

ECONOMICS

Like Father, Like Son

So far, five of Professor Arden Pope's seven sons have chosen to study economics.

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Freedom, Agency, and the Problem of Pain

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Tractors, Fiddles, and Missions

Life after retirement for our economics professors.

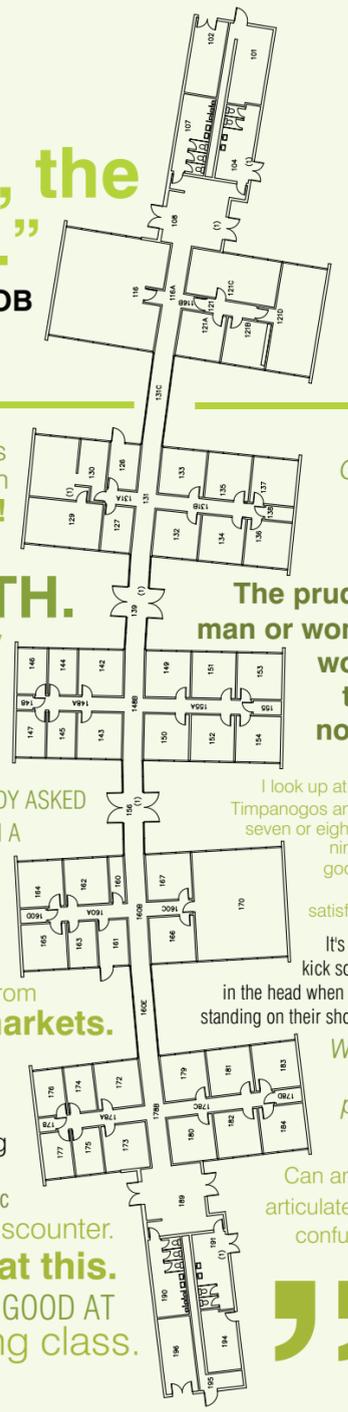
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“Welcome to the FOB, the Friendliest of Buildings.”

-Overheard in the FOB

How was your Christmas? It was ok, I guess. I was sick during half of it, but I guess it could have been worse . . . I could have died. ***Sigh* Weekend!** I have a class from this guy . . . he looks like Harry Potter. **MACRO IS A MYTH.** Sounds like a guy not very socially liked . . . sounds like a guy I would like. **Happy End-of-the-World Day!** Childbirth isn't that bad! Let's begin our meeting by singing, “We Thank Thee, O God, for a π (profit).” **Wouldn't it be nice . . .** Is that chocolate? May I come closer? **SOMEBODY ASKED IF I WAS FROM HOGWARTS. I SAID NO, BUT WHAT I SHOULD HAVE SAID IS, “I'M A DEMENTOR AND I TORTURE PEOPLE WITH CALCULUS.”** Now we are at the very uncomfortable moment where we talk about where estimators come from. **The chance of you finding an effect is precisely zero unless you do it wrong.** I'd give you extra credit if you fit my internal stereotype of someone from the South. **Economists worship at the altar of markets.** If you still believe in fairness, then you haven't taken enough econ classes. God is not interested in maximizing profits. If he were, he would not be investing in you. I don't always model but when I do, I prefer DSGE (dynamic stochastic general equilibrium). The natural man is a hyperbolic discounter. **How are you today? Good enough. I'm good at this. Like this is what I do.** I HAVE NEVER BEEN VERY GOOD AT FOLLOWING DIRECTIONS. This isn't a tree hugging class.



Can I see your ID?

The prudent man or woman would take notes.

I look up at Mount Timpanogos and I get seven or eight, even nine on a good day, utils of satisfaction.

It's easy to kick someone in the head when you are standing on their shoulders.

Who's that pizza for?

Can anyone articulate their confusion?

”

Chair	Editors	Graphic Designers	Writers	Faculty Writers	Assistant Editors
Eric R. Eide	Carrie Scoresby Abigail Rich	Bree Morris Jenna Barton	Abigail Rich Carrie Scoresby Stephanie Tyrell	Olga Bogach Scott Bradford Richard Butler James Cardon Scott Condie	Val Lambson James McDonald Joseph McMurray David Spencer Kim Reid Paige Montgomery

From the Chair



We are pleased to publish the second issue of the BYU Economics Department magazine. As you read the feature articles you may notice how important economic principles such as choice and incentives

are interwoven into our daily lives. One article profiles the Arden and Ronda Pope family and how several of their sons have followed in their father's footsteps to become economists, even though that was not their intention when they started college. An article by Scott Condie explains how decision-making is affected by ambiguity and risk, while Val Lambson's article explores the concepts of agency and freedom. Richard Butler discusses how changes in workers' compensation laws provide incentives for workers, firms, and doctors to change behavior. I'm sure you will find these and the other articles interesting and informative.

This issue highlights our emeritus faculty and how they are spending their retirement years. We also feature student and faculty research, updates, alumni spotlights, a few humorous items, and examples of how donor gifts have benefitted the lives of our students.

This second issue was spearheaded by Abby Rich, our Department Alumni and Internship Coordinator, a new part-time position made possible by generous donations from economics alumni. Abby received her degree in communications, with an emphasis in public relations, from BYU. One of her current projects is to strengthen our alumni network. She has created the BYU Economics—Alumni and Student Network on LinkedIn, which we hope you will join if you have not already done so.

I hope you enjoy reading this issue of the magazine. We would appreciate hearing from you about ideas for future issues, or anything regarding the department. Please email your comments to abby_rich@byu.edu.

Sincerely,

Eric R. Eide

Eric R. Eide
Department Chair

ECONOMICS

BRIGHAM YOUNG UNIVERSITY
DEPARTMENT MAGAZINE
ISSUE #2
FALL 2013

Join LinkedIn!
Connect with the Economics Department and each other through the department's official Alumni and Student Network.



FEATURES



The Price of Ambiguity

Scott Condie explores ambiguity in decision-making, specifically in the stock market.



Workers' Compensation

Richard Butler discusses trends in workers' compensation over the years and predicts the next trend.



Like Father, Like Son

What is it like growing up with an economics professor for a father? Perhaps more influential than you think.



Freedom, Agency, and the Problem of Pain

Val Lambson addresses the differences between freedom and agency, and why experience suffering to good people.



Class of 2013

Find stats on the Economics Department's most recent graduating class.



Tractors, Fiddles, and Missions

Do you ever wonder what the emeritus faculty are doing now? Read about their lives after retirement.

ALSO IN THIS ISSUE

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THE PRICE OF AMBIGUITY:

A Risk We Take



Life involves making decisions before being certain of the outcome. We choose a spouse without knowing them perfectly; we buy life insurance without knowing for sure the date of our death; we decide on investment portfolios without

knowing for certain their rate of return. How do our methods of dealing with risk affect the welfare of traders in the market for various goods and their prices?

Suppose you notice a story online about the merger of two large manufacturing companies. You hold a well-diversified portfolio that includes shares of these two companies. However, you know very little about the companies and therefore don't know whether the coming merger will be good or bad for your portfolio. If it is good for the portfolio, you may want to purchase more shares of the two companies prior to the merger. If it is bad, you would want to sell your shares of the companies. However, if you feel uncertain about the market value of the merger, then you might choose to ignore the information and maintain your portfolio as it is.

In Assistant Professor Scott Condie's research with Jayant Ganguli of the University of Essex, they demonstrate that because of situations like this company merger, some asset prices need not reflect all available information when the information is perceived to be ambiguous.

Essentially, not all risk is created equal. As early as Frank Knight's 1921 book *Risk, Uncertainty and Profit*, it was recognized that the uncertainty in the toss of a coin is different from the uncertainty about the

meaning of information regarding whether a particular stock's return will be positive or negative. The coin toss is a random event whose outcome has been observed many times and we generally understand the important phenomena that determines its outcome. However, predicting whether a stock's price will increase or decrease depends on a lot of very specific information—the behavior of investors, the government, and market makers at the very least that may be difficult to understand. As such, an individual may feel comfortable saying that the probability of a coin toss resulting in heads is 50 percent, but very uncomfortable putting a probability on the likelihood of a stock's price increasing as a result of a merger. Forms of uncertainty that are not amenable to specific probabilities have become known as Knightian uncertainty (after Frank Knight) or ambiguity.

Information that is perceived as ambiguous is prevalent. It has been seen in controlled laboratory experiments, and several market phenomena like the equity premium puzzle and equity home bias are consistent with the presence of traders who display aversion to ambiguous outcomes.

When market participants have beliefs that are subject to Knightian uncertainty, interesting market phenomena can occur. Since the beliefs of a trader about whether a stock's price will increase help to determine whether the trader will purchase the stock, stock prices are an aggregation of a large set of traders' beliefs. For example, when many traders look at the merger information between two companies but feel that the information, is ambiguous, they are less likely to purchase the stock as a result of this information and this reluctance affects the stock's price. Likewise, a trader who believes an asset's return to be ambiguous and is

willing to purchase the stock will only do so for a reduced price.

These behavioral responses to Knightian uncertainty lead to several interesting properties of asset prices. One of the roles of market prices is to aggregate all of the information of market participants into a single summary statistic. For example, if an individual receives a piece of information indicating that the price of IBM's stock is too low, they will purchase the stock. As more individuals receive similar information, the demand for the stock increases which leads to an increase in the price of the stock. Soon, the stock's price reflects the information that the individuals in the market received and the stock's price is no longer too low.

When prices do not convey all of the information that market participants hold, then market prices are less meaningful. For example, when prices do not necessarily convey information, then the relative market capitalizations of two companies might not be comparable. Similarly, trading strategies employed by active traders like hedge funds and alpha-seeking mutual funds may not work consistently over time. On the flip side, opportunities for returns in excess of the risk of holding a particular asset might be available if market prices do not accurately reflect traders' information.

Understanding how individuals deal with uncertainty in their lives is important, whether choosing a spouse, buying insurance, settling on a portfolio, or making many other important life decisions. The risks one takes will depend on the amount of ambiguous information in each situation and that individual's personal aversion to risk.

SC

WORKERS' COMPENSATION:

Some Lessons in Incentives



The oldest—and the least controversial— social insurance program in the US is workers' compensation (WC). Workers' compensation insurance is legislated by individual state laws (and a federal law to cover federal

employees). However, the institutional characteristics of workers' compensation are broadly consistent across states and similar to many systems in other countries. Hence, the implications of the US workers' compensation system for occupational risk prevention will reach beyond US borders.

The general consensus among employers and union leaders is that today's laws are a vast improvement over the tort laws and employer liability laws that governed workplace injury law before 1911. Modern laws make employers liable for all medical expenses and a portion of lost wages of an injured worker. The laws also provide for rehabilitation services and the payment of income benefits to dependents in the case of a workplace fatality. The employer is generally liable to pay these benefits for any injury arising out of and in the course of employment, regardless of who is at fault. The liability imposed on the employer is exclusive; the injured worker cannot sue for additional compensation.

When individual work injury benefits rose rapidly in the 1970s and 1980s, the costs

exceeded all actuarial projections. Actuaries discovered that when benefits changed, workers' incentives to file claims and to stay on a work injury claim longer changed as well: the opportunity cost of being away from work was subsequently lower, more claims were filed, and claims increased in duration. Actuaries had been used to employing stable distributions of costs in their projections, but the increased benefits (and often expanded levels of coverage) meant loss distributions in WC were no longer stable.

Costs of workers' compensation spiraled up for a number of years thereafter, until three other trends arose. First, and perhaps most important, workers were becoming more skilled in the US and their absence from work more expensive to firms. Firms had an increasing incentive, on the basis of firm-specific human capital independent of insurance costs, to provide a safe workplace environment. Second, the scope of coverage—particularly claims where mental stress was given as the primary reason for not being able to work—changed. In particular, stress claims were curtailed in some important jurisdictions. The third significant trend was the increasing use of high deductible WC insurance policies offered to firms, which meant that they bore all of the initial injury costs themselves. This, in turn, increased their incentives to provide safety.

The combination of these trends has leveled WC insurance costs over the last decade. Only medical costs in WC continue

to rise because incentives there have not changed. Indeed, under the impending Obamacare restrictions, doctors will have an added incentive to classify as many sprains and strains (particularly low back pain, the system's most expensive injury) as work related as possible. This moves them from a health care condition to workplace injury, which are paid under WC according to "usual and customary" medical fees, meaning they will be paid more as a WC claim than a health care claim. Low back pain, here we go.

Past research collaboration with Hank and Del Gardner, William Johnson, John Ruser, and Jack Worrall greatly informed the author's assessment on these issues, for which he is most grateful.

