

The Park Place
ECONOMIST

April 2001

*Official Publication of the
Illinois Wesleyan University
Economics Society*

*The Park Place
Economist*

v. IX

A Student
Publication of the
Illinois Wesleyan University
Economics Department

April 2001

Bloomington, Illinois
IWU Printing Services

The Park Place Economist

Illinois Wesleyan University

Department of Economics
301 E. Beecher Street, Bloomington, IL 61701

2000-2001

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Letter from the Editor

Welcome to the 2000-2001 edition of *The Park Place Economist*! This year marks Illinois Wesleyan University's 150th year and the ninth year of publication for this impressive undergraduate journal of student research in economics.

We are excited about featuring the work of ten scholars in the issue. The work included in this edition is diverse, interesting, and relevant to issues of today. Our first paper, written by Dave Rasho, investigates a monetary system consisting of a 100% reserve gold standard. Yuet Wen Wan's research focuses on the European Monetary Union, using the Phillips curve to look at the inflation rate and its effect on unemployment. Mandy Watson's paper looks at wage differentials among workers in the union south and workers in the non-south. Ketan Amin takes a look at income inequality and its relation to health. Alicia Lange examines the family pay gap and why mothers earn less than women without children. Ken Perry's paper examines the benefits that communities receive from the funding of sports stadiums by state and local governments. Amber Munday researched the effects that different neighborhoods have on IQ test scores in people of different races. Jeremy Sandford's paper probes the issue of government debt. Lisa Birr's paper analyzes the effectiveness of the Federal Deposit Insurance Corporation Improvement Act of 1991. Finally, Nate Taulbee's paper studies the impact that various economic factors have on the stock market.

Thanks to all the staff members who helped produce this year's journal. So many people worked to produce this journal it is impossible to thank them all individually. Yuet Wen Wan's technical expertise and Elizabeth Ramp's editorial skills are especially appreciated. I want to wish Katie Hampson the best of luck as she takes charge of *The Park Place Economist* next year as Editor-in-Chief.

Thanks to the Economics Department for the input and support throughout the past year. Also, thanks to Bob Aaron and the Public Relations Department for the continuous support over the years. Bob has recently taken a position at Illinois State University. Everyone at *The Park Place Economist* wishes him well in his new position. Thanks also go to Gary Schwartz who helped in the printing of the issue and Carrie Young who helped tremendously in the design of the cover.

Now, I invite you to enjoy the ninth edition of *The Park Place Economist*!

Julie Dusek
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. Those interested in submitting papers or becoming part of the editorial staff, and those with any comments or questions regarding *The Park Place Economist* should call (309) 556-3178 for more information. Written queries and responses can be addressed to bleekley@titan.iwu.edu through e-mail, or to:

The Park Place Economist
Attention: Dr. Robert Leekley
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Reflections on the Economics Program

The biggest change in the faculty this year has been the departure of Carolyn Stumph, after two years here. She was a wonderful colleague; we were sorry to see her go. Her husband Tim received a promotion that took them to Michigan, though. We wish them well.

Luckily, we were able to find a one-year replacement in Diego Méndez-Carbajo, who was in the last stages of his Ph.D. program at Miami International University. He stepped in to teach a very challenging set of courses for us, and has done a fine job. This year, then, we conducted a national search for Carrie's permanent replacement. And we are extremely pleased to report that we have hired—the very same Diego Méndez-Carbajo. Diego is originally from Madrid, Spain. He did his undergraduate work at the Universidad Autónoma de Madrid, before coming to the U.S. for his graduate work. For more on Diego, see the article by Kory Blumer. Diego takes over our courses in Intermediate Macroeconomics and International Finance, as well as sharing in the teaching of Introduction to Economics. It is good to have him on board.

