In its thirty-third year, the Murray Weidenbaum Center on the Economy, Government, and Public Policy continues its mission to help shape some of the most important public policy issues facing America. It serves as a bridge between policymakers and academics by conducting scholarly research, public affairs programs, and other exchanges at the intersection of government and business. It works to educate business leaders, policymakers, journalists, and the general public through its multifaceted program of conferences, meetings and lectures, retreats, publications, and online resources. Programs and activities focus on key economic, political, and international issues. In addition, the media coverage it receives and the speaking engagements of its faculty help further the discourse on important public policy concerns.

The Center is known across the country for its annual regulatory report that examines the expenditures and staffing of federal regulatory agencies of the U.S. budget. This regulatory tracking tool is extensively referenced in textbooks, government papers, and prominent newspapers. The Center’s monthly regulation e-mail and letter, “Studies in Regulation,” outlines important studies produced by the Weidenbaum Center and other key organizations. The e-mail summarizes each study and provides a link to each report to keep supporters informed of important current regulatory issues.

The Center is also relied upon for its key role in encouraging and sponsoring cutting-edge research in the University’s Departments of Economics and Political Science. It assists faculty by providing small grants for startup projects as well as program assistance for larger research and public outreach programs. It also offers both undergraduate and graduate students an opportunity to work with faculty on these projects.

Finally, the Center conducts special programs such as its Media Retreat and its Summer Institute on the Empirical Implications of Theoretical Models program (EITM). Its annual media retreat brings writers, reporters, editors, and producers together with academic experts for intense, interactive seminars that examine the role that numbers, statistics, and data analysis play in the news, public policy, and politics. Its National Science Foundation-sponsored EITM program enables top faculty to instruct graduate students and junior faculty from across the nation on ways to better test theories of political and economic processes.

The Center brings together many in our community to better understand public policy issues. It works and collaborates with numerous departments, centers, schools, and student organizations on campus. I thank all of those involved in its programs and those who generously support its programs and activities.

Mark S. Wrighton
Chancellor
Washington University in St. Louis
The Center has completed another productive year of research and public affairs programs. We pursued a vigorous program that addressed major public policy issues through research and reports, public debates, conferences (both public forums and scholarly conferences), public policy meetings, and other special programs. Yet, this year was a most challenging year for everyone. The fiscal year began with a major national election and ended with a continuing focus on the financial crisis and the economic challenges facing the nation.

We continued to play a key role in enhancing the research efforts of economists, political scientists, and other faculty at Washington University. The Center provided research funds, graduate research assistants, administrative support, and fundraising assistance. In addition, with the generous support of friends, we were able to establish the Weidenbaum Scholar’s program, which is designed to assist and mentor undergraduate students.

Our public affairs programs continued to contribute to public education and political discourse. Prior to the election, the Center sponsored a debate between the top economic advisers to the presidential candidates. In conjunction with the vice presidential debate held on campus, we brought in experts to examine the influence of vice presidential choice on election outcomes, the role of the vice president, as well as vice presidential power in general. After the November elections our focus then turned to an examination of the results and impending political changes and challenges. Focus also turned to the future of the political parties.

Many programs concentrated on the financial crisis and the economic slowdown. A joint conference with the University’s department of economics and other Washington University organizations brought in academic experts from across the world to examine the international financial crisis and its effect on the world economy. Another program looked at the root source of the U.S. troubles going back 25 years to the beginning of a consumer spending and debt boom and examined prospects for recovery in the context of policies pursued by the new administration.

Center reports and publications also played a key role in our activities. Our annual report on regulatory spending continued to be a key source of information for the media, academics, and policy makers. Several important books were released — Reforming the Presidential Nomination Process, co-edited by Professor Melanie Springer and me, and The Competition of Ideas: The World of the Washington Think Tanks, written by Professor Murray Weidenbaum.

I am grateful for the support of Chancellor Wrighton and Interim Dean Ralph Quatrano, the administration of the University, and the Board of Trustees. I am very happy to welcome Dean Gary Wihl and look forward to collaborating with him to support the research activities of the gifted faculty and students at Washington University.