RB



Like Father, Like Son



If everyone had stuck to their original plan, the Pope family could very well have a conservation biologist, a mathematician, a physicist, an engineer, and a soccer player. In fact, their father would have encouraged it. Instead, they have four economists, one emerging economist, and two still deciding whether economics is the path for them. If these two are anything like their brothers (and it seems they are), they won't be able to resist for long. Whether they realize it or not, they already think like economists. Growing up with BYU economics professor Arden Pope and his wife, Ronda, for parents, they have been learning about economics their whole lives.

"My dad didn't teach us any economics explicitly," says Jaren Pope (35), the oldest of the seven brothers and an associate professor of economics at BYU. "But there was plenty of implicit economic teaching."

Take, for example, the lesson each son learned about the cost of driving a car when he turned 16. Arden gave him a set of keys to all the family cars and then told him the deal: he could drive one of the family cars anytime it was available, but he needed to track how many miles he drove. Arden would pay for gas, insurance, and repairs on the vehicle, but the son would need to pay 25 cents for every mile he drove.

"He then informed us that the true cost of driving a vehicle was about double that amount and so we should be grateful for how he was subsidizing the cost," Jaren recalls. "I remember being a little jealous of some of my friends at the time who were not learning this same lesson on the marginal cost of driving a car!"

Bryson Pope (23) recalls learning about opportunity cost one year when he and his brothers wanted to travel to Disneyland. "I remember my dad saying we needed to think carefully about the opportunity cost of doing so," he says. "If we went to Disneyland, I would miss hiking in the Uinta Mountains and playing in my soccer tournament."

Arden suggested he weigh the costs and benefits of each option before making a decision. Ultimately, they chose not to go to Disneyland. "I was definitely influenced by the methodical, logical way that my dad thinks about things," Bryson says.

Building a family

According to their sons, Arden and Ronda have always been financially conservative.

"We often took sack lunches to school and a frequent conversation was whether or not we could afford a nice couch in 5 or 10 years, even though we all knew that we could probably afford it," says Weston Pope (31).

And yet, Arden and Ronda never hesitated to spend money on dinner nights out to Pizza Hut or Bombay House, or on things which brought the family together like the family boat. Most important for them was to raise honest and upright boys.

Jaren describes their home as typical LDS. "I have good parents who have tried to teach us the gospel and provide us with opportunities to grow physically, spiritually, and mentally," he says.

The Popes' sons remember spending quality family time together camping, backpacking, and playing sports. They did most of the chores on Saturdays, "even though Mom sometimes struggled to enforce it," Weston recalls. A game of football or soccer often ended the day. Despite sharing a competitive nature, Nolan (25) says they are all really close as brothers and are each other's best friends. In fact, Bryson and Collin (17) started a power washing business this past summer, doing things like pressure washing garage doors and driveways and stripping paint off old fences. "The purpose was to have a chance to work together before Collin leaves on his mission, have fun starting a small business, and make some money over the summer," Bryson shares.

When talking about his sons, Arden's face

lights up. "They're all very nice," he says matter-of-factly. "If Jim McDonald were a 10 on the scale of being nice, they would all be eights or nines."

To each his own

So far, four of the five oldest brothers have decided to pursue PhDs in economics. Weston, the third oldest, who chose to earn an MBA after receiving a bachelor's in economics, considers himself the "black sheep" of the family.

In addition to not pursuing a PhD, Weston is the only son who currently lives outside the United States (besides Dallin, who is serving an LDS mission in Seoul, South Korea). After graduating from BYU's Marriott School of Management, Weston moved with his family to Cadarache, France to work on the ITER project, a global collaboration to harness fusion power for large-scale use. There, he is a budget officer focused on planning, control, and analysis. Since relocating to Cadarache, Weston and his wife, Megan, have become fluent in French.

Neither Jaren nor Devin anticipated becoming economics professors. When Jaren started college, he didn't have a major or a profession in mind, but he was sure he didn't want to "follow in the old man's footsteps." Eventually he declared conservation biology as his major, but he was clearly most interested in the economic issues driving conservation. One of his professors encouraged him to take a principles of economics class and he did. Soon he realized that economics helped him analyze and understand the issues in conservation biology better than his conservation biology classes did, and so he switched majors. Jaren went on to earn a PhD in economics with a focus on environmental economics. In 2010, he joined his father at BYU.

Devin (33) began BYU as a math major and took Econ 110 only to fulfill a general education requirement, but found it to be

"pretty interesting stuff" and decided to explore it further. "Despite growing up with an econ professor as a father," he says, "most of the material in the class seemed fresh and new." After taking a few additional economics courses, Devin quickly changed his major to economics and stuck with it all the way through a PhD. Today, Devin teaches economics and negotiation in the Booth School of Business at the University of Chicago, where he also studies behavioral economics.

By the time Nolan came to BYU he had narrowed his list of potential careers to a physicist, mathematician, engineer, soccer player, or basketball player. During his freshman year, however, Nolan fell for economics like his brothers had before him. He enjoyed his economics classes and "they came relatively easy for me," he says. "From that point, I was a goner." Nolan went on to graduate as the valedictorian of the economics department in April of 2011. He and his new bride, Cynthia (married in March of this year), currently live in Illinois, where he is earning his PhD in economics at the University of Chicago.

Bryson was sure he would break tradition and study something besides economics. However, he signed up for an economics class at BYU simply to understand what his dad and brothers were talking about. "To my dismay . . . I liked it!" he says. "People ask me all the time, 'Is that really what you want to study or are you pressured by your family?' If I had been pressured at all I guarantee I would have studied something else."

Bryson, currently a forward on the BYU men's soccer team, plans to graduate next April and pursue an advanced degree in economics. He and his wife, Hsin-Ping Chang, were married in June.



Arden and Ronda Pope on the top of King's Peak with their four youngest boys in August of 2007. From left to right: Bryson, Ronda, Nolan, Arden, Collin, Dallin.

Two more economists in the making?

Dallin (20), the family's missionary, took three economics classes at BYU before leaving on his mission to South Korea. According to Ronda, he performed well in those classes but hasn't settled on a major yet.

Collin, the youngest of the Pope brothers, has noticed a trend in his family, and though he is considering a degree in engineering, he may study economics as well. "Most of my brothers swore not to go into economics but then enjoyed it too much," Collin says. "I am pretty similar to my brothers, so I think I

might enjoy it too." In the meantime, Collin is spending his last year of high school doing typical teenager things, like playing soccer and spending time with his friends.

Boys will be boys

"We are a strange bunch," Ronda says. "But although we would have loved having daughters, we are proud of our family of boys."

The Pope boys admit they were a rambunctious group growing up with no sisters. They hiked, played sports, and got in fights with each other. "We were rough boys completely ignorant of girls and the softer



The whole family (minus Dallin, who is currently serving an LDS mission in South Korea) in Arden and Ronda's backyard in Springville, Utah, August 2013.

side of life," Weston says. "How my mother survived it is not entirely clear."

Still today, they love competition of all kinds. The brothers enjoy competing with each other in everything—from sports to thinking to board games. Devin says that is one thing that sets them apart from other families, "It doesn't matter what we are doing, we can turn it into a competition."

In many ways, the Popes understand each other because they are so like each other. From their names (all ending with the *uhn* sound) to their majors, they have a lot in common. Despite each brother's attempt to tread into new territory, they all return to the economists they are at heart and seem to like it. "We all think a lot alike and it is nice to have others who think the same way," Nolan says.

Not quite all economists

Ronda, who has always been outnumbered in gender and, more recently, profession (she is a nurse), says she now has "daughters-in-law and granddaughters who vote with me." Five of the boys are married and three of them have children. Jaren even has only girls—three of them.

One sister-in-law, Linda, earned a bachelor's degree in economics herself. The other wives have studied physics, exercise physiology, biology, and nursing. When the whole Pope family gets together, one sister-

in-law will often look at her watch and sigh with a smile, "It has only been 3 minutes and 27 seconds and we are already talking about economics." Ronda admits that is the point when she finds something else to do.

Happy to support

Addressing the fact that he and all his brothers so far have majored in economics, Devin says, "It is a bit crazy. I'm surprised that no one decided to get a humanities degree if for no other reason than to be a bit of a rebel. I think it is less that we all love economics than that we are all just so bad at everything else."

Arden and Ronda say they have had no expectations regarding what their children study—only that they pursue an education and perform well in school. "We're just happy to support them in whatever they choose to do," Arden says.

And their sons obviously feel that support, as Bryson mentioned. Without the pressure to study any one thing, they are free to gravitate toward their natural inclinations—which, for them, just happens to be economics.

"If their head thinks like an economist, they should pursue it," Ronda says. "What a great tribute to their dad!"

Missions

- เศรษฐศาสตร์
Arden—Bangkok, Thailand
- Economia
Jaren—Porto Alegre, Brazil
- Economia
Devin—Marilia, Brazil
- ЭКОНОМИКА
Weston—St. Petersburg, Russia/Baltic States
- 經濟學
Nolan—Xiaogang, Taiwan
- 經濟學
Bryson—Hong Kong, China
- 경제학
Dallin—Seoul, South Korea
- Economics
Collin—looks forward to serving

AR



"It has only been 3 minutes and 27 seconds and we are already talking about economics."

Faculty Scholarship Research Highlights and Awards in 2012-2013

Wages, Benefits, and Worker Sorting Under Asymmetric Information



The Patient Protection and Affordable Care Act (ACA) significantly alters the incentives underlying employment-based insurance in the United

States. Employees will likely have more options besides their employer for obtaining coverage due to additional subsidies, health insurance exchanges, and expansions to Medicaid. For the first time, employees will also be subject to financial penalties for not having adequate coverage. On the employer side, many firms will face penalties for not offering coverage, but paying the penalties may actually be cheaper than paying for coverage for their employees.

With the ongoing and upcoming changes in the health insurance market as a backdrop, Associate Professor James Cardon's and Professor Mark Showalter's research develops a new theoretical model for a firm's decision on the type and level of health insurance coverage to offer employees. The key difference between their model and previous models of employer-sponsored insurance is that they model firms as "multi-product" entities. In addition to selling a good on the product market, the firm also acts as an insurance company with the value of that product

being used as partial compensation for employees. This change from previous work allows them to apply insights from the large amount of literature on insurance markets, notably Rothschild & Stiglitz (1976). One of the results of Cardon and Showalter's model is that the demographic mix (e.g., male/female, old/young) at firms might be affected by the nature of the insurance-based equilibrium. They explore these implications by comparing demographic profiles at US and Canadian firms. One empirical prediction is that for firms in the US where insurance is an important "output," equilibrium sorting will lead to different demographic profiles across firm size and type. However, in Canada, which has a single-payer system, there is no similar insurance-based incentive. **JC**

Changing the Shape of Stock Returns Distribution



Professor Jim McDonald's current research focuses on the pricing of stock options and resolving methodological issues in data analysis.

Today, the option market has grown from having 18 stocks listed on the Chicago Board Option Exchange (CBOE) in 1973 to thousands of options being listed on multiple option exchanges. Investors can limit their stock ownership

risks by purchasing a put option or selling a call option on stocks they own. A put option entitles its holder to sell stocks at a specified price, at a particular time, and can act as a hedge in a declining market. A call option entitles the holder to purchase shares of an optioned stock at a stated price over a predetermined time period and to possibly benefit in a rising market. Statistical models for the value of these options make assumptions about the distribution of stock returns. In particular, the Black-Scholes pricing model assumes that stock returns have a lognormal distribution, similar to a normal or bell-shaped distribution. In applications where the lognormal is a poor description of stock returns, the Black-Scholes formula misprices the options.

McDonald worked with recent graduate, David Mauler, to compare the ability of less restrictive return distributions to accurately price options, in particular the S&P 500 Index option. Not surprisingly, these different distributional assumptions significantly improve the ability of the corresponding models to accurately price options. Mauler began the PhD program in economics at Stanford this fall.

*The use of flexible distributions has many additional applications. Together with Hieu Nguyen, a former BYU student studying for a PhD at the University of Chicago, McDonald is studying the importance of distributional assumptions for censored regression models. McDonald is also exploring related topics with Jason Cook, a former BYU student working on a PhD at Cornell University, and current BYU students Sean Kerman, Carla Johnston, and Wess Musso. **JM***

Immigration Barriers and the Global Economy



In one of his current papers on human migration, Associate Professor Scott Bradford explores how rich nation migration barriers impose substantial losses on the global economy—trillions of

dollars each year. By blocking willing workers from moving from low productivity nations to high productivity nations, these nations impose substantial deadweight losses on the global economy. Bradford's research also estimates, for the first time, the global poverty implications of such barriers. The analysis implies that dropping rich nation migration barriers would reduce global poverty by 40-66 percent. This confirms the conclusions drawn by others that opening rich nations to freer migration may do more to reduce poverty around the world than any other policy.