The number of economics majors has continued to rise. Twenty senior majors are poised to graduate in just a few short weeks. The class of 2001 will be the second largest in department history; for information on the seniors, see the article by Alison Oliver. Moreover, our class of 2002 is even larger. And quality remains high. Six seniors—Pritam Banerjee, Esteban Lizano, Amber Munday, Nicole Skalski, Michelle Stone, and Yuet Wen Wan—are doing honors research; these six, along with Sam Kwainoe and Alicia Lange, will present their research at the university-wide John Wesley Powell Research Conference in late April.

In honors, this spring, David Janashvili, Amber Munday and Debbie Slezak are being initiated into the national scholastic honorary society, Phi Kappa Phi, joining current members Julie Dusek, Esteban Lizano and Mandy Watson. And we initiated 27 new members into Omicron Delta Epsilon—

Gbemi Adeniran	Amy Cline	Katie Hampson	Bharat Pardasani
Nimish Adhia	Jamie Davenport	Desi Hristova	Jeremy Sandford
Pritam Banerjee	Megan DeSerf	Sam Kwainoe	Brett Schaibley
James Bethmann	Wes Dyke	Alicia Lange	Debbie Slezak
Kory Blumer	Emily Fathauer	Mindy Mannlein	Pat Spangler
Terry Chapman	Shaun Gilbraith	Kathy-Ann Moe	Yuet Wen Wan
Timofey Chekhoyev	Juliana Giraldo	Alison Oliver	

Congratulations to all.

The Economics Society has had another active year, under the leadership of President Esteban Lizano, and Executive Board members Nicole Skalski, Wes Dyke, Julie Dusek, Christine Rogers, Dan Hoyer, Sam Kwainoe, and Yuet Wen Wan. Thanks to all for your contributions.

Last fall's guests included James Moser, Economic Advisor and Research Officer at the Federal Reserve Bank of Chicago. Dr. Moser spoke on "A Day in the Life of a Fed Economist." Mark Israel '92, a new Stanford Ph.D. in economics, and Assistant Professor of Management and Strategy at Northwestern's Kellogg School, spoke on his research. Using the insurance industry as the example, he explored competing reasons why customers stay with a company or switch. For more, see the article by James Morris. David Vance, now President of Caterpillar University, gave his always interesting and informative overview of the world economy. And Gary

Klopfenstein '85, founder and President of GK Capital, gave another interesting talk on strategies for managing currency risk.

This spring, Andrew Postlewaite '65, Professor of Economics and Finance at the University of Pennsylvania and the Wharton School returned to his alma mater to receive an honorary degree as part of the university's sesquicentennial Founders' Day convocation. He spoke in Applied Econometrics that afternoon; that evening, he handed out the scrolls at the ODE initiation banquet, and gave the ODE address, "Exploring the Boundaries Between Economics and the Other Social Sciences." It was quite a day. For more on his address, see the article by Jamie Davenport.

In addition, we have heard from President Emeritus Robert Eckley on his career as an economist and educator. Wes Dyke's article hits the highlights. Representatives of the University of Illinois' Institute of Labor and Industrial Relations visited campus to describe their program. And Bob Aaron, former IWU Director of University Communications, conducted an entertaining and informative mock interview of Rob Fazzini '62, President of Busey Bank in Bloomington, and spokesman for the American Banking Association, on issues in banking.

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

In other activities, Mike Seeborg took a group of students to a conference at Western Illinois University, last fall, focusing on "e-commerce;" and he took another group to a World Affairs Conference in Peoria, this spring, focusing on the emerging economic relationship between the United States and the European Union. And, as has become an Economics Society tradition, we went bowling.

Of course, the Society's major project each year is *The Park Place Economist*. Julie Dusek and Yuet Wen Wan have taken the helm this year, as Editor-in-Chief and Technical Editor, to produce our ninth edition. See the credits on page two for the others who have made substantial contributions. Congratulations to all on another fine volume.

The University Avenue Undergraduate Journal of Economics (UAUJE), our on-line collaboration with Illinois State University, continues. Lisa Birr, Desi Hristova and Mandy Watson 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 IV soon.

If you have not visited our web site recently, 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 Yuet Wen Wan, 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