Steven S. Smith
Director
Weidenbaum Center on the Economy, Government, and Public Policy
Murray Weidenbaum, founder of the Center, continues to serve as its Honorary Chairman. In 2008 and 2009, he participated in the Center’s public policy luncheons, breakfast meetings, and forum programs.

On the academic side, Professor Weidenbaum taught a spring graduate/undergraduate course on business and government — a class he has been teaching for 36 years. He also teamed up with Professor Itai Sened (Department of Political Science and Director of CNISS) to teach a new course that is designed to help students with research projects. He also served as one of ten panel judges for “The Olin Award: Recognizing Research that Transforms Business,” and as a board member for Washington University’s Center for New Institutional Social Science (CNISS). In addition, he continued to work with and mentor a number of students.

His speaking engagements took him to Hong Kong to speak at the international conference on “Globalization: Cultures, Institutions and Socioeconomics,” cosponsored by The Chinese University of Hong Kong and Washington University. His campus activities included a panel session on entitlements in Washington University Law School’s Center for Interdisciplinary Studies conference, “Federal Budget and Tax Policy for a Sound Fiscal Future.”

His newest book, The Competition of Ideas: The World of the Washington Think Tanks (Transaction Publishers), was released in October 2008. This book examines the political economy of major think tanks. It also presents a carefully balanced account of where these institutions have been and where they are headed. Professor Weidenbaum’s unique position of having an active role with many of these organizations (American Enterprise Institute, the Center for Strategic and International Studies, the Brookings Institution, the Cato Institute, and the Heritage Foundation) enabled him to draw heavily on his years of involvement and gave him access to the accomplishments and the role in modern public policy formation of these major think tanks. Two undergraduate research assistants (Jeremiah Pawlowicz and Pornsak Chandanabhumma) and a volunteer (Andrew Weidenbaum) assisted with various aspects of this project.

Copies of this book can be ordered online.
Visit the Weidenbaum Center website at
http://wc.wustl.edu
and click on the book icon.
The Center’s Director, Steven Smith, is a professor in the Political Science Department and the Kate M. Gregg Professor of Social Sciences at Washington University. As the Center’s Director, he is responsible for sponsored research, public outreach programs, University programs such as the Center’s EITM Summer Institute, and the general direction and administration of the Center. He also pursues a rigorous research agenda, does public speaking across the country, and comments on American and Russian politics for the press and electronic media.

In the fall of 2008, he focused on the 2008 elections. Print and electronic press called upon him for his expertise on Congress and the presidency. He provided commentary at the Republican National Convention in St. Paul, Minnesota, which was aired on the “special convention coverage” with Gary Eichten of Minnesota Public Radio (MPR) each morning. Professor Smith is heard regularly on MPR.

Numerous local organizations asked Professor Smith to share his insight on topics such as the presidential nomination reform, polling, and implications of the 2008 election results. These included the St. Louis Chapter World President’s Organization, Citizens Bank of St. Louis, the St. Louis Women’s Group, Commerce Bank in St. Louis, and the Washington University Emeritus Faculty organization. He also spoke to Washington University alumni in Houston. In addition, he kept Weidenbaum Center members and its corporate leaders informed of different aspects of the elections throughout the fall at its major donors public policy luncheons and its public policy breakfast meetings.

In late 2008 Steven Smith and Melanie Springer’s book, Reforming the Presidential Nomination Process, was released. This edited volume brings together pieces about presidential nomination politics and campaigns, written by top thinkers in the field. The collection of essays addresses different facets of primaries and caucuses, the changing character of nomination campaigns, the legal issues at stake, the role of media coverage and public endorsement, and the major proposals for reform. The book appeals to three audiences: college classrooms, the politically attentive public, and the audience for reform in the policy community. The book was also sent to all members of the Democratic Commission for Change.

Professor Smith continued his work on two additional book projects. Steering the Senate explains the development of parties and leadership in the U.S. Senate, where formal floor leadership posts did not emerge until the 20th century. Law Making and Decree Making in the Russian Federation describes and explains the development of presidential-parliamentary relations in Russia since the early 1990s.