In a second migration paper, Associate Professor Kerk Phillips joined Bradford to examine the impact of immigration barriers on the Japanese economy. While Japan has allowed little immigration before now, the calls for loosening border controls will increase as Japan's population continues to decrease. Phillips and Bradford find that opening immigration would significantly boost GDP per capita, even though the subset of workers who compete directly with the immigrants would suffer a reduction in wages. This analysis implies that Japan should give serious consideration to loosening immigration as part of its efforts to energize its declining economy, though workers made worse off would likely need compensation in order to make the new immigration regime politically feasible.

Bradford's other research projects focus on the implications of economic integration

*between the two Koreas, which is joint work with Phillips, and the political economy of trade policy. **SB***

Women and Political Ambition



What motivates some people to run for

office and not others? In particular, why are women so underrepresented in politics? These are the main questions driving the research of Dr. Olga Bogach, visiting assistant

professor in the Economics Department, and Dr. Jessica Preece, assistant professor in the Political Science Department.

According to experimental economics literature, women in general dislike competition and have a greater risk aversion than men. Bogach and Preece conducted two field experiments (one in the US and one in Uganda) to test the effects of different candidacy recruitment messages on political ambition, and particularly to explore theoretical reasons why women seem to have lower political ambition.

In the first experiment, Republican caucus attendees from Utah were invited to attend a party-sponsored "Prospective Candidate Information Seminar" (PCIS) held in June of this year. Some invitations were generic while others were designed to alter invitees' perceptions of the political recruitment process and address the reasons why women run for political office less frequently than men. Similarly, subjects in Kampala, Uganda received comparable invitations to a PCIS adapted for their culture.

Bogach and Preece are currently reviewing the results of the experiments to better understand why women seem less motivated politically. So far, based on preliminary results from the Utah experiment, sending personalized invitations seems to be more effective in recruiting potential female

candidates than more general, traditional recruitment methods. **OB**

Best Paper: The Fertility Effect of Catastrophe



In June of this year, Assistant Professor Richard Evans received the Kuznets Prize for his paper with Yingyao Hu and Zhong Zho, titled, "The Fertility Effect of Catastrophe: U.S.

Hurricane Births." The prize was awarded for the best paper published in the *Journal of Population Economics* during 2010-2012, as determined by the editorial board. Evans' paper was one of 174 published in this three-year period. The prize was presented by the journal's editor-in-chief, Klaus F. Zimmermann, at the 2013 Annual Meeting of the European Society for Population Economics in Aarhus, Denmark.

In the paper, Evans and his co-authors investigate whether fertility rates increase as a result of catastrophic events. Using storm advisory and fertility data for the Atlantic and Gulf Coast states of the US, they found that low-storm advisories are associated with a higher fertility rate, but high-severity advisories have a negative effect. As the type of advisory increases from least to most severe, the corresponding fertility effect goes from positive to negative.

*Evans began teaching at BYU in 2008 and specializes in international macroeconomics, as well as monetary, public, and computational economics. He is the co-founder and co-director of BYU Macroeconomics and Computational Laboratory and is one of the nine members on the Utah Economic Council. **AR***



Associate Professor Scott Bradford made a deal with his American Heritage class that he would perform the dance from Napoleon Dynamite if they raised \$300 for charity. They reached their goal! Watch Bradford bust a move: <http://bit.ly/GBvdUW>

Journey to PROFESSORSHIP



GRADUATES WITH PH.D.

HIRED @ BYU
Begins teaching as Assistant Professor

6-7 YEARS



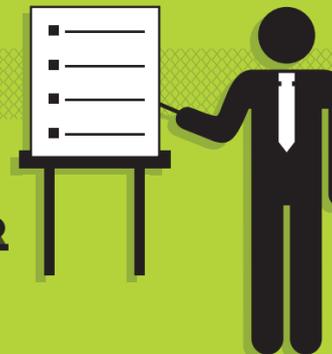
TENURE REVIEW
Becomes Associate Professor

Professor is evaluated by:

- department chair
- all tenured faculty within the department
- committees on 3 levels:
 1. department
 2. college
 3. university
- external reviews (faculty at other institutions who are experts in candidate's research field)

5-10 YEARS

REVIEW FOR FULL PROFESSOR
Becomes full professor



This summer was an exciting one for the Department of Economics as four faculty members received promotions after an intensive process. Congratulations to Dr. Lars Lefgren, Dr. Brennan Platt, Dr. Jaren Pope, and Dr. Joe Price on these major accomplishments!



Dr. Lars Lefgren

was promoted from associate professor to full professor. Lefgren, who earned his PhD at the University of Chicago, began teaching at BYU in 2001. He says he is happy to be finished with the promotion process, which began 12 years ago when he was hired at BYU. Lefgren specializes in labor and empirical economics, with a number of papers also on the economics of education. His current research focuses on education policy as well as intergenerational income (see "Rich Dad, Smart Dad" on page 29).

Although he is grateful to have achieved full professor status, Lefgren said he has always been more internally than externally motivated. He will continue to work hard on his research as usual, with the main goal to "just keep having fun doing what I'm doing."

Lefgren met his wife, Kimberly, when he was an economics student at BYU and she worked as a janitor in the FOB.

They married in 1996 and today have four children—J.P. (15), Noah (13), Emma (11) and Lucy (7). Together they like to take walks on Sundays and watch Studio C, the sketch comedy series on BYUtv. Even though they may not always agree with others on which skits are funny, they usually agree among themselves. Lefgren also likes to exercise, mixing it up with running, hiking, biking, or staying home and riding his elliptical.



Dr. Brennan Platt,

who has been teaching at BYU since 2006, was promoted from assistant professor to associate professor. Platt described the promotion process as one that "permanently changes the way you think about research and productivity." Even a few weeks after hearing he had been promoted, Platt said it was still difficult to process after 12 years (five years of graduate work and seven years of teaching) of working toward this goal. "It's almost this feeling of, 'We're done? You're sure?'" he said.

Platt and his wife, Christine, are the parents of three boys, ages seven, five, and two: Garrett Daniel Platt (initials GDP), Owen Christopher Platt (whose initials don't quite form an economic acronym, but Platt and Christine say it stands for "opportunity cost") and Levi Fisher Platt

(initials LFP). Christine is currently finishing her master's degree at BYU to become a nurse practitioner. They are licensed foster parents and have so far cared for two infants. "We felt that we had surplus to offer and this was a way to consecrate it," Platt explained. "It is 100 percent benefits and no costs."

For the past few years, Platt said his main hobbies have been those he can do with his boys. "We have a ridiculous amount of Legos," he admitted. He also enjoys golfing and watching movies with his wife. Though his favorite movie varies, he said it is hard to beat *Life is Beautiful*, an Italian movie about World War II.



Dr. Jaren Pope,

who taught four years at Virginia Tech before taking a position at BYU, was also promoted to associate professor. Although he is "thrilled" to be promoted, Pope said not much will change. "It means I get to continue to work with great faculty and students and do research I'm excited about," he said.

Pope's primary research is in environmental and urban economics. He is also beginning more research on behavioral economics and the economics of education. Currently, he and Dr. Joe Price are studying how to motivate elementary and middle school students to practice math over the summer. What he enjoys most about teaching at BYU

are the great students. He notes, "BYU has excellent students who are typically engaged intellectually in what we're doing."

The oldest of Dr. Arden Pope's seven sons, Pope is a second generation economics professor at BYU, and so far four of his brothers have also chosen to study economics (see more on page 4). He and his wife, Heather, have three children—Savannah (10), Annika (8), and Taliya (6), who share an interest in maps. The Popes even have a big map of the world under the plastic cover on their kitchen table. Together their family enjoys camping, traveling, and reading. Pope likes to watch and play sports, particularly basketball and squash.



Dr. Joe Price,

who specializes in labor, family, and health economics, was also promoted to associate professor. Since being hired, Price has made his best effort to be a good teacher, researcher, and citizen. He appreciates the help and input of his colleagues, who he describes as "open and collegial." Price has learned from many of them, particularly Dr. Lars Lefgren who mentored him (and for whom he also worked as an undergraduate research assistant).

Price enjoys being both a teacher and a researcher. "If I wasn't teaching, I'd miss it; if I wasn't doing research, I'd miss it," he said. He particularly likes conducting mentored research with his students because it

blends those two roles. Currently, Price is working on several research projects with 20 undergraduate research assistants. (In the past this number has reached as high as 60 during fall and winter semesters.) Some of his recent projects include habit formation in children, gender differences in competitive settings, and the effects of affirmative action on student effort.

The parents of six children ages 2 to 12, Price and his wife, Emily, have homeschooled their children for the last three years, with Price teaching math in the mornings before going to work. This year the oldest three will return to public school. Together, the Price family enjoys camping, hiking, playing sports or board games, and reading books. Price himself has the goal of reading all the books on BYU's Honors list. One of the best books he has read recently is *The Signal and the Noise* by Nate Silver.

AR

FACULTY FUN FACTS

228 MILES RAN IN RACES, SEP 2012 - AUG 2013

-One, "I'd rather just hit my knees with a hammer. It's more efficient."

-One, "What is this 'running' you speak of?"

100 MILES BIKED IN RACES, SEP 2012 - AUG 2013

78 CHILDREN (2, 4, 6, 4, 3, 4, 4, 4, 6, 3, 6, 7, 5, 7, 5, 5, 3)

63 GRANDCHILDREN (10, 5, 8, 19, 9, 5, 7)

1 GREAT-GRANDCHILD (Rulon Pope!)

BYU Economics Department hosts NOBEL LAUREATE ROGER MYERSON



Last March, the BYU Economics Department was privileged to host Professor Roger Myerson from the University of Chicago, and his wife, Gina, as part of the department's Visiting Scholars Series. Myerson is one of the world's preeminent microeconomic theorists, and in 2007, he received the Nobel Prize in Economics. He is especially well-known for his work in information economics, analyzing how contracts, markets, auctions, and other economic systems can create incentives for individuals to trust and cooperate with one another. Myerson has also applied game-theoretic tools to political science, analyzing how political incentives can be affected by different electoral systems and constitutional structures.

Myerson addressed a full audience of students as he explained that the 2008 financial crisis had awakened him to the urgent need for incorporating insights from modern information economics into macroeconomic theory. Banks and other financial intermediaries know more about their investments, for example, than their depositors do; entrepreneurs can forecast the productivity of their ventures better than their investors can; and firms that issue stock have a better sense of the worth of each share than buyers do. Myerson said these issues are significant because the economy relies on financial specialists to direct huge amounts of capital toward productive investments, but if a crisis of confidence shuts down investment, it will shut down economic growth. The influential British economist, John Maynard Keynes, seems to have recognized this early on, but with 1930s technology he was unable to incorporate such problems into his model.

Over breakfast with BYU economics majors, Myerson talked about the importance of theoretical models in economics, as well as the importance of mathematics. He also gave advice to those who plan to pursue doctoral studies in economics. The University of Chicago routinely admits BYU graduates into their business, law, and PhD programs. Myerson said the Chicago Economics Department needs to do its best to train these students well, so that their program will remain attractive to BYU students in the future. Additionally, he and his wife repeatedly expressed their delight at the snowy mountain views that BYU enjoys.

JM



COMPUTATIONAL PUBLIC ECONOMICS CONFERENCE

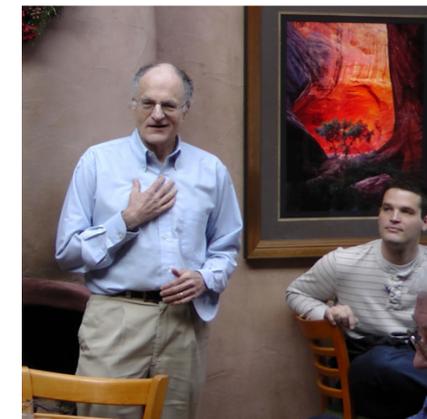
Last December, several of the BYU Economics Department's brightest students mingled with top scholars from around the world at the two-day BYU Computational Public Economics Conference held in Park City, Utah. Professor Thomas J. Sargent of New York University and winner of the 2011 Nobel Prize in Economics was the keynote speaker. The conference focused on frontier issues of theory and policy in public economics, with an emphasis on computation, and was the first conference of its kind held by the department.

In order for students to participate in the conference, they had to first complete the department's rigorous Macroeconomics Computational Boot Camp (featured in the fall 2012 issue of this magazine). The time they had to interact with other participants during the conference gave them a unique opportunity to shine as young scholars. Many of the professionals in attendance remarked on the high quality of BYU students, who also hosted meals and drove shuttles for the guests. In addition to having a "light in their eyes," the students demonstrated exceptional academic preparation—as many participants noted. Indeed, Sargent was so impressed that he hired two students, Chase Coleman and Spencer Lyon, to assist him with an aspect of his research. Both Coleman and Lyon began PhD programs at NYU this fall and continue to work with Sargent.

