

UNION COLLEGE
ECONOMICS DEPARTMENT

NEWSLETTER

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FALL 2022



The Chairs Corner

by Lewis Davis, Thomas Armstrong Professor of
Economics and Economics Department Chair

Dear students, alumni, and fellow faculty members, it's a great pleasure to greet you as the weather turns cooler and the brilliant fall colors begin to fade with the coming of winter and the first snows!

As I write, classes have ended for the term, students are taking exams and our seniors are completing the first terms of their thesis projects. Below, I catch you up news from the Department, including comings and goings, our staffing shortage and hiring priorities, the upcoming launch of the UFN Finance Bootcamp, and the Department's recent research activity!

Comings and Goings

At the end of fall term, the Department is saying good-bye to Prof. Shelton Schmidt, who is moving on to a much-deserved retirement! Prof. Schmidt joined the Department in 1974, received tenure in 1980, and was appointed the Chauncey Winters Professor of Economic Thought in 2013. During his time at Union, Prof. Schmidt taught a wide range of courses, including Introduction to Economics, Introduction to Econometrics, Quantitative Methods in Economics, Seminar in Econometrics, Public Policy and American Industry, Efficient Management of Technology, Independent Studies, and Senior Theses. His research focused on applied econometrics, and particularly the measurement of efficiency.

To put his length of time at Union in perspective, the year Prof. Schmidt was hired, Ford pardoned Nixon, The Way We Were topped the Billboard charts, and a dollar could purchase the equivalent of \$6.04 of today's goods. He is also rumored to have proofread early copies of the *Wealth of Nations*, as a personal favor to Adam Smith, though this could not be independently confirmed.... But all kidding aside, Prof. Schmidt has educated and mentored countless generations of Union students, and his service to them, to the College and to this Department will be sorely missed!

The Department was delighted to welcomed two new faculty members this fall, Assistant Profs.

Zachary Rodriguez and Prateek Arora. Prof. Rodriguez specializes in Economic Development and will be developing a new course on the Economics of Global Poverty that will be offered this Spring. Prof. Arora specializes in macroeconomics and international finance and will be offering courses on Monetary Economics and Macroeconomic Theory and Policy.

Our Ongoing Staffing Shortage and the Hope for New Positions

Measured by majors, the Economics program at Union is clearly the largest on campus, with nearly one fifth of all graduates receiving a major in Economics or Managerial Economics. In contrast, Economics accounts for only one-fifteenth of Union's faculty. The resulting mismatch between supply and demand means that the Economics Department operates with a significant staffing shortage and has for roughly a decade.

This year we expect to address this shortfall by hiring one or two visitors, who will join the three full-time visiting faculty and three adjuncts the Department currently employs to help meet the demand for our courses. Going forward, we hope to meet some of our staffing needs in part by finding donors to support new tenure lines, and the Department is currently working with College Relations to develop proposals for new tenure lines. In particular, the Department is prioritizing three lines, one in Financial Economics, one in Environmental Economics, and one in the Economics of Race, Gender or Income Inequality. Filling positions in these fields is a key strategic goal for the Department and will play an important role in our ability to fulfill our educational mission.

The Finance Bootcamp

This December, Union will launch the inaugural run of the Union Financial Network Finance Bootcamp! Designed to help Union students transition to careers in finance, the Bootcamp will

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host 20 Union students for two weeks in New York City. The first week will focus on training in accounting and financial modeling techniques, and the second week will focus on the development of preprofessional skills, such as interviewing and networking, and on-site visits at major financial firms. The program was developed as a collaboration between the Economics Department, the Becker Career Center and the Union Financial Network, and is supported by generous gifts from the Union Financial Network. The first week of training will be led by Profs. Tomas Dvorak and Jim Gavin. Alumni would be interested in finding out more about this program should contact me, davisl@union.edu, or Rog Woolsey, woolseyr@union.edu, Director of the Becker Career Center.

Research Activity

I would be deeply remiss if I failed to recognize the scholarly achievements of our faculty. Despite the challenges of the past few years, the Economics faculty continues to produce high quality, innovative research at an amazing rate, with recent publications by Carl Cheng, Alicia Dang, Lewis Davis, Dolores Garrido, Kaywana Raeburn, Zachary Rodriguez, Fuat Sener, and Younghwan Song. This work highlights the breadth and depth of our faculty and addresses a wide range of topics, including informational barriers to agricultural innovation in Guyana, political connectedness and R&D in Vietnam, transcatheter aortic valve replacement, women's economic rights, sports and domestic violence, and the role of product diffusion in economic growth. It's a great pleasure to be a part of such a vibrant and creative scholarly community! Please see the Department's Faculty Research page for more on these and other recent publications.

I am always glad to hear from our students and alumni! Please feel free to contact me at ecochair@union.edu.

