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Letter from the Editor

Welcome to the 2009 edition of *The Park Place Economist*. This volume is the seventeenth publication of one of the few undergraduate economics journals in the entire country. While *The Park Place Economist* has certainly changed over the last seventeen years as past student staff members graduated and new ones took their places, it stays true to its purpose of exhibiting the best economics research conducted by students at Illinois Wesleyan University.

For those of you tired of hearing gloomy news about the state of the U.S. economy, I urge you not to despair. While we at *The Park Place Economist* may be students of the “dismal science,” I promise that there is nothing dismal in this journal. Instead, we feature nine articles covering a variety of topics reflecting the diverse interests of our students. Dan Cumming examines the market for taxi medallions in New York City. Alison Harford analyzes the factors that affect a female immigrant’s decision to participate in the labor market. Mallory Heydorn looks into what influences the difference in college graduation rates between athletes and non-athletes. Mujtaba Isani’s research tests the hypothesis that labor market discrimination against Middle Eastern immigrants increased after the attacks on September 11th. Anna Konradi studies whether politicians try to manipulate the business cycle in order to improve their chances of re-election. Kevin Lewis considers the pervasive problems of counterfeit goods and offers solutions to combat them. Paul Oehrlein explores the determinants of college graduates’ earnings. Nicole Spear examines whether individuals raised by adoptive parents differ from those raised by biological ones in terms of income and educational attainment. Lastly, Katie Stankiewicz studies the relationship between contract length and performance for professional baseball players.

This edition of *The Park Place Economist* would not have been possible without the tireless efforts of a number of people. First, I owe a great deal of thanks to the staff. Lindsey Haines, the Assistant Editor-in-Chief, specifically deserves praise for all of her help. I also need to single out for thanks all of my fellow employees in the Econ Lab: Amanda Clayton, Jessica Kong, Anna Konradi, Tian Mao, Teodora Petrova, and Katie Stankiewicz. When work needed to be done, I could always turn to any one of them. Next, I am thankful for Dr. Robert Leekley’s excellent guidance, advice, and support over the course of the year. Finally, I would like to express my gratitude to Gary Schwartz and Illinois Wesleyan’s Printing Services for handling the production of the journal.

I hope you enjoy this edition of *The Park Place Economist*!

Dan Wexler
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. Written queries can be addressed to:

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Alumni Notes

JESSICA KONG

GREG ADAMO, '02, attended law school at Chicago Kent, where he reported that his economics background was of great value in his course work. He is now an attorney at Clingen, Callow & McLean LLC. He is also working towards his MBA at the University of Chicago.

JAY AHRENDT, '96, was previously a Financial Consultant and Accredited Asset Management Specialist for A.G. Edwards & Sons, Inc. He is now working for H&R Block Financial Advisors as Vice-President of Investments and Senior Financial Advisor. Jay lives in Palos Heights, IL with his wife Carrie (Teigeler '96) and their daughters Avery and Audrey.

DIMITRIUS DADAKAS, '97, finished his MA in Agriculture and Resource Economics at the University of Tennessee at Knoxville before returning to Greece. He has now earned his Ph.D. in welfare and trade economics from the University of Macedonia in Thessaloniki (UOM). He is working this year (2008-09) at City College in Thessaloniki (affiliated with the University of Sheffield) teaching mathematics and courses in econometrics at both undergraduate and graduate levels. He is also the proud new father of a baby girl.

BRYAN DULING, '08, currently works within the Transfer Pricing group of Ernst & Young at Chicago, IL.

KATIE FRAWLEY, '06, is currently employed as an Economist with the Producer Price Index Program at the U.S. Bureau of Labor Statistics in Washington, DC. Katie is also attending school part time at George Mason University for a masters in International Commerce and Policy. She lives in Alexandria, VA and coaches softball at the local high school, TC Williams.

NICK GALASSO, '07, is currently attending the John Marshall Law School in Chicago, IL and is a Juris Doctor Candidate for May 2010.

JOHN HAUGEN, '06, worked for two years as an Analyst at Analytic Innovations in Chicago before becoming a Database Marketing Analyst at Tribune Media Net, the national advertising arm of Tribune Company.

