing policy options

for the executive and legislative branches of the federal government. She received her PhD in economics from the University of Illinois Urbana-Champaign in 1989. She taught at the university level, publishing papers on insider trading and highway safety measures, before moving to Washington, D.C., and taking up a position at the Center for Naval Analyses, a non-profit organization supporting the federal government.

Dr. Murray focused primarily on defense manpower, personnel and military health care, and the economics of defense infrastructure – work that required her to travel to military bases overseas and to participate in naval operations – and served as scientific advisor to the Assistant Secretary of the Navy for Research, Development and Acquisition. In the mid-1990s, Dr. Murray accepted an appointment to the federal government in the Office of the Secretary of Defense, the Pentagon, first as a senior analyst, then as special assistant to the director of the Office of Program Analysis and Evaluation (now called Cost Analysis and Program Evaluation). This office analyzes the Department of Defense’s \$700+ billion annual budget and multi-year capital program on behalf of the President.

Following this assignment, Dr. Murray was promoted and appointed as director of economic and manpower analysis for the Office of the Secretary of Defense. Several months after 9/11, Dr. Murray was offered an opportunity to work for the legislative branch of government, for the Congressional Budget Office (CBO), one of the few non-partisan parts of Congress. She accepted this appointment and remained with CBO until her retirement in 2019. Dr. Murray lives in Alexandria, Virginia, with her husband and daughter.

We are pleased to announce that Dr. Murray is the recipient of the 2022 Economics Career Achievement Award.

**Megan Shebik** is a 1980 alumna in the Department of Economics having spent the last 28 years in philanthropy serving on various boards and committees. Prior to that, she was employed with Kemper National Insurance in underwriting management. Megan is currently a trustee and grant committee chair of the DuPage Foundation; a member of the Library Board of Advocates at the University of Illinois Urbana-Champaign; a member of the University of Illinois Foundation; and a member of the President’s Council.



*Megan Shebik*

We are pleased to announce that Megan is the 2022 recipient of the Economics Social Impact Alumni Award.



# Alumni awards



*Michele Steele*

**Michele Steele** joined ESPN as a correspondent in December 2011 and contributes to all ESPN broadcasts and platforms including SportsCenter, Outside the Lines, and NFL Countdown. Her reporting for the network has taken her inside a criminal court to follow the murder trial of former NFL player Aaron Hernandez, to the Winter and Summer Olympics and to multiple Super Bowls and NBA championships.

Steele joined ESPN with experience anchoring and reporting for Bloomberg Television, where she was the network's first sports reporter with a focus on the business of the NFL, NBA, MLB and the NHL. Prior to that at Bloomberg, she was deployed as a correspondent covering the U.S. economy. She anchored a morning business newscast that was broadcast to over 120 affiliates nationwide. Before working at Bloomberg, she spent time at Forbes where she was a regular contributor to business programming on Fox News.

Her journalism career began in Chicago for the nationally syndicated business television show First Business, where she pitched, secured funding, and traveled to India to report a four-part series on Asia's third largest economy.

She earned a bachelor of arts degree in economics from the University of Illinois at Urbana-Champaign and a master of science in journalism with a focus on broadcast media from Columbia University. A native of Chicago, she is a member of the Asian American Journalists Association, the Alliance Francaise, and the Young Professionals group of the Michael J. Fox Foundation for Parkinson's Research. She credits her dad for her sense of humor and for, above all, teaching her the importance of rooting for the underdog.

We are pleased to announce that Michel is the 2022 recipient of the Economics Outstanding Young Alumni Award.

**Is there an economics alumna or alumnus that you think is deserving of one of these awards?**

If so, please nominate them by visiting [go.illinois.edu/EconAlumniAwardsNom](https://go.illinois.edu/EconAlumniAwardsNom)

Nominations are due by January 1st of each year.