Wishing you a wonderful Holiday Season and a happy New Year,

Lewis Davis

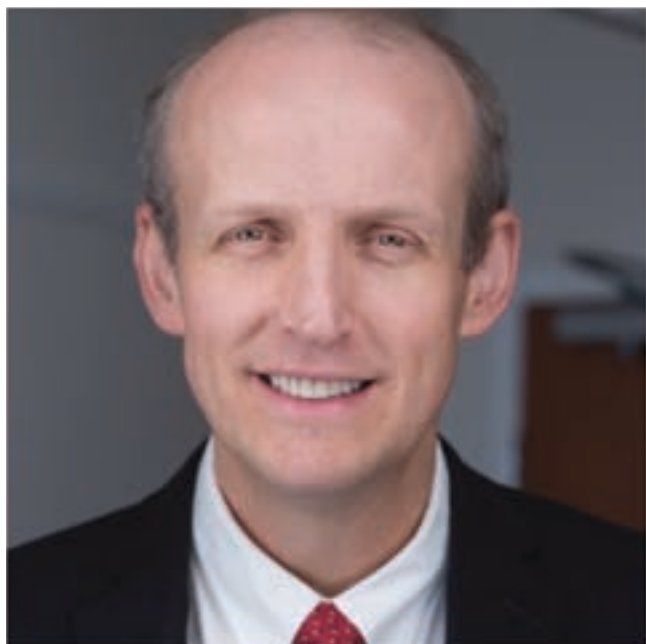


Congratulations to Shelton Schmidt on his Retirement

Written By: Blake Thomas

The Economics Department Newsletter as well as all faculty and students would like to congratulate Professor Shelton Schmidt on an outstanding career. Since joining Union College in 1974, Professor Schmidt has taught a variety of courses in economics as well as served as an advisor to hundreds of senior students' theses'.





Interview with Professor Dvorak

By Matthew Dougherty

Tomas Dvorak joined the Union College Economics faculty in 2002, 20 years ago, and has been a staple to the department ever since. Professor Dvorak came to the United States from the Czech Republic in 1995. Once here, Dvorak got his Ph.D. in economics from the University of Maryland. After graduating from the University of Maryland, Dvorak received an offer from Williams College located in Williamstown, Massachusetts. After a short tenure at Williams, Professor Dvorak received an offer to teach at Union. What Professor Dvorak likes most about the Union Economics program is that he feels it sets students up for a bright future through its project-based learning, one on one attention, and Senior thesis.

Professor Dvorak has done research in a variety of fields including International Finance, Design

of Retirement Plans, Learning Analysis, Teaching Empirical Methods, and more. Professor Dvorak is most proud of his project on analyzing the returns that American investors earn abroad versus the returns that foreign investors earn in the US. This went on to be published in the prestigious Quarterly Journal of Economics. Dvorak enjoyed this topic because the question was relatively simple, it was a reading-based project that did not require complex theory, equations, or econometrics, yet his findings proved to be extremely rich. Another outlet Professor Dvorak uses for some personal research and enjoyment is medium.com which is more of a blog-like web page rather than an academic journal. Dvorak will be joining Becker Career Center's new Walk on Wall Street program over this winter break, a two-week program devoted to students interested in joining the world of finance once they graduate from Union. Here, he will be teaming up with Professor Jim Gavin. The two will be running the first of the two weeks by teaching students the fundamentals of accounting and financial modeling.

Stephen Rosenblatt on his Journey to Wall Street

By: Matthew Peoples



PHOTO BY CANDICE NGUYEN, UNION COLLEGE

Last week the Union College Community had the honor of welcoming back Stephen Rosenblatt, Class of 1987. Stephen Rosenblatt has had a long successful career on Wall Street and has been the Managing Director at Barclays responsible for Equities Program Trading since 2008. The Economics Department set up two events for Stephen, one about his journey from Union to Wall Street, along with his thoughts on the current market outlook. The second session was teaching the Student Investment Club about Bloomberg Terminal and how he uses the software to help with his job.

I was able to attend the second session to learn about the Bloomberg Terminal. Stephen went through his routine of analyzing equities. Checking volumes, top financial storylines, currency exchange rates, and major U.S. Indexes like the S&P 500. We were able to learn how to use tools like correlation coefficients, volume indicators, and moving averages which can help you understand the

movement of a stock. Students who attended even got to ask Stephen to analyze their stock of choice using Bloomberg Terminal. It was a great experience for everyone in attendance and we are very grateful for Stephen giving us his time.

After his visit, I had the pleasure of interviewing Stephen over the phone. Stephen was pleased with his return to campus visit which he has been doing for years now. He likes comparing and contrasting the culture and atmosphere of Union now with when he was a student. Stephen said there wasn't a big focus on finance-related careers during his time and he was one of the few people who got into the industry in his class. He said as finance-based careers became more attractive that Union has done a good job adjusting to make more finance-related classes and extracurricular activities.