BRANDIN HEIDBREDER, '07, is presently underwriting for Country Companies and working towards a Masters Degree to work in financial services.

BRIAN JBARA, '07, is pursuing a Masters Degree in Education. Currently, he is in his second and final year of Teach for America in Las Vegas, NV.

KRIS KANETA, '00, completed his MBA at Duke University in May 2007. Following graduation, he joined General Electric's Experienced Commercial Leadership Program to lead growth initiatives across the organization. After spending a year in business development and strategic marketing at GE Money and GE Corporate, respectively, Kris is now with GE Healthcare's Diagnostic Imaging business, evaluating strategic growth opportunities in outpatient imaging.

JIM KJELLAND, '08, is employed as a Financial Analyst for Allstate Insurance in Northbrook, IL.

TODD KUMLER, '07, is enrolled in the Economics Ph.D. program at Columbia University. He plans to conduct research in Development Economics, and is enjoying his new job as a teaching assistant.

JAMES MALIC, '06, is working for Hewitt Associates. He is also enrolled in the part-time M.B.A. program at DePaul University.

CHARLES MONTGOMERY, '08, specializes in equity options at the Cutler Group trading firm in San Francisco, CA.

DANIEL OBIE, '08, currently has a rotational position at American Chartered Bank.

MATTHEW SHEEHAN, '08, is enrolled in law school at the University of Notre Dame.

SCOTT SWISHER, '08, is pursuing a Ph.D. in Economics at the University of Wisconsin-Madison, where he is also a teaching assistant for Macroeconomics.

ELIZABETH TAYLOR, '08, is presently enrolled in law school at the University of Illinois at Urbana-Champaign.

The Class of 2009

LINDSEY HAINES

JEFF CARQUEVILLE

Jeff is an Economics major from St. Charles, Illinois. At Illinois Wesleyan he was a member of both the men's soccer team and the Tau Kappa Epsilon fraternity. His favorite class was Senior Seminar with Dr. Seeborg. Jeff's future plans include work and possibly graduate school.

MICHAEL CONTI

An Economics major from Itasca, Illinois, Michael was a member of the men's track team at IWU.

NICHOLAS CUCA

Nicholas, hailing from Arlington Heights, Illinois, is an Economics major. He was on the men's golf team at Illinois Wesleyan.

DANIEL CUMMING

Daniel is an Economics and Accounting major from Seneca, South Carolina. His favorite classes included European Politics and Business Law. He says the economics department has one of the best faculties and has been honored to work with them. After graduation he will be working as an auditor at Ernst & Young.

DAN ELWOOD

Dan, from La Grange, Illinois, is an Economics major and French minor. He was a member of both the men's cross country team and men's club volleyball team at IWU. His future plans include teaching English in France.

PHILLIP EVANS

Phillip, from Mt. Zion, Illinois, is an Economics and Business Administration double major. He is also a member of the Tau Kappa Epsilon fraternity. At Illinois Wesleyan his favorite classes were Portfolio Management and Macroeconomics. Post-graduation, he plans to work for a few years before getting his MBA.

ANTHONY FEMINIS

Anthony is an Economics and Business Administration double major from Frankfort, Illinois. At IWU he was the Acacia Fraternity President and a member of the Law Society. His favorite class was Medical Ethics. His future plans include attending law school.

KUNAEY GARG

Kunaey is an Economics and Business Administration double major from Kolkata, India. At IWU he was a Resident Assistant and a member of Omicron Delta Epsilon. His favorite classes included Money and Banking and Econometrics. He has begun working with Abengoa Bioenergy Trading as a Commodity Analyst and Trader.

ALISON HARFORD

Alison is an economics major and political science minor from Norwalk, Connecticut. During her time at Illinois Wesleyan she studied abroad in London and participated in the State Farm Community Partnership Program. Her two favorite classes were American Social Policy and Fundamental Astronomy. Alison is thankful for her involvement in the economics program, especially for the faculty's positive influence.

MALLORY HEYDORN

Mallory, from La Grange, Illinois, is an Economics major and Sociology minor. She is member of the Illinois Wesleyan women's basketball team. Her favorite class was Money and Banking and her future plans are undecided.