The conference participants had only positive things to say about the conference, and uniformly expressed a hope that the economics department would host a similar conference the next year. Not only was it intellectually stimulating, it was also uplifting. Several scholars attended the Mormon Tabernacle Choir Christmas program in Salt Lake City and expressed being deeply touched. Perhaps, though, the most satisfying comment came from the Nobel Prize winner himself, who has attended many conferences in his illustrious career; he sent an appreciative email to say, "It is the best conference I have attended in a long time."

Preparations are currently underway for a second conference in December 2013. We hope to match the success of the first one.

BYU economics professor Rick Evans and the department administrator, Carrie Scoresby, played principal roles in planning and executing the conference. Kerk Phillips and Dave Spencer of BYU, as well as Ken Judd of Stanford University's Hoover Institution, also contributed. Students were able to attend due to funding from the BYU College of Family, Home, and Social Sciences and an anonymous and generous BYU economics alumnus.



DS

Student Quotes:

"Meeting Professor Tom Sargent, as well as the other attendees, was amazing and the opportunity to showcase some of my work was incredible as an undergraduate. Before Professor Sargent left, he mentioned how unique the program at BYU is and gave his highest praises to the IMPACT/Macroeconomics and Computation Laboratory Program. This conference was a testament to me of how lucky I am to have been a part of the department here at BYU."

—Jeremy Bejarano

"The conference was one of the most exciting opportunities of my life. It was amazing to have such a great collection of highly regarded professors in such a small and intimate conference. One of the most important things that the professors emphasized to the students was that you can't take too much math as an undergraduate. Regardless of whether or not you pursue a PhD, math is a skill that can set you apart and above other individuals that you are competing against anywhere you go."

—Chase Coleman

"I was a little anxious about attending the conference. I hadn't been to a conference before and didn't know what to expect. But I quickly realized the conference was simply about learning and sharing ideas. I found the visiting researchers to be very approachable, especially Dr. Sargent. This surprised me! They showed genuine interest in us and the projects we were working on, which I appreciated. The whole experience was very motivating and I am grateful I had the chance to participate."

—Ryne Belliston

"It was a very enjoyable conference in which the students were very able to network with professors in our field. I was most excited to learn about new research being done by these great academics."

—TJ Canann

FREEDOM,
agency,
AND THE
problem of
PAIN

Originally given as a high council talk in July of 2005 and revised in June 2013.

One sometimes hears of Church members whose faith is shaken in the face of adversity. They ask why bad things happen to them even though they keep the commandments. Wrestling with their circumstances they are twice wounded: first by the trials themselves, and subsequently by a loss of confidence in God. How can we keep our balance in the midst of life's vicissitudes? In my view, keeping our perspective while facing adversity requires exploring, preferably in advance, the problem of why bad things happen to good people.

Each July in the United States we celebrate our freedom, which we owe to the genius, insight, and inspiration of our nation's founders. Perhaps it is because of the high value we place on freedom that we sometimes confuse freedom with a gift of God that is even more fundamental: agency.

The concept of freedom as a God-given right was fundamental in our country's founding. One of the greatest passages from any political document, one that most of us can quote from memory, is this: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness." Stirring words, dear to us all, but strictly speaking, not true. Freedom is not inalienable. It is easily usurped, for example, by tyrants who have control of guns and prisons. Agency, on the other hand, is inseparably connected with, and indeed virtually equivalent to, consciousness. Freedom can only be defined in a context: it must be specified what one is free to do. My freedom to play Wagner loudly in the wee hours of the morning and your freedom to enjoy a good night's sleep may be inconsistent. Agency, on the other hand, is absolute; it is truly inalienable. The Lord goes to great lengths to explain this difference.

GENESIS 2:12
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is gold;
12 And the gold
good: there is b
onyx stone.
13 And the nam
river is Gihon: th
'compasseth the
'Ethiopia.
14 And the name
is Hiddekel: that
toward the east of

"...we are obligated to make choices. Even the refusal to make a choice is, after all, a choice."

Choice and Opposition in All Things

Let's start at the beginning: Genesis. A careful reading of the first two chapters reveals parallel stories that differ in important ways. In my opinion, these differences arise because the two stories are designed to teach us different aspects of the gospel. Chapter one describes an upbeat and optimistic God, Elohim, who finds joy in the act of creation. At the end of each day He looks at the results of his efforts and pronounces them good. The culmination of these efforts occurs on the sixth day when God creates man, male and female. Notice that no particular order of creation is emphasized for man and woman. At the end of this day, He pronounces His creation not only good, but very good.

Chapter two paints a different picture. The name of the Creator God, Jehovah Elohim and rendered LORD God in the King James Version, is different. The order of creation is not the same. In particular, Adam is created before the animals.

And the LORD God said, It is not good that man should be alone; I will make him an help meet for him. And out of the ground, the LORD God formed every beast of the field and every fowl of the air; and brought them unto Adam to see what he would call them: and whatsoever Adam did call every living creature, that was the name thereof. And Adam gave names to all cattle, and to the fowl of the air, and to every beast of the field; but for Adam there was not found an help meet for him. [Genesis 2:18-20]

Notice that the phrase help meet is not an archaic form of the word helpmate. Meet means "appropriate for." So, rejecting the notion that a dog is man's best friend, Adam was dissatisfied with all of his potential companions. When God finally creates woman, Adam's joy is understated in our translation relative to how the passage reads in Hebrew.

And Adam said, This is now bone of my bones, and flesh of my flesh: she shall be called Woman, ("ishah" in Hebrew) because she was taken out of Man ("ish" in Hebrew). [Genesis 2:23]

The word that is translated as "now" is more accurately translated as "finally," or "at last," with strong notions of relief and happiness.

What follows is the curious tale of God giving contradictory commandments to Adam and Eve. On one hand, they were commanded to multiply and replenish the earth, while on the other hand, they were forbidden to partake of the fruit of the tree of knowledge of good and evil. Lehi taught his son Jacob that Adam and

Eve could not keep both commandments.

And now behold, if Adam had not transgressed he would not have fallen, but he would have remained in the garden of Eden. And all things which were created must have remained in the same state in which they were after they were created; and they must have remained forever, and had no end. And they would have had no children . . . [2 Nephi 2:22-23]

This seems incongruous. Would our God make it impossible to obey all His commandments? We are reminded of Nephi's famous statement:

The Lord giveth no commandments unto the children of men, save He shall prepare a way for them that they may accomplish the things he commandeth them. [1 Nephi 3:7]

The confusion can be resolved by understanding what this story is meant to teach us—namely, that we are *obligated* to make choices. Even the refusal to make a choice is, after all, a choice. Seeing through these lenses, the difference between freedom and agency becomes rather clear. There is no situation, as long as we are conscious, where there is no choice to be made. Even in Stalin's Gulag or Hitler's concentration camps, where freedom was curtailed in ways unimaginable to most of us, there were choices to be made. God gave us our agency when he gave us our consciousness; and this gift of agency is truly inalienable.

Now let's go a little deeper. The word Adam has two meanings in Hebrew. On the one hand, it refers to the historical individual, Adam, who had been Michael, the Archangel, and who received the assignment to become the head of the human family here on earth. On the other hand, Adam is a generic name for a member of the human race. In other words, Adam can be thought of as every man and, by extension, Eve can be thought of as every woman. There is a very important sense, then, that Adam's transgression is the transgression of every man and every woman.

The word transgression, in contrast to the word sin, is carefully chosen. Now, one must not make too much of semantics when reading the scriptures. The scriptures were written in many different times, in many different places, in many different languages, and by many different stewards of the Word. It is too much to expect that a given word must always mean the same thing. Here, however, there seems to be remarkable consistency in the different usages of the words sin and transgression. I believe it is useful to take advantage of the insight suggested in Leviticus 4:2, which begins, "If a soul shall

sin through ignorance against any of the commandments of the Lord . . ."

So one *can* sin in ignorance. Transgression, on the other hand, is conscious: a willful choice to act contrary to a law or a principle. We can infer from this that Adam and Eve did not fall. They jumped. And we, as every man and every woman, jumped similarly when we decided to come to earth, estrange ourselves from our heavenly parents, and covenant to work out our salvation with fear and trembling, taking advantage of Christ's grace through His atoning sacrifice, hoping to return to our heavenly parents' presence.

But what was the point of leaving the presence of the gods in order to return there? It is all explained by Lehi to his son Jacob. Let's listen in.

Adam fell that man might be; and men are, that they might have joy. And the Messiah cometh in the fullness of time, that he may redeem the children of men from the fall. And because that they are redeemed from the fall they have become free forever, knowing good from evil; to act for themselves and not to be acted upon, save it be by the punishment of the law at the great and last day, according to the commandments which God hath given. Wherefore, men are free according to the flesh; and all things are given them which are expedient unto man. And they are free to choose liberty and eternal life, through the great Mediator of all men, or to choose captivity and death, according to the captivity and power of the devil; for he seeketh that all men might be miserable like unto himself. [2 Nephi 2:25-27]

So we are obligated to choose and we chose to come to earth that we might gain through our own experience a greater understanding of the consequences of our choices, with the goal of attaining greater joy. But why is all of this necessary? Why didn't God create a universe in which we could have joy without passing through sorrow? Why, in other words, did God create a universe where bad things happen to good people? Once again let's listen in on Lehi's instruction to his son.

For it must needs be, that there is an opposition in all things. If not so . . . [2 Nephi 2:11]

Notice how it sounds like Lehi is going to answer our question, but we are going to be disappointed because instead of explaining why there must be opposites (and hence choices), he only gives us a list of examples and restatements of the assertion.

If not so . . . righteousness could not be brought to pass, neither wickedness, neither holiness nor misery, neither good nor bad. Wherefore, all things must needs be a compound in one; wherefore, if it should be one body it must needs remain as dead, having no life neither death, nor corruption nor incorruption, happiness nor misery, neither sense nor insensibility. [2 Nephi 2:11]

So an attempt to answer the question of *why* there must be opposition in all things must look beyond Father Lehi's wonderful instruction to his son Jacob.

The book of Job is a natural place to turn for further enlightenment on the subject. I do not believe Job is a historical document. I have trouble believing that God and Satan play with the souls of men as they do in the first chapter of this wonderful book. What we have here are the musings of a serious and inspired rabbi of ancient times. Through the story of Job he tackles the question of

why bad things happen to good people. Job's friends try to convince Job that his troubles come from some sin on his part, but he will have none of it. Job knows he has not sinned (which is another indication that the work is not historical). Finally, the Lord weighs in. Certainly, the Lord understands the answer to this question and so our hopes are raised in Job 38:1, which begins, "Then the LORD answered Job out of the whirlwind, and said . . ."

But instead of the answer the Lord asks a rather pointed question.

Who is this that darkeneth council by words without knowledge? Gird up now thy loins like a man; for I will demand of thee, and answer thou me. [Job 38:2-3]

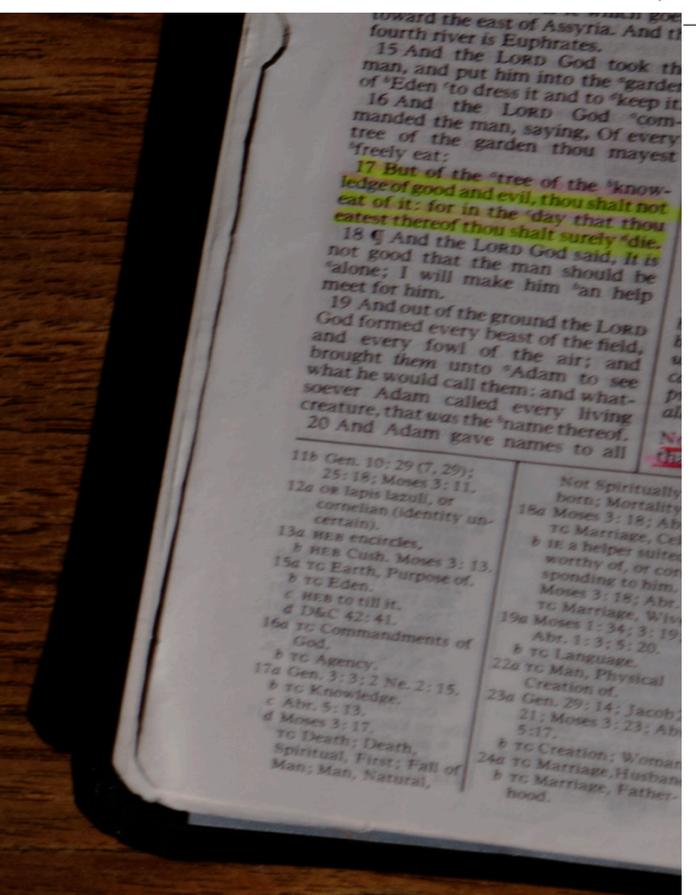
So the Lord seems to be saying that if Job can answer His questions then He will answer Job's questions. There follow two chapters of questions that Job cannot possibly answer, beginning with, "Where wast thou when I laid the foundations of the earth? declare, if thou hast understanding" (Job 38: 4).

