

The Park Place Economist

A Student Publication of the Illinois Wesleyan University Economics Department

Volume XIII
April 2005

Bloomington, Illinois
IWU Printing Services

The Park Place Economist

Illinois Wesleyan University
Department of Economics
Bloomington, IL 61701-2900

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Table of Contents

Letter from the Editor	Ana María Romero	4
Reflections on the Economics Program	Dr. Michael Seeborg	5
Interview with Nimish Adhia	Todd Kumler	7
Alumni Notes	Jennifer Dawson	8
The Class of 2005	James R. Glenn	11
The Undergraduate Economics Review	Adrien Gatesman	14
Breaking Out of the Bubble	Alexis Manning	15
Six Years to Tenure	Nick Holland	19
Does the Arbitration Process Solve Monosopnistic Behavior in Baseball?	Andrew Tarman	21
Which Baseball Statistic Is the Most Important When Determining Team Success?	Adam Houser	29
Predicting Medal Counts: The Effect of Economic Development on Olympic Performance	Xun Bian	37
The Effect of College Major on Wages	Amanda Thorson	45
Language Deficiency and the Occupational Attainment of Mexican Immigrants	Elizabeth Planas	58
Differences in Rates of Return to Education: Immigrant and Native Men in the 1980's	Grant Dodds	67
Comparative Study: Factors that Affect Foreign Currency Reserves in China and India	Ana María Romero	79
Why Are Foreign Manufactured Cars Gaining Market Share in the US Market?	Adrien Gatesman	89
Inevitability of Regional Variations in the UK	John Haugen	96
The Role of Risk in Determining the Liberalization of Trade	Sean Moran	102

Letter from the Editor

Welcome to the 2004-2005 edition of the *Park Place Economist*! As many of you know, the *Park Place Economist* is one in only a few of undergraduate economics journals in the country. This year's staff worked hard to maintain our tradition of high quality journals, and we hope you enjoy our current edition.

We start with our traditional news article. As is customary, we have Dr. Seeborg's reflection on the Economics program. We follow with an interesting interview to Nimish Adhia'03. His experience working at a think-tank in his native India is quite interesting. We also have the Alumni Notes and Class of 2005 articles. Adrien Gatesman writes about the department's new project, the Undergraduate Review Journal (UER), the online compliment to the *Park Place Economist*. Alexis Manning'04 writes to us from Nicaragua, describing her experience as a Peace Corps volunteer. Finally, Nick Holland interviews Dr. Osella-Durbal and Dr. Seeborg, regarding Dr. Durbal's newly appointed tenure position.

This year we received many high quality articles dealing with a wide array of topics. Are you a baseball fan? Even if you aren't, I'd encourage you to read Andrew Tarman and Adam Houser's papers. Tarman measures the impact of monopsony power on baseball players with less than six years of experience while Houser focuses his research on the relationship between a team's payroll and its productivity measures. Were you inspired by the 2004 Athens Olympics? Well, so was Xun Bian, and in his paper he researches the relationship between a country's Olympic medal counts and its economy. Ever wondered the impact of your college major on your current earnings? Take a look at Amanda Thorson's paper, which examines this topic. Elizabeth Planas and Grant Dodds look at the topic of immigration. Planas looks at language proficiency and earnings while Dodds examines the difference in the rates of education for immigrant and native men. In the international economics area, Ana María Romero compares the determinants of foreign reserves in China and India. And if you ever wondered why foreign cars are gaining market share in the US market, I suggest you read Adrien Gatesman's paper, which explores that phenomenon. John Haugen writes about the regional variations in the UK, a topic he explored during his semester abroad. Finally, Sean Moran discusses the role of risk in determining the liberalization of trade.

I'd like to take this opportunity to give a special thanks to all the *Park Place Economist* staff, especially John Haugen and Adam Gray. Their help putting this journal together has been invaluable. I would also thank Alexis Manning for taking the time to write an article while in Nicaragua. Thanks also to Dr. Leekley, our faculty advisor, for his advice and guidance. Finally, I wish John Haugen and Adam Gray the best of luck in editing next year's journal, I'm sure they'll put an excellent journal together.

Please enjoy the thirteenth edition of the *Park Place Economist*!



Ana María Romero A.
Editor-in-Chief

General Information:

Submissions to the *Park Place Economist* are always welcome, and we encourage students to participate in the creation of the journal. If you are interested in submitting an article or becoming a member of the staff please contact Dr. Robert Leekley, the faculty advisor, at (309) 556-3178 or at bleekley@iwu.edu or John Haugen, next year's Editor-in-Chief, at jhaugen@iwu.edu. Written queries can be addressed to:

The Park Place Economist
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Reflections on the Economics Program

It has been a very good year for the economics program at Illinois Wesleyan University. Current students and more recent graduates probably do not know that as recently as 15 years ago we had a three person department where the vast majority of the courses were developed and delivered by Drs. Chapman and Leekley. During the 1990s we were able to add two more tenure-line positions now held by Ilaria Ossella-Durbal and Diego Mendez-Carbajo. And, in recent years we have enjoyed having a full-time instructor in the Department, a position now held by Thomas Tenerelli, who is finishing up his PhD at the University of Chicago.

With additional faculty members, we are able to offer more courses than in the early 1990s. This is especially true in the international arena where we now regularly offer international trade, international finance, and the economics of developing countries. We also regularly offer a Gateway Colloquium course for first year students and a number of interesting and varied May Term courses that emphasize experiential learning through discussion, travel, and even games. Examples of some of our May Term classes include Exploring Financial Institutions, Game Theory Goes to the Movies, Economics of the Arts; and The Economics of Race, Gender and Immigration.