MARK HOSKIN

Mark is an Economics major from Flossmoor, Illinois. He is a member of the Theta Chi Fraternity.

ANNA KONRADI

Anna, hailing from Zionsville, Indiana, is an economics and political science double major. Her campus activities include the Undergraduate Economic Review, the Park Place Economist, Model United Nations, and Symphonic Winds. Her favorite classes include Senior Project and Industrial Organization. After graduation, she plans to attend the University of Illinois College of Law, Law and Economics Program.

TIM MARZEC

Tim is an economics major from Evergreen Park, Illinois. He is a member of the men's baseball team and he is also an intramural referee. His favorite class was Money and Banking and he plans to attend graduate school at the University of Illinois - Chicago.

LISA MORITZ

Lisa is an Economics and Accounting double major from Vernon Hills, Illinois. She will work for Ernst & Young after graduation.

PAUL OEHRLEIN

Paul, from Des Plaines, Illinois is an Economics and Math double major. At Illinois Wesleyan, he was the men's tennis team captain. His favorite class was Senior Project with Dr. Seeborg. His future plans include business school.

KARIN PETERSON

Karin, an Economics and Environmental Studies double major, is from St. Charles, Illinois. She is member of the Kappa Delta Sorority and the Sierra Student Coalition. Her favorite classes at IWU included Environmental and Natural Resource Economics and Industrial Organization. She hopes to find a job and then possibly attend graduate school.

VLADISLAV SAKARSKI

Vladislav is an Economics major from Stara Zagora, Bulgaria. Post-graduation, he intends to travel.

NICOLE SPEAR

Nicole is an Economics and Accounting double major from Naperville, Illinois. She is the women's golf team co-captain, accounting society co-president, the Student Athletic Advisory Council co-president, and a member of the Fellowship of Christian Athletes. At IWU her favorite class was the May Term travel trip to China. After graduation she will work for PricewaterhouseCoopers in their Audit Practice.

KEVIN SLATTERY

Kevin is an Economics major and Spanish minor from Wilmette, Illinois. His favorite classes included Introduction to Economics, History of Latin America, and Environmental Problems. He says choosing economics as his major was the best decision he made during college. His future plans are up in the air, but he is interested in baseball and the environment.

KATIE STANKIEWICZ

Katie is an Economics major and French minor from Downers Grove, Illinois. The Beatles and their World and Senior Project were amongst her favorite classes. Post-graduation, she hopes to find a job in the sports industry.

DAN TOLEDO

An Economics major from Wilmette, Illinois, Dan's favorite class at IWU was Environmental Economics. Dan was also the IFC president. His future plans include working in financial services.

BILLY WENDT

Billy is an Economics major from Bartlett, Illinois. He participated in intramural basketball at IWU. His favorite classes were those taught by Dr. Seeborg or Dr. Ghosh. Billy says “it’s been a long, strange ride, but it certainly was a good one.” His future plans are to get a job, and maybe become President of the United States.

DAN WEXLER

Dan is an Economics and Accounting double major from Carol Stream, Illinois. His favorite class at IWU was Mathematical Economics. He says that while no class was as difficult, there were also none as rewarding. Post-graduation he will be working as an auditor at PricewaterhouseCoopers in Chicago.

JOEL WICKS

Joel, from Minnetonka, Minnesota, is an Economics and Accounting double major. He is active in the Phi Gamma Delta Fraternity and intramural sports. His favorite classes at IWU included Senior Project and Sports Economics. His future plans include working.

BENNETT WHITNELL

An Economics major from Lisle, Illinois, Bennett is a member of the Phi Gamma Delta Fraternity.

IWU Economics Department Welcomes Amit Ghosh

ANNA KONRADI

This year the Illinois Wesleyan Economics department welcomes new faculty member Dr. Amit Ghosh.

He received his Bachelors and Masters degrees in Economics from the University of Calcutta in India before coming to the United States to complete his PhD from Claremont Graduate University in 2006. Before coming to IWU, Dr. Ghosh worked as a research assistant for the Lowe Institute of Political Economy at Claremont McKenna College. Most recently, he taught as a visiting professor in the Economics and Business department at Colorado College. His principle research interests include international economics, open economy macroeconomics, and economic development.