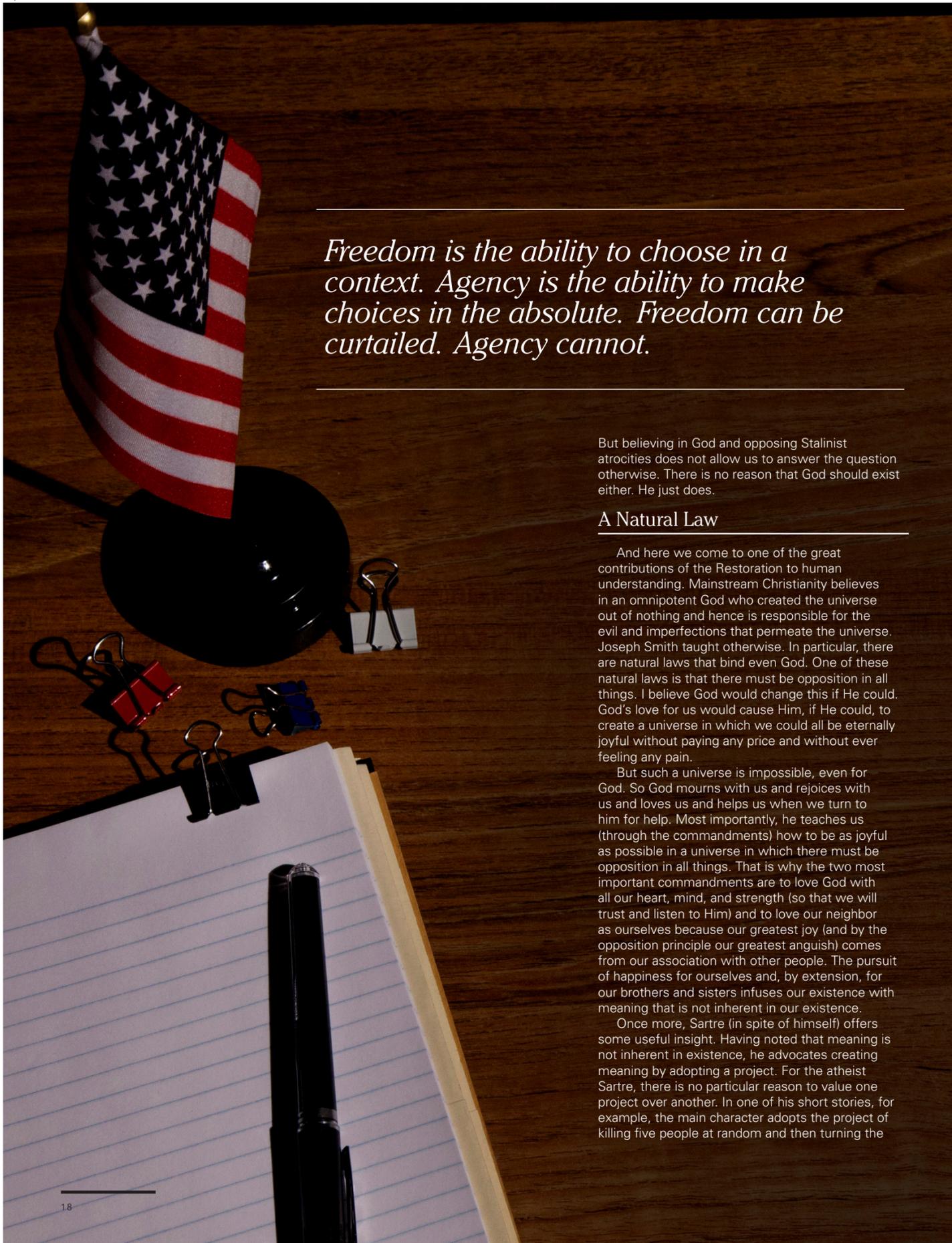
Job rapidly understands that he is out of his league. I love the way he responds upon realizing this.

What shall I answer thee? I will lay my hand upon my mouth. [Job 40:4]

Thus, the book of Job does not contain the answer either. So let us turn to the philosophies of men, which we will mingle with scripture.

The French existentialist, Jean-Paul Sartre, tackles an even more basic question by asking, "Why is there something instead of nothing?" He arrives at the only conclusion that seems possible to me, at least today. There is no reason why there should be something instead of nothing. Sartre was an atheist and a defender of Stalinist atrocities, so I don't hold him up as a model authority.





Freedom is the ability to choose in a context. Agency is the ability to make choices in the absolute. Freedom can be curtailed. Agency cannot.

But believing in God and opposing Stalinist atrocities does not allow us to answer the question otherwise. There is no reason that God should exist either. He just does.

A Natural Law

And here we come to one of the great contributions of the Restoration to human understanding. Mainstream Christianity believes in an omnipotent God who created the universe out of nothing and hence is responsible for the evil and imperfections that permeate the universe. Joseph Smith taught otherwise. In particular, there are natural laws that bind even God. One of these natural laws is that there must be opposition in all things. I believe God would change this if He could. God's love for us would cause Him, if He could, to create a universe in which we could all be eternally joyful without paying any price and without ever feeling any pain.

But such a universe is impossible, even for God. So God mourns with us and rejoices with us and loves us and helps us when we turn to him for help. Most importantly, he teaches us (through the commandments) how to be as joyful as possible in a universe in which there must be opposition in all things. That is why the two most important commandments are to love God with all our heart, mind, and strength (so that we will trust and listen to Him) and to love our neighbor as ourselves because our greatest joy (and by the opposition principle our greatest anguish) comes from our association with other people. The pursuit of happiness for ourselves and, by extension, for our brothers and sisters infuses our existence with meaning that is not inherent in our existence.

Once more, Sartre (in spite of himself) offers some useful insight. Having noted that meaning is not inherent in existence, he advocates creating meaning by adopting a project. For the atheist Sartre, there is no particular reason to value one project over another. In one of his short stories, for example, the main character adopts the project of killing five people at random and then turning the

gun upon himself. He botches this project, managing only to wound somebody and then not having the courage to carry through upon himself. Sartre implicitly condemns him for botching the project and not for choosing an evil project.

This is an example of why we must be cautious when mingling the philosophies of men with scripture. However, this does provide some lenses through which we might understand a different aspect of Lehi's instruction to Jacob.

The Greatest Joy

Using the language of French existentialism, we might say that God, finding Himself in a dismal universe permeated with the opposition principle, infuses His existence with meaning by adopting a project. That project is described in Moses 1:39.

For this is my work and my glory to bring to pass the immortality and eternal life of man.

This is heady stuff. Of all the projects available to our Heavenly Father, He chose us. Why? Because helping us gives Him his greatest joy. Let's consider the context of that scripture. Moses is blessed with the grand vision that seems to be part of the training of the greatest prophets. It was a profound experience that the rest of us can only marvel at. We read thus:

And it came to pass that it was for the space of many hours before Moses did again receive his natural strength like unto man; and he said unto himself: Now, for this cause I know that man is nothing, which thing I never had supposed. [Moses 1:10]

Almost immediately Satan appears on the scene demanding that Moses worship him. Moses's answer is instructive.

Who art thou? For behold, I am a son of God, in the similitude of his Only Begotten; and where is thy glory, that I should worship thee? [Moses 1:13]

Moses teaches us that we are nothing and yet we are everything. If God's project is bringing to pass the immortality and the eternal life of man, and if we (as Joseph Smith taught) are gods in embryo, it seems plausible that our greatest joy would come from adopting the same project. Specifically, we will derive our greatest joy from helping

God bring to pass the immortality and eternal life of ourselves and of our brothers and sisters. For us who trust in the Lord, unlike Sartre, all projects are not of the same moral value. It may be beyond our wisdom to rank them, but it is not beyond God's wisdom.

Consider once again the difference between freedom and agency. Freedom is the ability to choose in a context. Agency is the ability to make choices in the absolute. Freedom can be curtailed. Agency cannot. The ability to choose is one of the attributes of God and His offspring. And it is meaningful because choices have consequences. The greater the consequences, the greater the importance of our agency. As Lehi explained to Jacob,

Wherefore, the Lord God gave unto man that he should act for himself. Wherefore, man could not act for himself save it should be that he was enticed by the one or the other. [2 Nephi 2:16]

To most of us the flavor of ice cream we choose is of little importance because the consequences of choosing one or the other are of trivial significance. Sartre's often misunderstood remark that the French were never as free as they were under the German occupation is actually correct because of the enormity of the consequences of their choices. Their freedoms were curtailed but their agency was magnified.

With these insights in mind, we can rethink the questions raised by the garden story. God does not give contradictory commandments. God gives us commandments to bring us to Christ that we may benefit from the Atonement, which is our only hope for eternal life, which is God's life. The contradictory commandments in the garden story are vehicles to teach us that choice is not avoidable, that we face important choices with consequences, that an understanding of these consequences is beyond our current comprehension, and finally that God can be trusted to lead us in the direction of greater understanding and joy. Properly, Job says, "Though he slay me, yet will I trust in him" (Job 13:15). Making the choices that God would have us make will lead us to be as joyful as possible regardless of circumstance. Believing this and acting upon it is the essence of faith in God.

Having made a clear distinction between agency and freedom, the one being absolute and the other being contextual, we can now exploit the relative nature of freedom to better understand how we should use our agency. In John 8:31-34 we read the

following:

Then said Jesus to those Jews which believed on him, If ye continue in my word, then ye are my disciples indeed; and ye shall know the truth and the truth shall make you free. They answered him, We be Abraham's seed, and were never in bondage to any man: how sayest thou, Ye shall be made free? Jesus answered them, Verily, verily, I say unto you, Whosoever committeth sin is the servant of sin.

Paul revisits this notion of freedom in his epistle to the Romans.

For when ye were the servants of sin, ye were free from righteousness. What fruit had ye then in those things whereof you are now ashamed? for the end of those things is death. But now being made free from sin, and become servants to God, ye have your fruit unto holiness, and the end everlasting life. [Romans 6:20-22]

Notice how Jesus and Paul exploit the relative nature of freedom to teach us how to use our agency. Every choice we make restricts our freedom by ruling out other choices. Thus, we *choose* what we will be in bondage to, that is, what ultimate consequences we will be subject to. The prophets have consistently testified that following the Savior ultimately leads to the consequences that are most conducive to our joy.

It is my prayer that we will employ our agency as Jesus would have us employ it. May we lay the burden of our own sins at the feet of the Savior and use our agency to take His yoke upon us, for truly He taught that His yoke is easy and His burden is light. May we lay the burden of the sins of others at the feet of the Savior. May we love our enemies and bless them that curse us, that those burdens too may be laid at the feet of Him who has offered to take them from us. And may we love each other as the Lord loves us, with all our imperfections, striving to lift each other to achieve our presently unimaginable potential.

