



The Park Place Economist

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Better from the Editor

Over the past year I have had the privilege of overseeing the eighth edition of *The Park Place Economist*, a unique undergraduate journal that presents the impressive research conducted by my peers. As in previous years, a wide array of topics are presented in this issue.

The journal's first paper, written by Alex Kons, discusses the dynamics of airline pricing. Next, Terry Chapman explains how today's policymakers can benefit from the monetary policy failures during The Great Depression. The two papers that follow offer complimentary research on gender discrimination in the workforce. In her research honors thesis, Jenny Van Dyke '99 explores the wage gap between males and females across various professions. In an attempt to further explain the existing gender wage gap, Dieter Haager builds upon Van Dyke's model.

The following five papers deal with financial and international issues. Quan Lai explores the recent currency crisis in Thailand while Emily Griffen, Esteban Lizano, Kathy-Ann Moe, Marta Siaba, and Michelle Stone collaborate to explain the recent success of the Chilean economy. Peter Karlis then examines IPO underpricing while Sunil Jagwani looks at influences on the supply and demand for venture capital. Jason Lewis concludes the journal with his study on how lesser-developed countries can attract foreign direct investment.

Thanks to all staff members who volunteered for this year's journal; the issue would not have been possible if it weren't for their help. I would especially like to thank Tom Kirkwood for his technical expertise. Without his help, I would probably still be reading the Adobe Pagemaker manual. I would also like to thank Julie Dusek for her assistance, and wish her the best of luck next year as Editor-in-Chief.

Thanks also to the Economics Department for their input and encouragement throughout the year. In addition, I would like to thank Bob Aaron for his publicity of the journal and Gary Schwartz for his guidance on the printing and design of the issue.

Without further ado, I invite you to enjoy *The Park Place Economist*!

Nate Taulbee,
Editor-in-Chief

General Information:

Submissions to *The Park Place Economist* are always welcome. Students interested in assisting in future editions of the journal are also welcome. For any comments, questions, or more information about *The Park Place Economist*, please call (309)-556-3178. Written queries and responses can be addressed via email to bleekley@titan.iwu.edu or to:

The Park Place Economist
Attention: Dr. Robert Leekley
301 E. Beecher Street
Bloomington, IL 61701

Reflections on the Economics Program

The biggest change in the faculty this year has been the addition of a fifth tenure-line faculty member Ilaria Ossella-Durbal. Ilaria completed her Ph.D. at Cornell University last summer; her research interest is in economic development, and she has already published two articles in the field. Ilaria takes over our courses in The Economics of Developing Countries, International Trade and Mathematical Economics, as well as sharing in the teaching of Intermediate Microeconomics and Statistics. It is good to have her on board. For more, see the article by Babs Marcus.

The number of economics majors has begun to rise again, after a couple of lean years. Thirteen seniors are poised to graduate in just a few short weeks; for more on each, see the article by Otis Carter. And there are roughly eighteen majors in each of the next two classes. Eighteen graduates would tie the class of 1994 second in size only to the huge class of 1996. Moreover, quality remains high. Seven seniors Kristopher Kaneta, Peter Karlis, Elizabeth Kowalski, Jason Lewis, Robin Meers, Nathan Taulbee and Alva Winfrey are doing honors research; all will be presenting their work at the University-wide John Wesley Powell Research Conference, and defending their final papers in late April.

In honors, this spring, Julie Dusek, Nate Taulbee and Amanda Watson are being initiated into Phi Kappa Phi, the national scholastic honorary society, joining Sunil Jagwani and Esteban Lizano who were initiated last year. And we are initiating fourteen new members into Omicron Delta Epsilon Ketan Amin, Amanda Bailey, Lisa Birr, Tamara Davis, Andrew Giordano, David Janashvili, Quan Lai, Robin Meers, Amber Munday, Lynn Pleniewicz, Christine Rogers, Nicole Skalski, Michelle Stone and Amanda Watson. Congratulations to all.

The Economics Society has had another active year, thanks to the leadership of President Julie Dusek and Executive Board members Korey Coon, Esteban Lizano, Elizabeth Kowalski, Nicole Skalski, Otis Carter, Tom Kirkwood, Nate Taulbee, Andrew Giordano, Wes Dyke and Alexis Webb. Thanks to all for your contributions.

Last fall's guests included Tom Smith '92, now an Assistant Professor of Economics at National-Louis University, speaking on "The Occupational Mobility of Artists: Evidence from the 1970 Census." The subtitle of Tom's talk was "I used to be an Artist, but now I have a real job." Jaynanne Calaway '99, a graduate student in labor and industrial relations at the University of Illinois, and Brad Comincioli '95, a financial analyst at State Farm, joined Mike Seeborg in a panel on "The Life of an Econ Major at IWU and After." And David Vance, Chief Economist at Caterpillar gave his always interesting and informative overview of the world economy.

This spring, we have heard from Bob Aaron, IWU Director of University Communications, and Rob Fazzini '62, President of Busey Bank and a spokesman for the American Banking Association, on issues in banking. For more on their presentation, see the article by Adam Palmer. Our own Mike Seeborg and Zhenhu Jin (Finance) spoke on the floating population of China. Bryan Cassidy, former British representative to the European Parliament and an expert on the telecommunications industry, spoke on changes in the telecommunications industry in the European Community. And Barb Kube '94, an attorney with Thomson & Weintraub, spoke on her experience as an economics major at IWU, and how it had helped prepare her for her career in law.

Still to come, Keith Ihlanfeldt '72, Professor of Economics at the Andrew Young School of Public Policy, Georgia State University, will be our featured speaker for the Omicron Delta Epsilon initiation. Early in the afternoon, he will appear in Applied Econometrics to present a working paper, in which he attempts to decompose neighborhood segregation into its various causes, econometrically. Then, after the ODE banquet, he will give his more general presentation on "Causes and Consequences of Neighborhood Racial Segregation."

Thanks to all who give so graciously of their time and expertise to enrich our program.

In other activities, bowling is fast becoming an Economics Society tradition; the Society sponsored two such outings, and students were kind enough this year not to subject their professors to "silly bowling." And still to come, the Economics Society has teamed up with the Accounting, Marketing and Finance groups for an outing to St. Louis, to visit Anheuser Busch, and take in a Cardinals baseball game.

Of course, the Society's major project each year is *The Park Place Economist*. Nate Taulbee and Tom Kirkwood have taken the helm this year, as Editor-in-Chief and Technical Editor, to produce our eighth edition. See the credits on page two for the others who have made substantial contributions. Congratulations to all on a fine volume.

The University Avenue Undergraduate Journal of Economics (UAUJE), our on-line collaboration with Illinois State University, continues. Lisa Birr, Sunil Jagwani and Elizabeth Kowalski are IWU's editors this year. As the UAUJE becomes more widely known, submissions are coming in, literally, from around the world. Look for volume III soon.

If you have not visited our web site recently, see the article by Katie Hampson for some of what you have been missing. Then visit us at <http://titan.iwu.edu/~econ/> for additional news from the Department and alums, as well as links to the UAUJE and much much more. Thanks to Tom Kirkwood, this year's webmaster.

Seniors, we wish you the best in all your future endeavors. Please stay in touch. Alums, if we have not heard from you in a while, it is time to get back in touch. Give us some news for the web page. Returning students, we look forward to another wonderful year next year.

Robert M. Leekley, Chair