**Looking for ways to get involved in Econ?**

We are always looking for alumni volunteers to share their time and experiences with our students. If you are interested in volunteering please visit:

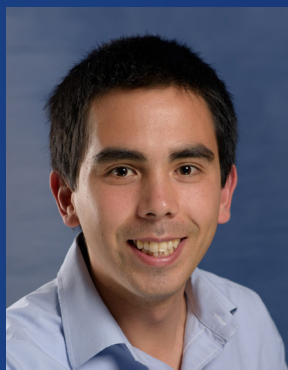
[go.economics.illinois.edu/alumnivolunteer](https://go.economics.illinois.edu/alumnivolunteer)

We look forward to hearing from you!



# Faculty spotlight

Over the last 40 years, the United States has seen an increase in regional inequality, with rich coastal cities pulling away from the rest of the country in terms of economic opportunity. This contrasts sharply with much of U.S. history in which lower-income regions would typically grow faster than those that were ahead. The change over the last 40 years has reshaped the country's economy.



*Greg Howard*

**Greg Howard**, an assistant professor in the department, explores in his research the causes and consequences of this regional inequality, as well as the policies that affect it. In particular, Greg is interested in labor mobility, rents and house prices, and the historical roots of regional inequality.

One way people respond to regional inequality is by moving. Greg's research investigates the effects of migration within the United States, finding that it can increase regional inequality in the short- and medium-run. Traditional economic models have focused on the effects that migration has on labor supply in different regions, but Greg's research points out that this migration also creates new jobs, especially due to housing construction and higher house prices. So instead of being an equilibrating force, as traditional economic models would have suggested, labor mobility actually amplifies local economic shocks.

Regional inequality is also one of the main contributors to increased rents and increased house prices, according to Greg's research. In work with Jack Liebersohn, they show that the primary reason that rents in 2018 were so much higher than in 2000 is because more crowded coastal cities were the primary places that experienced economic growth and increased urban amenities. As more people want to move to those locations, they bid up rents. Because this growth occurred in cities where it is especially hard to build housing, a large share of the welfare gains from economic growth accrued to homeowners and landowners in those places. In

another paper, Greg and Jack extend this framework to show that house price movements, including the major fluctuations of the early 2000s, are due to how quickly regional inequality is increasing. In fact, their model can explain the major changes in both rents and house prices since World War II, which had previously been a challenge for economic models.

Greg is also interested in the historical origins of regional inequality. With various coauthors, he has looked at how local dry laws affected population and economic growth in the early 20th century, and he has investigated the effects that a regional public university can have on withstanding local manufacturing decline. One of the lessons from his work is that the prosperity of local economies has roots that go back decades or even centuries. Studying these events of the past can also teach us important lessons for pressing current economic questions.

Outside of regional inequality, Greg also studies how people make decisions. He has used data from major league baseball and online chess games to test economic theories of attention and decision-making.

Greg teaches in all instructional programs of our department. His undergraduate course on international macroeconomics focuses on the history and lessons of financial crises, and his master's class on international finance gives a global perspective on macroeconomics. He also teaches a topics macroeconomics class at the PhD level. He enjoys advising many of the macro PhD students, and he organizes a macro lunch for the students to present their research as well as a macro seminar that brings in experts from around the world.

# Retirements



*Hassan Arvin-Rad*

## **Hassan Arvin-Rad**

retired in August 2022 after 16 years at the University of Illinois. He began his career as a visiting lecturer in the Department of Economics in 2006. In 2018, he became a lecturer.

He entered academia in 1990 as an assistant professor at Florida International

University. Before coming to University of Illinois he held positions as visiting faculty at Wayne State University, lecturer at Northwestern University, and associate professor at the University of Tehran.

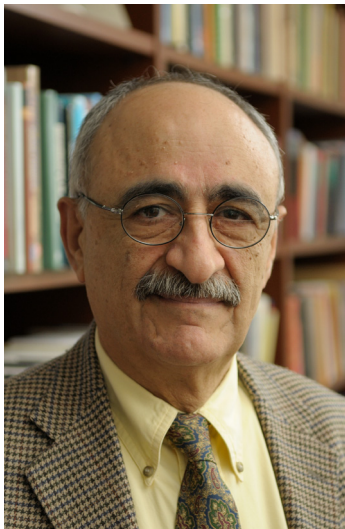
Dr. Arvin-Rad earned his bachelor of science degree in economics from the University of Tehran. Then he

continued to earn his master's degree in econometrics and mathematics from the London school of Economics. He earned his PhD in economics from the University of Pennsylvania.