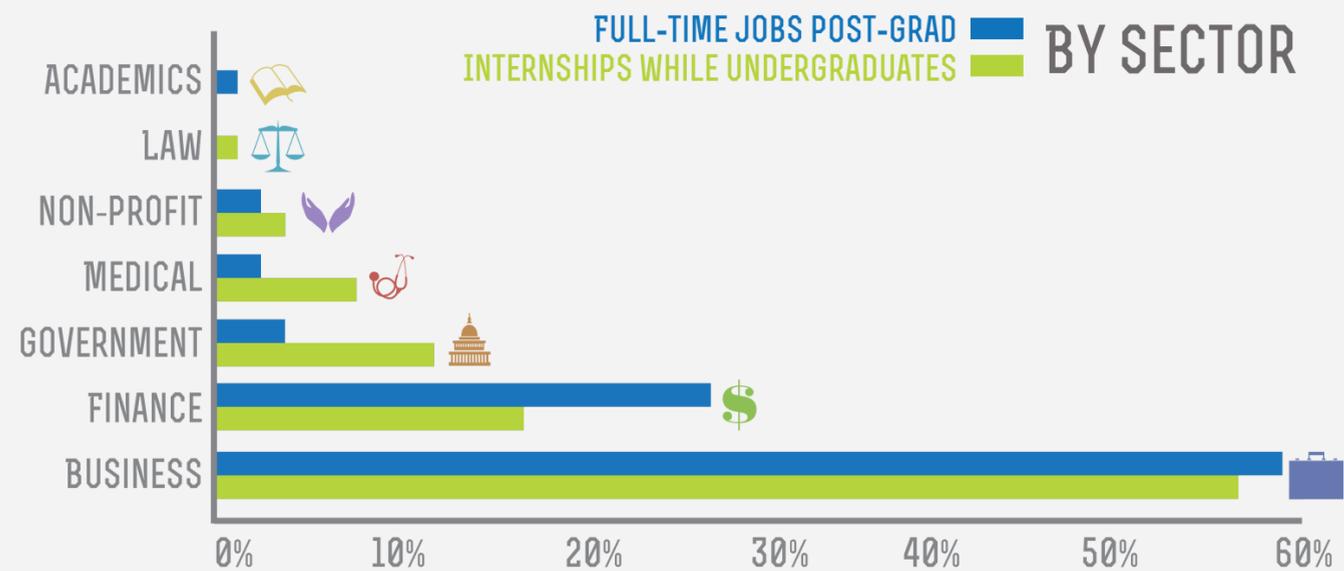
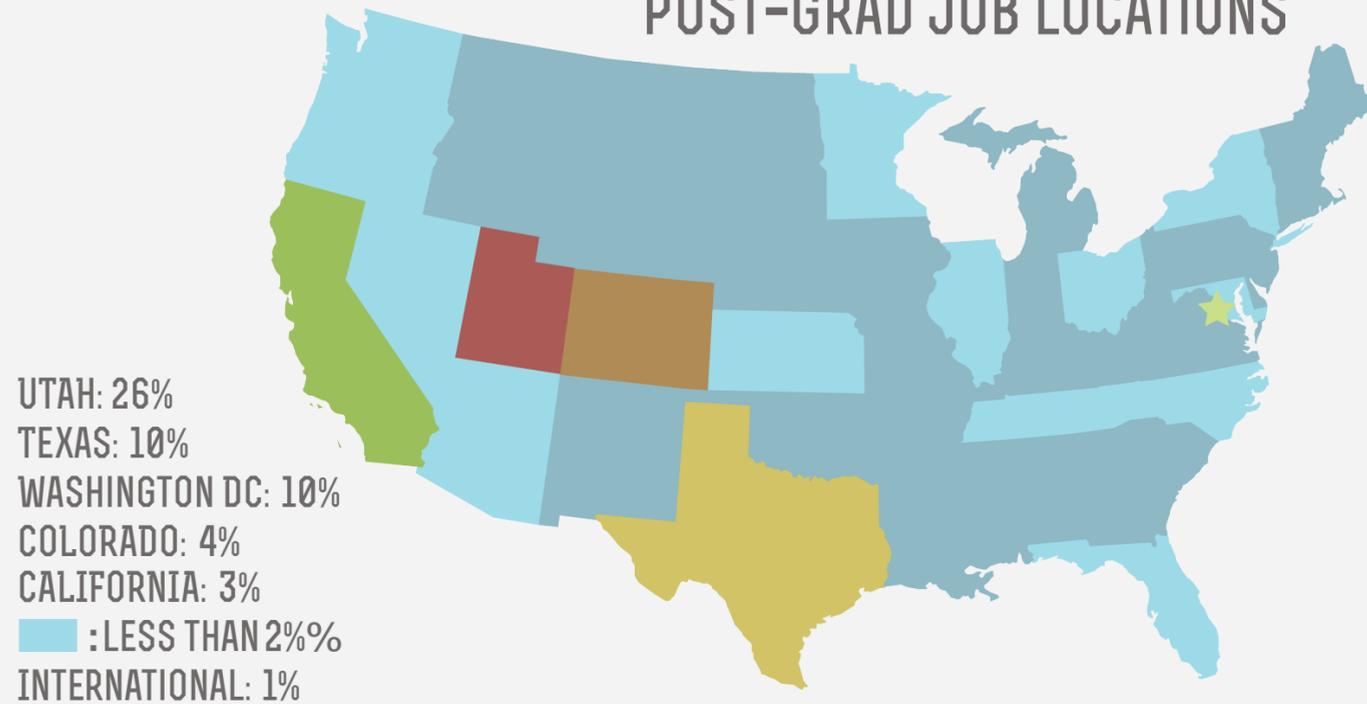
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CLASS OF 2013

POST-GRAD JOB LOCATIONS



*ALL RESULTS BASED ON THE SURVEY RESPONSES OF 121/162 GRADUATING STUDENTS

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The Student Experience



Hannah Marchant outside of the Washington Monument during her internship to Washington, DC

Economics in Daily Life

While taking *Intermediate Price Theory II* from Dr. Jaren Pope, Hannah Marchant developed an eye for the integration of economics in daily life. Students in Pope's class were required to track potential research ideas and share them with their classmates. Doing so led Marchant to a topic for her honor's thesis: "The Effect of Housing on First Year Students' Academic Performance."

While working at the BYU Admissions and Financial Aid Office, Marchant gained insight into the choices freshmen must make before coming to college and how these choices affect their academic performance. "I felt like one of those choices—housing—probably had a greater effect on grades than students realized, and thus, deserved more attention from both students and university administration alike," Marchant said. "So I decided to see if I could quantify that effect."

Marchant found that freshmen who live on campus earn a GPA 0.09 points higher on average than those who live off campus. In addition, freshmen who live off campus are 1.7 times more likely than those on campus to get a GPA below 1.0,

thus entering an at-risk academic group. Pope, who served as Marchant's mentor, assisted her in gathering data.

Marchant, who graduated in 2012, now attends the J. Reuben Clark Law School at BYU. She is considering a future in public policy or a regulatory practice. Her internship this past summer in Washington, DC provided her with experience in both fields.

To read more on her findings, see <http://bit.ly/1fgc090>

From Econ to Medicine

There are many benefits to attending Baylor College of Medicine in Houston for economics graduate, Nathan Law, who just finished his first year there—tuition is relatively inexpensive, the campus is close to family members, and the cost of living is affordable, especially for a big city. Most importantly, it was his top choice for medical school.

Ranked by U.S. News as #18 in research and #24 in primary care among the country's best medical schools, Baylor is known for excellence.* Nathan wanted to become a doctor ever since his anatomy

and physiology class in high school, although, he considered other options—like economics. If he hadn't chosen medical school, Nathan said he would probably work in consulting or at a venture capital firm.

Despite ultimately choosing another field, Nathan said that studying economics at BYU influenced the way he thinks. In addition to naturally thinking in terms of costs versus benefits or supply and demand, "it has helped me think and learn about the changing medical field, insurance and healthcare policy," he said. Nathan expects that his economics background will continue to help him with understanding these changes and also with managing his income—"once I start having some."

Nathan, who is leaning now toward becoming an ophthalmologist, enjoys the unity he experiences among his peers and professors at Baylor. "Everyone is very friendly and we all work together," he said. "It feels like we are all part of the same team working towards a common goal."

*Information found at <http://bit.ly/17k3uxu>



Nathan Law and his wife



Angela Graves going to work at the US Treasury Department building



Jacqueline Andros in Istanbul, Turkey

Intern at the Treasury

Senior Angela Graves' fascination with markets and investing reaches back to high school. In fact, for her 16th birthday she asked her parents for an E-Trade account. Her interest in the field of economics has only grown since then. After completing internships in the summer of 2012 with Cicero Group, a small consulting firm in Salt Lake, and Merrill Lynch in Arizona, Angela landed the internship she always knew she wanted—with the US Treasury.

As a financial analyst intern in the Markets Room, Angela followed international markets every day. Primarily, she compiled and analyzed data for government officials (including President Obama and former US Treasury Secretary Timothy Geithner), which required her to pay close attention to constantly changing markets. Angela collaborated with analysts daily to prepare briefs on the most significant changes in the market. She also had the opportunity to write papers for Treasury and White House personnel on topics of personal interest, such as recent credit changes, monetary policy analysis, and how the Federal Reserve's asset purchases will affect markets.

What Angela enjoyed most about her internship with the Treasury was also the most challenging: "a really steep learning curve." Although the flood of new information in the first weeks was overwhelming, she loved learning about

a topic she finds so intriguing. "If you understand what's going on in markets, you understand what's going on in the world," she said.

Angela received a \$1,000 grant from an economics alumnus that subsidized the cost of her internship at the Treasury. She also completed a fourth internship this past summer at Bain & Company.

Hindsight Bias: Just How Predictable is Society?

Jacqueline Andros was thrilled to learn that *Behavioral Economics*—a course only recently offered by Dr. Joe Price in spring 2012—was available at Cambridge University through BYU's Honors' study abroad program. As part of the course, Jacqueline designed a behavioral economics experiment that she conducted after returning to the US.

With funding from a student research grant and the Honors Program, Jacqueline worked with Price to research gender differences in the phenomenon known as hindsight bias—the tendency people have to think they "knew it all along" when unexpected things happen.

Jacqueline measured hindsight bias through a series of questionnaires, each including 30 true or false statements about a variety of subjects. She then distributed

the correct answers and asked participants to recall their own initial predictions. (To test your own hindsight bias, see the questionnaire on page 23). Her findings suggest that men are 125 percent more likely than women to believe they had given the correct answer the first time. However, after Jacqueline informed participants of their bias and asked them to duplicate their answers a second time, men were more likely to correct it.

Whether in answering questionnaires or forecasting a nation's economic future, Jacqueline believes it is important for people to be aware of vulnerabilities such as hindsight bias. How much can we actually predict and how much do we simply review in retrospect and think, "We should have known"?

Jacqueline noted she likes how behavioral economics "mixes elements of psychology and human behavior with the data collection and economic analysis tools," and said she gained an appreciation for the complexity of the research process, having worked closely with Price to control for potential complications or errors.

Jacqueline is currently working in economic litigation consulting for Cornerstone Research. She is still interested in behavioral issues and quantitative analysis and is fairly certain graduate school is in her near future.

To read more on her findings, see <http://bit.ly/PQcZod>

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Hindsight Bias

Check your hindsight bias:

- Without looking at the answer key, record your response to each of the true or false questions, in column #1.
- Wait a minute or two.
- With the answer key visible and your original answers hidden, answer the same set of questions in column #2. This time your goal is to replicate your first answers, not to indicate the correct response.

#1	Questions	#2	Answers
_____	1. <i>Pirates of the Caribbean: Dead Man's Chest</i> was the second in the film franchise.	_____	1. True
_____	2. The first European settlers of New York came from the Netherlands.	_____	2. True
_____	3. The residence of the US president became formally known as the White House in 1801.	_____	3. False
_____	4. Russia is separated from Finland by the Bering Strait.	_____	4. False
_____	5. <i>Live and Let Die</i> was Ian Fleming's first James Bond novel.	_____	5. False
_____	6. Leonardo da Vinci's famous painting <i>The Last Supper</i> can be seen in Rome.	_____	6. False
_____	7. Sony marketed the first digital camera.	_____	7. False
_____	8. Chicago was home to the USA's first skyscraper.	_____	8. True
_____	9. On a boat, a spinnaker is a type of steering mechanism.	_____	9. False
_____	10. The blackberry is the berry with the highest antioxidant content.	_____	10. True
_____	11. The New York Yankees have won the World Series more than any other team.	_____	11. True
_____	12. Alaska was known as Seward's Folly when the US purchased it.	_____	12. True
_____	13. The popular Canadian sport curling originated in Scotland.	_____	13. True
_____	14. The basset hound is the breed of dog with the most highly-rated sense of smell.	_____	14. False
_____	15. The band U2 is known as U-Dos in Spain.	_____	15. True
_____	16. Each player in a game of chess begins the game with 18 pieces.	_____	16. False
_____	17. In J.R.R. Tolkien's <i>Lord of the Rings</i> trilogy, the One Ring was made by elves.	_____	17. False
_____	18. Edinburgh is Scotland's largest city.	_____	18. False
_____	19. Napoleon died on the island of Elba.	_____	19. False
_____	20. The designing, displaying, and describing coats of arms and badges are called heraldry.	_____	20. True

Comparing your first set of answers to your second set, you were [not very/somewhat/very] likely to remember your original answers less accurately once you learned the correct answers.

If you have difficulty accurately remembering, you are one of many people prone to hindsight bias!

Alumni Spotlights:

Brigitte Madrian & Thomas Lee

“It’s rewarding to see your research actually have an impact.”



Brigitte Madrian, PhD
Professor of Public Policy and Corporate Management, Harvard University



Since graduating from BYU in 1989, Brigitte Madrian has been diversifying her professional portfolio. Her first stop was MIT, where she earned her PhD in 1993. Following

MIT, Madrian’s middle school dream of becoming a professor took her to Harvard, the University of Chicago, the University of Pennsylvania, and finally back to Harvard: one economics department, two different business schools, and a public policy school.

These assorted teaching experiences have provided Madrian with a unique perspective that Harvard is happy to take advantage of. Now a professor of Public Policy and Corporate Management at Harvard, Madrian not only teaches in her appointed position at the Kennedy School of Government, but she also teaches a class in the business school and occasionally teaches undergraduate students in the economics department.

One of the things Madrian says she likes most about her current job is that it incorporates the knowledge she has gained from her previous positions.

As a professor, Madrian sometimes feels she has two different jobs: one teaching in the classroom and another conducting research. One challenge inherent in her career is trying to do both jobs well at the same time. “That’s why it’s really great to have summers off of teaching,” she says. “Then you only have one job to focus on instead of two.”