Professor Smith continued to mentor political science graduate students through an independent study course, “Readings Course in Political Science: The Presidency.” This seminar gave students an opportunity to discuss and gain insight on current events affecting the political climate — analyzing the primaries, presidential candidates, and the upcoming presidential election. It also gave them insight on how to systematically analyze the presidency through readings followed by in-depth discussions on issues such as how current and past presidents influence and work with Congress, how presidents perform differently in foreign and domestic affairs, and presidential unilateral action.
Steven Fazzari, Professor of Economics, is the Center’s Associate Director. He works closely with Center Director Steven Smith on both the Center’s academic and public policy programs.

Over the last year, much of his public policy efforts focused on the economic crisis. He lectured and addressed more than 20 different audiences including the Center’s Corporate Leaders Program and its Public Policy Breakfast Series. He gave the keynote address at the University College Education Association Executive Assembly in Chicago, the fall kickoff lecture for Washington University’s Lifelong Learning Institute, and was a speaker at Washington University’s Assembly Series.

He also contributed to the Weidenbaum Center Forum Series. He participated in the conference, “Financial Crisis and Associated Economic Slowdown” which featured a panel discussion on the on-going international financial crisis and its effect on the economy. He prepared questions for and moderated a pre-election debate between key economic advisors for the Obama campaign — Austan Goolsbee of the University of Chicago — and the McCain campaign — Douglas Holtz-Eakin President of DHE Consulting and policy director of John McCain’s 2008 presidential bid. The October 2, 2008 standing-room-only debate, held on October 2, 2008 (the morning of the vice presidential debate at Washington University) was covered in the national press.

In addition, Professor Fazzari served as a commentator at the Washington University Law Center for Interdisciplinary Studies conference, “Federal Budget and Tax Policy for a Sound Fiscal Future.” This conference brought together policymakers, academic experts, and professionals with diverse viewpoints and included panels on budget process rules, budget process reform, entitlements, tax expenditures, budget accounting, and bailouts.

In the summer he played a key role in the Center’s media retreat. His session, “A Brief User’s Guide to Macroeconomics: Concepts and Evidence,” examined what can be learned from macroeconomic data about the causes of the current “Great Recession” along with the potential effectiveness of government stimulus programs. He interacted with journalists throughout the duration of the retreat and continues to correspond with many of them.

On the academic side, Professor Fazzari taught seminar courses to undergraduate and graduate students. He offered the year-long freshman seminar program, “Markets and American Society,” that he originated in 2007. This program supplements the standard introductory economics courses with in-depth discussions of policy issues relevant to the current American economy. Students also complete original research projects on topics ranging from fuel efficiency of automobiles to school voucher programs. Several of his former students became research assistants at the Weidenbaum Center in order to pursue further work in these areas. Professor Fazzari also taught a seminar on Keynesian macroeconomics in the spring of 2009 for advanced undergraduates and Ph.D. students that focused on the emerging financial crisis and recession.

His publications included articles in the *Journal of Finance* (co-authored with Washington University faculty member Bruce Petersen and recent Washington University Ph.D. James Brown) and a frequently downloaded article on the link between household debt and the current economic crisis in the on-line journal *Capitalism and Society* (co-authored with recent Washington University undergraduate Barry Cynamon). The latter article is one of the first academic studies published that explores the forces that led up to the Great Recession. It was largely written in 2006 and 2007, before the current problems were widely perceived, and it predicted an outcome that is broadly similar to what has occurred in the U.S. economy over the past year.

Professor Fazzari also continued to serve as a member of the Academic Planning Committee of Arts and Sciences. This committee works to ensure that students, faculty, and staff needs are being met, as well as to anticipate and plan for future requests.
Richard Mahoney is the Center’s Distinguished Executive in Residence. He has served in this capacity for many years. His expertise and keen insight have helped shape a number of the Center’s programs and activities.

He is responsible for the creation of the Center’s annual media retreat. He remains a key participant in this program. As a discussant at the Center’s June 2009 media retreat, he shared his insights, business experience, and interactions with government officials with print, radio, television, and freelance journalists.

Likewise, as a regular participant at the Center’s public policy breakfast meetings, major donor luncheons, and forum programs, he brings a wealth of experience and knowledge, particularly in fields related to agriculture and the environment. He also works with Center staff to help secure prominent experts from around the world as speakers for some of its programs.