We spoke about how the integration of the Bloomberg Terminal impacted Stephen's job along with the rest of the trading industry. Stephen shared that before the introduction of the

Bloomberg Terminal, trustworthy information was hard to come by in a timely manner which made his job a lot harder. Once the Bloomberg Terminal was integrated it became a powerful central hub for reliable information that makes communication flow so much easier. Stephen went as far as to say, "it's the most important thing we work with on a daily basis."

Stephen carries himself as a true professional that inspired me and others with his enthusiasm for his profession. We look forward to his next visit.

Let's Talk Thesis



Name: Justin Regis

Major: Economics

Minor: Philosophy and Anthropology

Thesis Advisor: Younghwan Song

Favorite Economics Course: Econometrics

Campus Involvement: Varsity Basketball

Previous Internships: Global Markets Operations Analyst at Barclays

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How has the economics department prepared your internship experience?

The economics department has offered me a variety of courses that required me to not just think, but also apply my knowledge to numerous assignments and exams. As mentioned before, Econometrics, taught by Professor Dvorak, was my favorite class because it was the most challenging class that I ever had to take and overcome. The mix of statistical analysis and economic interpretation put my brain to work in ways that mimicked the environment in my previous internship. A lot of the classes in the economics department gives you the material to succeed, but it is up to you to be independent in learning and applying what was given to you, which applies to all facets in life.

What is your thesis?

How Did the Implementation of the NBA One-and-Done Rule Affect Players' Success?

Why did you choose this topic?

I chose this topic because I wanted to see what one of the most talked about policies in the NBA had to do with the outcome of the players' careers. My favorite sport is basketball and I have played it all of my life. I was trying to come up with a topic centered around basketball or the NBA and this one was unique in the sense that it is investigating a policy and one that is popular and relevant. Currently, the NBA commissioner, Adam Silver, is working to abolish the long-standing one-and-done rule, so I am curious to see if there was any true causal effect of the policy, whether that be positive, negative, or none at all.

Describe your thesis:

Due to the influx of high school players entering the NBA draft in the early 2000s, a policy was instated in 2006 to restrict this from happening. Designed to prevent athletes from entering the NBA draft straight out of high school, the rule states that athletes must be at least 19 years of age and at least one year removed from the graduation date of their high school class. There is existing literature studying the statistical performance of players who entered the NBA out of high school versus those who played only one year or more, looking to analyze if playing college basketball at all is beneficial to the career's of these players. However, there is no existing literature that tests the actual efficacy of the policy itself. To test this, I employ the difference-in-differences model. This approach compares the changes in outcomes over time between a population in the treatment group and a population that is in the control group. Assuming the distribution of the unobserved variables is the same before and after for each group, the difference-in-differences would net out these unobserved variables, showing whether or not there is a significant causal effect of the policy put in place. I hypothesize that there was no significant positive effect for player's advanced statistical performance in the NBA in implementing the one-and-done rule, and the policy ultimately restricts capable players from earning a salary in their earlier years.

What has been the most challenging part of your thesis?

Collecting data of individual players high school and NBA statistics as well as implementing control variables that would help get rid of endogeneity.

What advice would you give a current Union economics student?

I would tell them to finish as many common curriculum courses and economic major requirements before the start of their senior year so that they give themselves enough time to give their best effort.

As a side note, do you have any hidden talents or interests?

I am an avid chess player (still have long ways to go) and I am currently developing an app with my twin brother!

ARTICLE BY LUKE MCGARRITY



Name: *Cole Hartman*

Major: Economics

Thesis Advisor: Professor Rodriguez

Favorite Economics Course: Econometrics

Previous internships:
Sophomore summer: 406 Ventures

Junior summer: CVS Health

Let's Talk Thesis

How has the economics department prepared your internship experience?

The challenging but rewarding Economics course load has allowed me to further develop critical skills that I have utilized in the workplace. I feel I am better able to simplify complex issues, communicate through speaking and writing, analyze data, and quickly identify relevant pieces of information thanks to the various economics classes that I have taken here.

What is your thesis?

My thesis paper is examining trends in psychiatric telehealth cost-effectiveness and utilization post-Covid.

Why did you choose this topic?

During my internship with 406 Ventures, I spent a good amount of time working with one of their portfolio companies called In Stride. In stride was a start-up telehealth company looking to develop an online platform that treats adolescent anxiety. During this experience, I learned about the benefits that telehealth can potentially add to the behavioral health space. I also developed a strong interest in telehealth and this interest drove me to my thesis topic.

What has been the most challenging part of your thesis?

The most challenging part of my senior thesis for me was picking my topic. I knew I wanted to do something related to telehealth, but I wasn't sure exactly what. Narrowing down this down required a good amount of literature review. I tried to be patient and not jump into any specific question too quickly. But I also had to make sure I was making steady progress toward finalizing my topic.

What advice would you give a current Union economics student?

My advice to current econ students is to try to develop good time management skills

As a side note, do you have any hidden talents or interests?

Best Catan player at Union College

ARTICLE BY DAN DONAHUE