This has been a year of significant accomplishments for my faculty colleagues. Ilaria Ossella-Durbal was granted both tenure and promotion by the university. We congratulate Ilaria for this accomplishment and for all of her achievements leading to this recognition from the university. As you know, receiving tenure is a very important achievement for a professor. It represents a commitment by the university to a long-term employment relationship through recognition of outstanding contributions to the university in teaching, research and service. Ilaria has an outstanding record as a teacher and is willing to spend hours working with students one-on-one in her office. She has published articles in prestigious academic journals and is now working on a major book project. She has also served on major university committees and has long been a leader in the International Studies program.

In addition to receiving promotion and tenure, Ilaria was awarded a sabbatical leave for spring of 2006. She plans to use this time to work on a major book project that focuses on economic growth theory. The project is important because there are a number of unresolved controversies between economic theorists concerning the nature of growth. On one side of the controversy are classical growth models that assume major determinants of a country's economic growth to be exogenous. On the other side are the new growth models that assume important determinants of growth to be determined inside the model.

Margaret Chapman received a one semester sabbatical that she will take next fall. The sabbatical will permit Margaret to pursue her interest in how events in the 1920s influenced the crash of the stock market and the Great Depression. She is especially interested in whether the FED should have increased interest rates in late 1927 to discourage stock market speculation. She will also explore whether or not stocks were really overvalued during the 1920s.

Diego Mendez-Carbajo was granted a one semester leave by the university in a very competitive competition between faculty members who have been in tenure track positions less than 7 years. Diego will spend Spring Semester, 2006, with the Economic Research Unit of the Central Bank of the Dominican Republic as a visiting scholar. He plans to explore how exchange rate changes and "menu costs" influence inflation rates in the Dominican Republic. This project will draw on his expertise both in open economy macroeconomics and international trade, and I'm sure that his fluency in Spanish will also be an asset.

Bob Leekley is busy putting the finishing touches on a statistics textbook that he is already testing in his statistics courses. His attention to detail is evident in this project and something that we all appreciate. Bob will return to the position of Department Head next fall, and we all look forward to seeing the department progress

under his capable leadership. He is currently teaching the Advanced Research Seminar and continues to be an important mentor to students who are pursuing original research projects.

I'm really pleased with the efforts that Editor-in-Chief Ana María Romero and the editorial staff of the Park Place Economist (PPE) have made in putting together a fine issue. We are proud of the important benefits that come from this project. First, the PPE provides a wonderful incentive for students to do quality research. Second, the editorial staff develops leadership and teamwork skills as they work toward deadlines, allocate responsibilities and generally cooperate to produce one of the most unique undergraduate economics journals in the country. Third, this project brings significant recognition to the department from the academic community.

Our on-line journal project that was so ably launched last year by Mahi Garg and her staff continues to develop this year under the direction of Adrien Gatesman. The Undergraduate Economic Review (UER) is now beginning to receive articles submitted by undergraduates around the country. A few articles are already posted and we invite you to check it out at: <http://titan.iwu.edu/~econ/uer/>. I'd like to thank Adrien Gatesman, Xun Bian, Adam Gray, Adrienne Ingram, and Todd Kumler for their great work in moving this very complex project forward.

We also have a great crop of student assistants who are indispensable to the department. They perform tutoring duties, assist faculty members with research and, in their spare time, help to publish two undergraduate journals. Many thanks to Xun Bian, James (J.R.) Glenn, Adam Gray, Adrien (AJ) Gatesman, Adrienne Ingram, Todd Kumler, and Ana María Romero. These student assistants are remarkable in so many ways beyond what they have contributed to the department. Todd Kumler, for example, is also Treasurer of the Student Senate and served an internship on Barrack Obama's remarkable Senate Campaign last summer. James R. Glenn was last year's Student Senate President and is this year's Economics Society President.

Five of our seniors are working toward research honors this year: Xun Bian, Adrien Gatesman, Elizabeth Planas, Ana María Romero, and Andrew Tarman. Elizabeth is unique in that she actually completed all of the requirements for graduation in December, but chose to continue work with her committee toward honors this spring. We are impressed when students, like Elizabeth, sincerely want to be intellectually engaged in original research. Our students have a long tradition of conducting quality undergraduate research and we often lead the university in terms of successfully completed research honors projects. The senior class is certainly continuing this tradition.

We are looking forward to our annual Omicron Delta Epsilon (ODE) Banquet where we initiate new members into the national honorary society and honor senior members. I always look forward to making a few remarks about each of the graduating seniors. They are a memorable group and we will miss them when they leave. Let me list all of our current student members of ODE along with their year of graduation: Charlie Baier (06), Xun Bian (05), Julie Clarin (06), Jennifer Dawson (06), Samantha Dietz (05), Grant Dodds (05), Kathleen Frawley (06), Nicholas Galasso (07), Adrien Gatesman (05), James Glenn (05), Adam Gray (06), Sherri Haas (06), Timothy Hachmeister (05), John Haugen (06), Eric Hellman (05), Justin Hendrix (05), Adrienne Ingram (06), Drew Kelly (06), Brittany Kirkpatrick (06), Todd Kumler (07), James Malic (06), Louis Malic (06), Biniv Maskay (07), Stephen Mohrman (05), Sean Moran (05), Nii Amaah Oforu-Amaah (05), Elizabeth Planas (05), Ana María Romero (05), Erich Sauer (06), Lindsay Shea (05), Andrew Tarman (05), Amanda Thorson (05), Joshua Tieman (05), and Adam Turk (06).

Finally, I'd like to thank students and alumni for supporting the economics program and to extend my best wishes to all economics students and alumni.

Michael C. Seeborg
Chair & Robert S. Eckley Professor of Economics