In April, Mr. Mahoney worked with Center staff to coordinate and organize a travel group to escort members of the Center’s Eliot Society to the Winston Churchill Memorial and Library in Fulton, Missouri. As a member of the Memorial and Library’s Board of Governors, he was able to arrange for Dr. Rob Havers, its Executive Director, to be the tour guide through the facility. The museum chronicles the life and times of one of the world’s most memorable political leaders and serves as a venue for special artistic and historical exhibits.

Mr. Mahoney also plays an active role in the Center’s fund raising activities. He works with University and Center staff to help the Weidenbaum Center build its Eliot Society membership. In Fiscal Year 2008/2009, the Center surpassed its annual challenge goal – one of only a handful of departments that were able to do so.

His academic activities focused on sharing his business expertise with students and faculty across the Washington University campus. He worked with honors students from the Department of Economics - attending their presentations, providing them with feedback, and, if applicable, meeting with them one-on-one. Furthermore, he continued to mentor students at the John M. Olin School of Business. Mr. Mahoney continues to support “The Olin Award: Recognizing Research that Transforms Business” that he established at Washington University’s John M. Olin School of Business in 2008. This award highlights scholarship that has practical and performance-enhancing applications to critical management issues. In addition to showcasing excellent research, the award is designed to remind researchers that the ultimate purpose of all business research is to improve business results. The 2009 award was presented in April of this year to Markus Baer, Kurt Dirks, and Jackson Nickerson for their paper, “A Theory of Strategic Problem Formulation.”

“The Media Retreat is a wonderful opportunity to interact with members of the media — print, radio and TV as well as on-line journalists. Our message is clear: public policy stories are normally heavily reliant on numbers and statistics put forward by advocates on both sides of issues. We provide insights into use and misuse of these “conclusive supporting arguments.” The journalists provide their own insights into the difficulties of working under time pressure and lack of resources and, sometimes, the background skills to challenge the assertions. They come away from the Retreat far better equipped to work within these constraints. Many of the personal relationships established during the several years of these Retreats have endured to mutual advantage.”

— Mahoney
Center Senior Fellows

Weidenbaum Center Research Fellows are faculty in the Departments of Economics and Political Science at Washington University who play a key role in Center activities and programs. Many of these faculty head Center program areas, lead discussions and give presentations on key public policy issues, and play an active role in editing or contributing to edited volumes and reports.

James Morley, Senior Fellow, plays a key role in a number of the Center’s programs, particularly its current events roundtable discussions and corporate leaders program. He is a regular speaker and discussant on a variety of economic issues. His expertise lies in macroeconomics, finance, and international finance. His recent papers address issues such as the slow adjustment of aggregate consumption to permanent income, nonlinearity and the permanent effects of recessions, the variation in the natural rate of unemployment, the intertemporal relationship between stock market volatility and returns, the expectations hypothesis of interest rates, and contagion in currency and bond markets. His work has been published in *Review of Economics and Statistics*, *Journal of Applied Econometrics*, *Journal of Econometrics*, *Journal of Monetary Economics*, and *Journal of Money, Credit, and Banking*, among others. He teaches courses on macroeconomics, finance, and econometrics at both the graduate and undergraduate levels. Recently, he was selected by Washington University graduate students to receive the Tenth Annual Outstanding Faculty Mentor Awards. He is a visiting scholar at the Federal Reserve Bank of St. Louis.

Nathan Jensen, Senior Fellow, heads the Center’s program area on Multinational Enterprises and the Global Political Economy and is an active participant in its current events roundtable discussions and corporate leaders programs. His recent efforts focused on contributing a chapter to the upcoming book, *Politics and Foreign Investment* (see Weidenbaum Center program area on page 19).