Madrian’s current research focuses on how psychology and economics intersect to impact household financial decision making. In explaining her research, Madrian says she considers questions such as, “What does it take to get individuals to sign up for a savings plan? What types of barriers, financial and non-financial, deter people from saving? What happens if you make it easier for people to sign up for a savings plan? What happens if you make it automatic, so they actually have to opt out of the savings plan?”

Madrian has used the results of her research to help inform how institutions can design better savings programs. Her work has directly influenced the design of employer-sponsored savings plans in the US as well as pension reform legislation

both in the US and abroad. Madrian cites doing research with an influence on economic outcomes as her greatest professional accomplishment. “It’s rewarding to see your research actually have an impact,” she notes.

Her experience at BYU prepared her for success in graduate school, Madrian says. She especially appreciates faculty members who encouraged her to apply to graduate school, and the many opportunities she had to work as a research and teaching assistant. “I felt like I had a really good, broad background going into my PhD program,” she explains. “BYU has a fantastic undergraduate economics program that is well-respected at other universities in the country.”

Brigitte and her husband, David, live in Wellesley, Massachusetts, with their two teenage daughters. Brigitte enjoys walking her dog and spending time with her family, including watching British period dramas with her daughters. If she had more time, she would spend it reading, traveling, and cooking.

For more information on Madrian and her research, see her website at <http://hvard.me/1cs4HL2>

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Thomas Lee, JD
Utah State Supreme Court Justice



Justice Thomas Lee’s path to the Utah Supreme Court began two decades before he submitted an application. During his two judicial clerkships following law school, he remembers thinking that the

federal judges he worked for had the best job in the world—because they were in a position to influence the development of law and public policy. In 2009, he learned of an impending vacancy on the Utah Supreme Court. “The more I thought about [applying],” Lee says, “the more I became convinced that this would be a good fit for me.”

Eventually, Lee did apply. As part of that application, he was required to list cases he had worked on and lawyers and judges he had worked with.

“That part of the process is rigorous and potentially nerve-racking, as you worry about what the lawyers you have worked with might say about you, and whether you may have made some intemperate comment that might come back to bite you,” Lee explains.

He had no need to worry though, as he was eventually asked to interview with the bipartisan judicial nomination commission, who presents candidates for the governor to nominate to the Utah Supreme Court. “Apparently my intemperate comments must have been forgotten,” Lee quips, “or at least insufficiently problematic to nix my application.”

After extensive interviews with Governor Herbert and his staff, Lee was nominated and then unanimously confirmed by the Utah State Senate to fill the vacancy on the Utah Supreme Court. Since his appointment in 2010, Lee spends his work days preparing for oral arguments, hearing and discussing cases with his colleagues, and drafting opinions for cases or commenting on opinions written by other justices.

Most of Lee’s work focuses on the coherence and logic of legal principles rather than the actual outcome of the cases. These cases typically raise unresolved questions of law that the Utah Supreme Court is designed to clarify or refine. This means that Lee spends extensive time reading past cases and other legal materials, debating the propriety of legal principles with his colleagues and law clerks, and polishing the wording of his opinions. “Many people have said that the life of an appellate judge is monastic or isolating,” Lee says. “Perhaps that is right, but to me, it is intellectually invigorating and thoroughly enjoyable.”

Lee comes from a family of lawyers, including his grandfather, father, and brother. Though he briefly thought of pursuing a PhD in economics when he was a student, he says, “I’m not sure I had the intellectual horsepower to be a real economist.” Instead, Lee cherishes his background in economics for other reasons. Learning to think like an economist has influenced his approach to legal problems. As a judge, he consistently draws on insights from principles of supply and demand, efficiency, utility, marginal cost, and game theory. Lee’s study of economics also led him to law school

at the University of Chicago, where he graduated with high honors in 1991.

Upon graduation, Lee served as a law clerk to the Justice J. Harvie Wilkinson III on the United States Court of Appeals for the Fourth Circuit, and then to Justice Clarence Thomas at the United States Supreme Court. Following his clerkships, Justice Lee worked as an associate and then partner at a Salt Lake City law firm now called Parr Brown (1992-94 and 1995-97), as a professor and associate dean at the BYU law school (1997-2004 and 2005-10), and as deputy assistant attorney general at the United States Department of Justice (2004-05). During his time at BYU, Lee also developed a part-time legal practice, arguing numerous cases in federal courts throughout the country and in the United States Supreme Court.

Coming from an academic background, Lee wondered whether he would be disappointed by the level of debate among members of the court. However, “I have been pleasantly surprised by the vibrancy and openness of the debate and discussion among members of the Utah Supreme Court,” he says. “We do not always agree, but we are always interested in understanding each other’s views.”

Lee and his wife, Kim, have six children, who have started the tradition of attending BYU and serving missions. Together, their family enjoys boating at Lake Powell, playing basketball and tennis, and rooting for the Cougar football and basketball teams.

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TRACTORS, FIDDLES, AND Missions Life After Retirement

William Park

Consecrated Service



His story: As a professor, Dr. William Park didn't follow the typical promotion process. Before accepting an offer in the Agricultural Economics and Marketing Department at Rutgers University in New Jersey, he requested an associate professor position (a step up from the usual first assignment as assistant professor), which he received. When he returned to teach at Rutgers a second time (after a two-year stint in consulting), he was promoted straight to full professor. Park stayed there until 1977, when he received a call from BYU asking him to be the chair of the Department of Agricultural Economics.

Park became the associate dean of the College of Biology and Agriculture following his service as department chair. After his term was up and the Department of Agricultural Economics had merged with the Department of Economics, Park and his wife, Ann, decided to retire in 1998 to serve a mission in the West Indies.

Since BYU: While serving in the West Indies, Park and his wife provided training to both members and missionaries. As first counselor to the mission president and having responsibility over the finances, Park developed the debit card system that most missionaries use today. Through the new system, district leaders no longer had to travel from the office to their missionaries with large bundles of money; instead, money could be transferred directly to individual missionaries electronically.

Before his wife passed away, Park

served with her as an ordinance worker in the Mount Timpanogos Temple. Since then he has worked in the Draper temple, and now serves weekly as a patron in the Oquirrh Mountain Temple. He currently lives in Midvale, Utah.

"Dr. Park was my advisor in the master's program. At the time he also directed over the program. Dr. Park encouraged me to go on for a PhD, although, being a farm boy from rural Washington state, I resisted. He prevailed and I am very grateful for his encouragement and guidance. After graduating from BYU, I received my doctorate from Purdue University. I am now professor and associate head for graduate programs at Texas A&M University. I recruited his son John Park to work on his PhD here. After graduating with a PhD and working at Cornell, John is now a professor at Texas A&M University."

-David Leatham ('78), College Station, TX

Wayne W. Clark

Veteran



His story: After serving in the army during World War II and a mission to Denmark, Dr. Wayne Clark studied agricultural economics at BYU. Though he had planned to take over his father's farming and ranching operation, one of Clark's economics professors, A. Smith Pond (one of the principal founders of the modern Economics Department and the first member of the department to receive a doctoral degree), encouraged him to attend graduate school. Upon completing

graduate school at the University of California at Berkeley and Texas A&M, Clark taught in the Economics Department at Sam Houston State College. He returned to teach at BYU when a position opened in 1962. Over the course of 40 years, Clark served as professor, department chair, director of Cooperative Education, and associate director of the BYU Jerusalem Center.

Since BYU: Clark knew it was time to retire when he saw one of his students in the BYU Museum of Art. The student approached him and said, "I would like you to meet my father. He has a PhD in economics and works at the World Bank." As it turned out, the student's father was also one of Clark's former students.

Clark and his wife, Colleen, now live in Provo, Utah. In addition to spending time with their seven children, 31 grandchildren, and 22 great-grandchildren, he enjoys attending the temple, golfing, and exercising. He also appreciates hearing from former students, noting, "It has been gratifying to see many of my former students be active in church leadership positions and excel in their chosen careers."

"I took Economics 110 from Dr. Clark, and I still recall how he opened up an entirely new way of thinking to me. He was masterful at demonstrating the explanatory power of simple principles of economic logic. After the class was over, Dr. Clark took the time to write me a personal letter suggesting that I meet with him about the possibility of majoring in economics. I accepted Dr. Clark's offer, and, as a result of our conversation, I

chose economics as my major. My study of economics laid the foundation for my future career as a business school dean [at the University of Michigan]. Dr. Clark's interest in my education fundamentally shaped my future career path."

-Alison Davis-Blake ('79), Ann Arbor, MI

Sydney James

Cheers to Economics



His story: Dr. Sydney James first recognized the significance of economics while majoring in vocational agriculture at Utah State University in the 1950s. He delved into a study of agricultural economics after realizing that an understanding of business and economics was essential to a successful farm business.

James came to BYU in 1983 after 20 years of teaching economics at Iowa State University and one year as a consultant to the LDS Church Welfare Department. He first taught and researched farm management at BYU, and then joined the Economics Department when it became clear that the College of Agriculture would be disbanded. However, he continued to collaborate with both economic and agricultural faculty in his research and teaching.

Since BYU: Since retirement, James has served three full-time missions for the LDS Church in Adam-ondi-Ahman, Missouri, Vietnam and Laos, and in the BYU Family History Center. He has also written a book titled *Economic and Business Principles in Farm Planning and Production*. These days he works in the temple, volunteers at the Timpanogos Regional Hospital in Orem, and still spends time on family history work. When the weather is nice, James rides ATVs with his wife in Utah mountains and west desert. He credits his "pleasant and happy life" to the money he saved based on economic principles he learned in school.

James and his second wife, Carolyn, now live in Orem, Utah, in the home he built in 1983. Together, they have 10 biological children and five stepchildren. According to James, "Family, church, and everyday living occupy much of our time. Life is good and the Church is true. Cheers to economics."

"Syd is a good friend of mine and has been for a long time. He was a professor at Iowa State when I was a grad student there, and we attended the same ward. He was a warm, generous man who loved his family, and he was a fine professor. Then we both worked at BYU and Syd was a wonderful colleague, always willing to do whatever he could to make the department better. I have a lot of admiration and very kind feelings toward him."

-Arden Pope ('78), Springville, UT

Larry Wimmer

Retired and Reading



His story: Dr. Larry Wimmer graduated in economics from BYU in 1960. After completing his dissertation at the University of Chicago, he returned to BYU in the fall of 1966. When he first arrived, professors were required to teach 10 courses per year and research in economics was minimal. Initial support for research came from Dean Weldon Taylor of the College of Business (before economics was transferred to the College of Family, Home, and Social Sciences), who commented, "I don't claim to understand what you boys are doing in economics, but I have the feeling that it is good and I pledge my support." As the department gained encouragement from the dean, Wimmer spent more of his time studying American economic history, his main field of expertise.

Wimmer found teaching at BYU "exhilarating!" He says, "It allowed us to be part of building something of value for the university and the Church, and ultimately for the ever-increasing quality of our students."

Since BYU: According to Wimmer, the opportunity cost of personal time declines after retirement. "Others will quickly find projects to fill your time, and you have lost your standard responses: 'I have got to go to the office' or 'I have a deadline to meet,'" he says. Even so, Wimmer spends much of his time reading and writing. As he attempts to resolve for himself the dilemma of the Great Recession, the three best books he says he has read on the subject are *Fault Lines* by Raghuram Rajan, *This Time is Different* by Carmen M. Reinhart and Kenneth Rogoff, and *First Principles* by John Taylor.

Wimmer and his wife, Pat, now live in Provo. They married after both of their spouses passed away of cancer.

"I took Econ 111 (macro) in the fall semester of 1970. In the class were John Bennion, Kim Clark, and Mitt Romney. Professor Wimmer was always applying macroeconomics to current problems in the world around us. He did it in a skeptical but fun manner. Every day I'd leave the class just so excited about what I could now see clearly, because of what he taught me. He didn't give me a grade in Econ 111; he gave me a set of lenses that allowed me to see the world differently and more clearly. Professor Wimmer, thank you!"

-Clayton Christensen ('75), Belmont, MA

Farrell Jensen

Tractor Collector



His story: Originally from Preston, Idaho, Dr.

Farrell Jensen received his bachelor's degree from Utah State University and his master's and doctoral degrees from Kansas State University. He first came to BYU in 1982 to teach in the Department of Agricultural Economics, and he served as the department chair until it merged with the Economics Department in 1988. In the new department he also served as department chair from 1994 to 2000. His fondest memories spring from teaching and interacting with his students and colleagues.

Since BYU: Jensen's biggest hobby is restoring old tractors, which he has done since retiring in 2008. His collection currently stands at 20 tractors, all of which are Allis Chalmers ranging from 1937 models to a 1960 model. He also runs a small hobby farm. "Tractors are more fun if you can use them for their intended purpose," he says.