Dr. Arvin-Rad has published several papers on econometrics theory and its application in analyzing developing economies. As a lecturer, he made valuable contributions to the Department of Economics. He taught courses in public economics and econometrics. As a teacher, he engaged with students and always maintained a supportive and gracious attitude. He imparted his knowledge and skills to several generations of students, many of whom gained admission to top graduate schools under his supervision.

We—the faculty, staff, and student body—express our deepest gratitude to Dr. Arvin Rad for his accomplished career and retirement. His many contributions will have a lasting positive impact for years to come. We wish you a happy and fulfilling retirement.





*Firouz Gahvari*

**Professor Firouz Gahvari** retired in December 2021 after 28 years at the University of Illinois. He began his distinguished career at the U of I as a professor and the director of the Master of Science in Policy Economics (MSPE) program in the Department of Economics in 1994. Due to his

many impressive academic accomplishments, he was awarded the Leiby S. Hall Distinguished Endowed Chair in Economics in 2008.

Dr. Gahvari started his academic career in the United States in 1981 as an assistant professor at the Virginia Polytechnic Institute. Prior to that, he worked at the Economics Research Department of Central Bank of Iran between the years 1972 to 1977. He has also held visiting positions at Department of Economics, Uppsala University, Sweden; Center for Economic Studies, University of Munich, Germany; Industrial Economics Institute, University of Social Sciences, Toulouse, France; Department of Economics, University of Southampton, Southampton, England; School of Business Administration and Economics, California State University, Northridge, California.

Dr. Gahvari's distinguished career began in 1967, when he was awarded Central Bank of Iran's full scholarship to continue his education in England. He earned his bachelor of science in economics from University of London (Queen Mary College). He then went on to earn his master's degree in econometrics and mathematics from the London School of Economics. He earned his C. Phil and PhD in economics from University of California, Los Angeles.

Dr. Gahvari has made numerous scholarly and professional contributions that have benefited not only the university but also his field more broadly. His research has focused on public economics and taxation. He has published and co-authored more than 80 papers in an array of prominent academic journals such as *Journal of Public Economics*, *American Economic Review*, and other outlets. On the other side of the publishing process, he served as associate editor for the *Journal of Public Economics*, *Journal of Public Economics Theory*, *Economics Bulletin*, *Journal of Economic Analysis & Policy*, and *Quarterly Review of Economics and Finance*. He has also served as a referee for more than a dozen academic journals.

As an administrator, he has made lasting contributions to the Master of Science in Economics (MSPE) program at the University of Illinois. During his time as the director, the program expanded and was recognized as one of the best master's programs in economics in the United States. More than 1,200 graduates of the program during his time as director will remember him as a caring person who worked hard to make sure that they would receive a quality education.

Dr. Gahvari's contributions include his exemplary teaching, which included both undergraduate and graduate courses. He was included on the List of Teachers Ranked as Excellent by their Students many times.

We—the faculty, staff, and student body—congratulate Dr. Gahvari on his accomplished career and retirement, and thank him for his many contributions, which have had a lasting positive impact across so many domains. We wish you a fulfilling retirement.



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**Joseph Baldwin**  
Associate director  
of development

**When you give to the department, you make an impact on the future of our students and faculty.** We are grateful to so many of you who continue to generously invest in us and ensure our excellence in teaching, learning, research, and outreach. If you are interested in giving opportunities, please contact our associate director of development, **Joseph Baldwin**, who can be reached at [jbbaldw2@illinois.edu](mailto:jbbaldw2@illinois.edu) or **(217) 300-5967**.

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Our department relies on the generous support of alumni and friends to provide the best possible learning and research environment for our students and faculty members.

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- Recruit and retain the best faculty members
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- Provide learning and professional development opportunities for our students

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