James Gibson, Senior Fellow, heads the Center’s Citizenship, Civil Society, and Democratic Values program and has played an active role in the Center’s forum programs as well as its current events roundtable discussions. Professor Gibson is currently involved in several NSF projects (see NSF grants on page 23). Professor Gibson and Center Director Steven Smith began work on the project, “Public Views of Majority Rule and Minority Rights in Congress.” This survey study will examine American public attitudes toward the use of the filibuster in the U.S. Senate. Follow-up surveys will gather data on public attitudes about actual filibusters on major issues considered in the Senate. The study will enhance one’s understanding of public attitudes about basic decision rules, public perceptions of the legitimacy of policy outcomes, and political representation and accountability.
The Weidenbaum Center continued to monitor and report on federal regulation in its thirty-first annual report examining regulatory budgets and staffing. This report, authored by the Weidenbaum Center Forum Director Melinda Warren and the Mercatus Center’s Veronique de Rugy, analyzes the Budget of the U.S. Government presented by the president to Congress. This report tracks the expenditures of federal regulatory agencies and the staff needed to run those agencies.

Expansion of Regulatory Budgets and Staffing Continues in New Administration: An Analysis of the U.S. Budget for Fiscal Years 2009 and 2010 looks at the first budget request of the Obama administration. The FY2010 budget calls for expenditures on regulatory activities of $55.8 billion in current dollars (or $44.8 billion in real, inflation-adjusted dollars), a 3.2 percent real increase over FY2009. Regulatory activities are divided into two categories (social and economic) and nine subcategories. The outlays devoted to social regulation are over six times larger than those devoted to economic regulation ($48.0 billion compared to $7.9 billion in 2010). Furthermore, agencies that are devoted to social regulation are projected to receive a 3.4 percent increase in 2010, while spending on agencies who administer economic regulation is projected to increase 2.5 percent.

Staffing at federal regulatory agencies is budgeted to increase 2.3 percent in 2010 to 272,475 full-time equivalent employees. This is an increase of 6,175 employees over the 2009 level of 266,300.

In addition, this report provides detailed statistics on the spending and staffing that have supported federal regulatory activities since 1960, as well as the levels requested for FY 2010.

Regulatory expenditures and staffing are significantly larger in 2010 than they were in 2000. Driven by homeland security activities and now the financial crisis, these numbers can be expected to keep increasing.

The report is available on the Weidenbaum Center’s website (http://wc.wustl.edu).
Public Policy Forums

WEIDENBAUM CENTER FORUM. In its eighth year, the Weidenbaum Center Forum continues to make a major impact on public policy education. These programs are open to the general public at no charge. Transcripts are typically available for these programs; DVD video recordings are available for select programs. Below are short descriptions of the forums.

Financial Meltdown: Causes, Consequences and Cures. Cosponsored by the Weidenbaum Center, Washington University’s Department of Economics, Center for Dynamic Economics, Economic Theory Center, and Undergraduate Economic Association, this program featuring a panel discussion on the international financial crisis and its effect on markets. The purpose of this conference was to describe the causes and consequences of the current worldwide financial crises and to help attendees make sense of the rapidly changing financial markets.

The panelists for this event were James Bullard, President of the Federal Reserve Bank of St. Louis; Steven Fazzari, Washington University economist and Center Associate Director; David Kemper of Commerce Bancshares; Rolf Luders, former Chilean Secretary of the Treasury; and Professor Guillermo Ordonez of Yale University. Washington University economist Costas Azariadis moderated the panel.

Power and Problems of the Vice Presidency. The Weidenbaum Center offered a crash course on the changing role of the American vice presidency as it hosted a panel of experts for this public forum.

Occurring on the eve of the nationally televised Vice President debate between Democrat Joe Biden and Republican Sarah Palin, which took place at Washington University, the vice presidential experts forum featured talks and discussion by a panel of leading experts on the vice presidency, including Joel Goldstein of Saint Louis University; Douglas Kriner of Boston University; Michael Nelson of Rhodes College; and James Pfiffner of George Mason University. These experts spoke on the influence of vice presidential
choice on the general election and the role of the vice president and vice presidential power. Those gathered to hear these experts included journalists from all over the globe including Australia, Korea, Croatia.


Speaking to a packed audience which included local, national, and international media, the advisers helped the attendees gain insight into the economic platforms of the presidential candidates.

This sometimes heated debate was moderated by Weidenbaum Center Associate Director Steven Fazzari.