Since his career as an economics professor seems to intimidate people, Jensen is more likely to discuss his hobby than his career. Besides, he says, "People like to talk about old tractors and kids love them. Many kids come to visit my collection and they are fascinated by the 'stuff.'"

Jensen met his wife in grade school (the same grade school Ezra Taft Benson attended), but they did not date until he returned from his mission. They now reside in Springville, Utah, and own land in Island Park, Idaho, where they enjoy spending time in nature.

"Professor Jensen was my favorite guy around. He had a great sense of humor and loved to laugh, and that made things really fun for me. I needed help to keep my mind in the game. I also used to run into Dr. Jensen playing basketball with his professor buddies, and since I played basketball for BYU I will say this: Professor Jensen could have teased me in class for not being the sharpest tool in the shed, but I could tease him on the basketball court. I think that makes us even. To sum it all up, Professor Jensen didn't take himself too seriously and he made learning fun. He was always willing to help you as long as you put in the effort."

-Trent Plaisted ('09), Limoges, France

Del Gardner

Unabashed Intellectual



His story: As a young college student, Dr. Del Gardner says he quickly took a liking to economics, and his path toward becoming an academic and a professor seemed natural. This path brought him back to BYU as a professor three separate times over the years—once from 1954-1955, again from 1959-1962, and finally in 1986 until his retirement in 1996. Between his last two stints at BYU, Gardner served as an assistant professor at Colorado State University, the

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chair of the Economics Department at Utah State University, and a professor at the University of California at Davis.

Gardner shares a memory from his teaching years: "In a period of personal turmoil, when I was sleep deprived, I went to sleep while teaching a small class of seniors. It happened in the Knight building in the basement of a windowless room. Right in the middle of a sentence I conked out. The students left me there with my head on the table. I awoke several hours later alone, in complete darkness, but somehow found my way to the door and exited the building."

Since BYU: Although he has been retired for 17 years, Gardner still returns to his office in the FOB every day. He spends his office hours studying issues related to water development and allocation. Last year, he co-edited and wrote two chapters for a book on water markets and the environment titled *Aquanomics*, and this year he gave a major address in St. George on water policy. "I doubt that I will ever be content to give up this regimen of intellectual activity, unless health conditions require me to do so," Gardner says. "I have my fingers crossed."

Gardner and his wife, Kathryn, have been married for 46 years and now live in Orem, Utah. "Kathryn is the moral compass of my life and a constant inspiration," Gardner says.

"Professor Gardner was a teacher who truly cared about the success of his students. Their success was his success, and their failures were his failures. He was dedicated to his teaching and to his students, which earned him great respect and admiration. I had the great fortune of being both his student and his research assistant. His influence in my life and career has been significant and lasting. I am sure I have not personally thanked him sufficiently for his genuine enthusiasm, encouragement, and support. Thank you."

-Melissa Grant ('92), Tallahassee, FL

Dean Dutton

Professor's Got Talent



His Story: Dr. Dean Dutton intended to major in physics, but changed his mind when he returned to college after his mission and he failed electricity and magnetism. He decided he didn't like physics much after all, but he did like economics. Eventually, he earned his bachelor's degree in mathematics and a PhD in economics, which he said turned out to be "a really smart move." He first taught at the University of Iowa after graduate school and stayed there for one year. When he came to Utah for his grandmother's funeral in February of

1968, he stopped at BYU "out of curiosity" and was impressed by the faculty of the Economics Department, who were equally impressed with him. Dutton began teaching at BYU in the fall of 1968 and stayed until retiring in 1993 to support his family in the music industry. He appreciates his background in economics noting, "Everyday life is beset with challenges and problems that need to be solved, and a good education helps orient you to thinking, analyzing, and solving problems."

Since BYU: Nowadays, Dutton keeps busy performing in the family band, a finalist on "America's Got Talent" in 2007. The family typically performs once per day, spending eight months a year in Branson, Missouri, and four in Arizona. In addition to performing, the family runs The Dutton Family Theater and a hotel in Branson.

The core family band consists of Dutton and his wife, Sheila, as well as five of their children and one daughter-in-law. Together they play the violin, fiddle, guitar, bass, viola, cello, banjo, mandolin, keyboard, harmonica, and drums. The Duttons perform in a variety of genres, including blue grass, classical, country, and contemporary.

To read more about the Dutton family, see <http://www.theduttons.com/>. To watch them perform, visit <http://bit.ly/19xoXtB>.

"When I took econometrics and a graduate-level course in macroeconomics from Dean Dutton, I had no idea of the breadth of his talents. He never once yodeled or strummed for us. We only saw him as a great teacher and economist. How could we have expected that his competence as an economist would be dwarfed by his eventual fame as the head of the Dutton Family Singers? I'm still only an economist."

-Dave Spencer ('71), Orem, UT

Clayne Pope

Economics: A Way of Life



His story: Dr. Clayne Pope wanted to be a professor because he "loved economics and thought (incorrectly) that being a faculty member would be easy." A faculty member at BYU from 1970 to 2008, Pope considers helping to build a solid Department of Economics one of his greatest accomplishments. Two months after he began working at the University of Michigan, his first position following graduate school, Pope's father was killed in an accident. Consequently, he decided to move west, where he began teaching at BYU. There he was department chair from 1975 to 1977 and served as the dean of the

College of Family, Home, and Social Sciences from 1993 to 2001. His area of expertise is economic history, and he has taught courses in economics principles, economic history, economic theory, and American institutions. Pope met his wife—a secretary in the Department of Economics at the time—in the fall of 1970 and asked her to type the final copy of his dissertation. Apparently, it went well because they were married in 1972.

Since BYU: Pope is one of the few emeritus faculty members who still claim an office in the FOB. "Medical appointments, house duties, traveling, and a little work" keep him occupied. He continues to conduct scholarly research and remains available for the Center for Population Economics if they ever need his assistance. Economics has become a way of life for Pope. He says, "Economics provides a framework for everyday decision-making and a way of thinking about the world."

Pope and his wife, Carolyn, currently live in Provo, Utah. His brother, Rulon Pope, continues to teach in the Department of Economics.

"I was Dr. Pope's teaching assistant for Econ 110 for two semesters. Dr. Pope saw economics in everything. One day in class, he told us about when his first child was little he would cry until he or his wife responded. This continued for months on end until Dr. Pope analyzed the situation using economics. He explained that his child cried because it created an incentive for the Popes to respond. Once the Popes stopped responding to the incentive, their child would fall asleep without crying."

-Reed Willis ('07), Scottsdale, AZ

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The Department of Economics would also like to recognize the emeriti who have passed away in recent years.

Carlton A. Infanger

January 25, 1923-April 6, 2013

Years at BYU: 1964-1998

Expertise: Agricultural Economics

Obituary: Daily Herald at <http://bit.ly/16pTPqA>

Glen T. Nelson

June 20, 1917-August 2, 2012

Years at BYU: 1955-1980

Expertise: Agricultural Economics

Obituary: Deseret News at

<http://bit.ly/13lmO6N>

Richard B. Wirthlin

March 15, 1931-March 16, 2011

Years at BYU: 1961-1970

Obituary: N.Y. Times at <http://nyti.ms/1eolf31>

L.A. Times at <http://lat.ms/hlwPS6>

E NEWS

IN THE NEWS

FINANCIAL THEORY AND THE FREMONT PEOPLE

Professor Kerk Phillips learned about the Fremont people, a group of Native Americans, while volunteering at an archeological site in Range Creek, Utah. In his article, "Financial Theory and the Fremont People," which appeared in the *Deseret News*, Phillips suggested that portfolio theory has been around for quite some time. He explained how the Fremont people's system for storing maize (corn) and other grains is comparable to a modern investor who optimally distributes his money over a set of investment assets. In both situations, the decisions one makes depend on his or her aversion to risk and the possible return of assets relative to that risk. (To read the full article, see <http://bit.ly/13g3e1H>.)

Together with Dr. Renee Barlow of the Prehistory Museum at the College of Eastern Utah, Phillips wrote a paper on this topic titled "Simple Financial Economic Models of Fremont Maize Storage and an Assessment of External Threat" (see <http://bit.ly/1511vhr>). It was published in *Research in Economic Anthropology*.

GIRLS MATCH BOYS' PERFORMANCE IN MATH COMPETITIONS

Media outlets such as *Forbes*, *NBC's Today*, and the *Huffington Post* featured a study by Dr. Joe Price demonstrating that girls perform just as well as boys in math competitions when there is no time pressure. Price, who has two daughters, said he was motivated by a desire to help girls thrive in a competitive environment. Price worked with local elementary schools to change the format of their math contests from one round to five. After the first round, girls performed as well or better than the boys for the remainder of the competition.

Several of the participating classrooms de-emphasized the speed component by telling students it didn't matter who finished first and it wasn't a race. In this case, girls performed equally as well as boys from the beginning. As concluded by Price, "What our results would hint is that if you convince [girls] to stick around and give it a shot, they will do just fine."

Christopher Cotton of the University of Miami and Frank McIntyre of Rutgers University co-authored the study with Price. The full report is published in the *Journal of Economic Behavior & Organization*.

To access all available articles on this study, visit <http://bit.ly/18fu1IG>

RICH DAD, SMART DAD

A study by professors David Sims and Lars Lefgren on intergenerational income was highlighted this past year by the *Deseret News*. The study begins with the well-known fact that sons of fathers with high incomes tend to earn more money themselves. However, Sims' and Lefgren's research shows that the "human capital" intangibles a dad passes on—such as genes, work ethic, or advice—contribute more to his son's financial success than his money. The study, co-authored with Matthew Lindquist of the Swedish Institute for Social Research at Stockholm University, was published in the *Journal of Political Economy*.

To access the full article, visit <http://bit.ly/1e6CfPq>

UTAH SMOG

Professor C. Arden Pope was featured in the article "Utah Cracks Down on Smog," published by the *Wall Street Journal* in March 2013. The article follows current debates on reducing Utah's air pollution and its potential effect on local businesses. *WSJ* quotes Dr. Pope, an expert on air pollution, who explains that though industry pollution in Utah has decreased, population growth "has brought an influx of vehicles and new emissions."

To read the full article, see <http://on.wsj.com/18XpqQ7>

AR

NEW IN THE FOB

CAREER SERIES

A new format was instituted this last year to the Department of Economics Career Series. The alumni now meet for lunch with a small group of students interested in the alumni's industry to discuss work experiences and career advice. The students appreciate the opportunity to meet and associate with alumni and enrich the knowledge they receive in class. CS

NEW COURSES

In recent years, the department has added a few courses to its curriculum

– *Applied Econometrics, Behavioral Economics, and Political Economics.* *Applied Econometrics* introduces students to research design, evaluation of empirical research and the application of econometric methods. *Behavioral Economics* discusses the effects of the social, cognitive, and emotional factors on the economic decisions of individuals and institutions. *Political Economics* analyzes the incentives created by various political institutions, with the goals of predicting political behavior and identifying or designing desirable political institutions. CS

LINKEDIN GROUP

The BYU Economics Department has created a LinkedIn group for alumni and students to connect with each other. We are excited about this new resource and hope you will take full advantage of it. The group is managed by Abby Rich, the new

alumni and internship coordinator of the department. Visit the group at <http://linkd.in/16nvhAG>. Please email questions or feedback to abby_rich@byu.edu or economics@byu.edu. AR

JAPANESE ECONOMY CLASS

Last fall, alumnus Dr. Shinji Takagi (MS '79) from Osaka University taught a specialized course on the Japanese economy as a visiting professor. This course introduced students to the history, institutions, and contemporary issues of the Japanese economy. It was designed to teach students (1) how to apply the principles learned in *Economics 110*, (2) why the economic institutions and practices in Japan differ from those in the US, and (3) how the universal concepts and principles of economics apply to different historical, cultural, and institutional contexts. ST



Benjamin tried attending a university several times, but always dropped out because of the strain it put on him and his growing family. After joining the US Army and earning his associate's degree through an online school, Benjamin qualified for a special program where he could go to school full-time while still receiving his regular pay as an active duty soldier.

While his army paycheck takes care of his wife and two daughters, Benjamin is left to pay for school himself. His scholarship helps cover the cost of his schooling now, allowing him to retain benefits from the GI Bill to pay for his wife or children to attend school later.

Still officially stationed in Fort Jackson, South Carolina, Benjamin currently reports to the BYU Army ROTC. In April 2014, he will commission as an officer in the US Army Medical Services Corps and become a hospital comptroller, supervising all the hospital financial decisions.

Students like Benjamin Wheatley, each in a different situation with a different story, depend on generous donors to assist them in their education. Please consider giving to the Economics Department to help students through one of the following ways:

- Mentored learning grants
- Scholarships
- Internship grants

*To make a special gift to the Department of Economics, please contact
Jim Crawley at
801-422-8028 or
jim_crawley@byu.edu*