I first met Dr. Ghosh a year ago when he came to campus as a candidate for the department's new tenure line. He came on one of our snow days, and because the campus was closed, the student interviewers took him to lunch in the Commons. When we apologized for not being able to take him for a quieter lunch away from the chaotic activity in Saga, he was quick to say that he very much enjoyed being around the students. During our lunch, I was also impressed by Dr. Ghosh's ability to navigate easily between personal and academic discussion.

Since coming to Illinois Wesleyan, Dr. Ghosh has taught classes in Introductory Economics, Intermediate Macroeconomics, and Money and Banking. It is his stated objective to "make the dismal science fabulous." He is described by his students as an enthusiastic and accessible professor who genuinely cares about his students both inside and outside of the classroom. They cite his reliable presence at campus sporting events as an example of his support for the university and its students. Dr. Ghosh explains that one of his major objectives as a professor here is to have a positive impact on the lives of his students. He feels that in many respects, this is only possible at a liberal arts institution such as IWU, where there is the opportunity for faculty and student collaboration.

Dr. Ghosh, I think that I speak for all the students who have worked with you this year when I say that I am so glad that you decided to come to IWU. It has been a pleasure to know you, and I am certain that you will continue to have a positive impact on students here in the years to come.

The Supplemental Security Income Program: Reach and Research

KATIE STANKIEWICZ

Many people are familiar with the government program Old Age, Survivors, and Disability Insurance, more commonly referred to as Social Security. However, few are aware of a similar program called Supplemental Security Income (SSI). Dr. Paul Davies ('92), director of the Division of Policy Evaluation for the Social Security Administration, is working hard to answer some important research questions about this program that will help to improve the efficiency of SSI.

SSI is different from Social Security because it focuses primarily on disabilities. The program is divided into three different eligibility groups: children with disabilities, adults with disabilities, and seniors over the age of sixty-five. SSI is set up to be a welfare-style program. In order to receive any benefits from SSI, assets must total less than \$2,000 for individuals and \$3,000 for couples. In 2008, there were 7.52 million recipients of SSI who received a total payment of \$3.88 billion.

Children with disabilities are rapidly becoming a large portion of the caseload for the SSI program. Two thirds of the children that are receiving SSI benefits have reported a mental disorder. An important research question that Dr. Davies has examined is: will these children receiving SSI benefits for disabilities be able to transition to independence in adulthood? Dr. Davies and his team have found that there is potential for children to become very long-term recipients of SSI, with an average of twenty-seven years on the program before turning age sixty-five. Though a substantial number of children do come off the program, 40% will remain on SSI well into adulthood.

Adults with disabilities are also eligible to receive benefits from SSI. Dr. Davies explored the role of other programs in providing support for SSI adults. What he found was that program interactions are

very important for these adults. In fact, 24% of adults that receive SSI benefits also receive some benefits from Social Security. Additionally, many of the adults receive their health insurance coverage through Medicaid, and possibly Medicare.

An area of the SSI program that Dr. Davies faults is the financial eligibility criteria. They have not been updated in over twenty years! Due to inflation, \$2,000-\$3,000 of assets in the 1980s was substantially different from \$2,000-\$3,000 of assets today. This concern led to research evaluating any potential changes to the SSI financial eligibility criteria. Dr. Davies discovered that a rule change allowing a 5% increase in program spending could result in an 11% increase in the number of participants. While pursuing this research, Dr. Davies also discovered that some reforms more effectively target additional resources to those in need. In particular, SSI for the elderly is highly target efficient since 78% of the benefits are received by people in poverty. With so many people still meeting poverty standards, it is clear that there needs to be some reform to the program's financial eligibility requirements.

SSI is a large program and is continuing to grow. Dr. Davies and the Social Security Administration have a desire to see that the financial eligibility criteria are updated to reflect today's economy. The Obama administration has expressed some interest in this area as well, so Dr. Davies has hope that progress will be made shortly.

Dr. Davies also pointed out that there are many opportunities in the public sector to influence public policy with objective and independent research. He stated that some of the special benefits of these jobs are access to unique data and work involving an "endless supply of interesting and important questions."