Economics of Ethanol: Costs, Benefits and Future Prospects for Biofuels. This Weidenbaum Center forum, cosponsored with the Federal Reserve Bank of St. Louis and Washington University’s Inter-
national Center for Advanced Renewable Energy and Sustainability, provided a brief history and evolution of the ethanol industry in the U.S. and the challenges it continues to face.

Amid growing concerns about unstable oil supplies, increasing and fluctuating gasoline prices, and the impact of fossil fuels on climate, biofuels are receiving increased attention. This non-technical forum addressed a number of topics surrounding the economics of ethanol including the environmental effects of ethanol production, energy balance with fossil fuels, effects on food prices, subsidy rate relative to oil and gas, and effects on farm production decisions.

Mark Stowers, Vice President of Research and Development of POET, kicked off the conference with the keynote address, focusing on the evolution of and challenges facing the ethanol industry. In three sessions, economists focused on the profitability of ethanol processing, the consequences of corn ethanol as a fuel source, and the impact of the ethanol boom on rural America. To conclude the conference, a panel of experts discussed the political economy of ethanol subsidies and regulation, the long-run viability of corn ethanol as an industry in the United States, and the prospects for other biofuels.

Decentralization Conference. The 2009 Decentralization Conference was held at Washington University. It was sponsored by the National Science Founda-
tion, the National Bureau of Economic Research, the Conference on Econometrics and Mathematical Economics, the Weidenbaum Center, Department of Economics at Washington University in St. Louis, Center for Economic Theory, and Center for Research in Economics and Strategy (CRES). Over 30 scholars from around the world attended the presentation of 12 papers. Topics ranged from auctions and taxation to diversity. There were special sessions on behavioral mechanism design.

Much of the Decentralization Conference Series has focused on questions of design of various systems for production and allocation of goods, services, and information. These range from understanding voting systems to markets to the organization of the internal lines of communication and the assignment of tasks within a firm. The traditional topics of the conference included: mechanism design, implementation, auctions, theory of the firm, communication, bounded rationality, and computation. In addition, there was a special session on “Behavioral Decentralization.”

The history and goals of this famous and important conference can be found at: http://www.stanford.edu/~jacksonm/Decentralization.html

**Financing University Education.** Cosponsored with Washington University’s Department of Economics and Undergraduate Economic Association, this Weidenbaum Center Forum began with University of Virginia’s David Breneman’s keynote address which focused on what colleges can learn from past recessions. A panel of experts followed, looking at the current economic crisis and how it is impacting colleges and universities. Attention also turned to how administration officials are dealing with the ramifications—issues such as lower attendance, tuition rates, returns on university endowments, capital expenditures, and development initiatives. Experts included Sebastian Galiani, Associate Professor of Economics at Washington University; Parul Jain, Chief Investment Strategist, MacroFin Analytics LLC; and James McLeod, Vice Chancellor for Students at Washington University.
Floyd Norris, Chief Financial Correspondent at the New York Times was the Center’s 2009 Annual Dinner speaker. Mr. Norris, in his talk titled “Who’s to Blame for the Mess We’re In and How are We Going to Get Out of It?” discussed the possible causes of the current economic crisis and what he believes to be the real cause. He spoke candidly on whom he believed to be at the root of the financial crisis and gave economists, lawyers, financial engineers, regulators, banks, Congress, and the press equal blame.

Before becoming the Chief Financial Correspondent, Mr. Norris held other positions at the Times including financial columnist and served as a member of the Editorial Board. He also wrote for the National Business and Financial Weekly where he was the stock market editor.

ELIOT SOCIETY/CORPORATE LEADERS CURRENT EVENTS ROUNDTABLE DISCUSSIONS. The Center’s popular current events luncheon series continued with meetings in both the fall and winter of 2008 and the spring and summer of 2009. Weidenbaum Center Eliot Society and Corporate Leader Members were invited to join faculty experts in an open dialogue on current public policy topics. The economy (particularly the financial crises), government regulation, taxes, government spending, intellectual property rights and copyright issues, and health-care, and reform, international trade, among a host of other current event topics, were discussed.
Special Member Programs

PUBLIC POLICY SPEAKERS SERIES. The Center’s Public Policy Speakers Series — open to Weidenbaum Center Century Club members, Dean’s Club members, Eliot Society members, and Corporate Leader Members gives — local experts as well as specialists from across the country the opportunity to present their views and voice their concerns on many important policy issues. The following is a summary of fiscal year 2009 programs. Transcripts are available for most programs.

Understanding the Economic Crisis. In January, economist Steven Fazzari, the Center’s Associate Director, discussed the current economic crisis that many analysts believe to be the worst since the Great Depression of the 1930s. He explained how the source of today’s troubles goes back 25 years to the beginning of a consumer spending and debt boom. This boom provided stimulus to the economy for decades, but it was ultimately unsustainable. He also discussed the forces that turned the boom to bust in 2007 and 2008. Finally, he spoke on the prospects for recovery in the context of policies pursued by the new administration.

Potential Impacts of Federal Climate Policy. Dan Cole, Senior Vice President of Administration at Ameren UE, discussed the effects of federal climate policy on his company, Missouri’s largest electric power provider. Mr. Cole directs many key business and corporate services, including information technology purchasing, environmental and safety services, and corporate communications. In his address, he emphasized the need to reduce CO2 (carbon dioxide) emissions by using alternative energy sources such as coal and nuclear energy, educate customers and policymakers, and promote the development of new technology designed to reduce the negative effects of pollution and resource scarcity.

Economy and the Evolving Role for the Federal Reserve Bank in the Financial Services Sector. Gary Stern, then President of the Federal Reserve Bank of Minneapolis, spoke on prospects for macro- and financial-policy. Currently chairman of the board of directors of the National Council on Economic Education and of the Northwest Area Foundation, Dr. Stern also serves on the board of trustees for Hamline University and the Carlson School of Management at the University of Minnesota.

The Future of the Political Parties. Merle Black, Asa G. Candler Professor of Politics and Government at Emory University, discussed the future of the political parties. Professor Black specializes in American politics, especially the politics of the modern South.

The Banking Industry and the Economic Crisis. Mark Vaughan of the Federal Reserve Bank of Richmond spoke on what caused the current economic crisis and that of the 1930s, the banking industry’s influence on the crises, the mistakes made by the Federal Reserve in the ’30s and the necessary actions for resolving this situation. As a member of the Federal Reserve Bank’s supervisory administration, Dr. Vaughan feels that increased supervision is the key to a successful non-corrupt banking industry and economy.
Political Polling, Anatomy of an Economic Crisis. At this afternoon lecture and Q&A, Center Director Steven Smith discussed the fundamentals of modern polling practices and interpreted public opinion polls. He also called attention to adaptations in the polling process to address low response rates, cell phone polling, innovations in internet-based surveys and under-represented demographic groups.

Freddie Mac. David Moffett, the new Chief Executive Officer of Freddie Mac (a corporation authorized by Congress to provide a secondary market for residential mortgages) and Lori Appelbaum, recently a top banking analyst for Goldman Sachs, shared their perspectives on the housing market and the financial crisis. The speakers explained how competitive pressures to maintain market share drew Freddie Mac and Fannie Mae (a federally chartered corporation that purchases mortgages) into the sub-prime mortgage business. They also described the significant challenges facing the government and the financial system in reducing the over-handling inventories of unsold properties.

The Future of Social Security. Michael Astrue, Commissioner of the Social Security Administration, spoke to Center Corporate Leaders and Eliot Society members about the future of social security. He identified the challenges the agency faces and the steps that it plans to take over the next five years in order to meet those challenges. His discussion included the issues of social security programs (retirement, survivors, and disability) as well as the core workload of the agency, its service to the public, as well as its goals for future technological advances.

Health Care Reform in the Obama Administration. Dean Edward Lawlor of Washington University’s Brown School of Social Work summarized the complex web of issues facing the Obama Administration, and the country as a whole, as major health-care reform is now again under discussion. He listed myriad concerns and debates that must be addressed, some familiar, like the appropriate role of the government versus the private sector in the health insurance market. Dean Lawlor also identified important, but subtle, issues that stay below the radar of the public debate. For example, he expressed concern that the likely greater emphasis on preventative care and family practice could lead to a severe supply shortage because very few young physicians choose the relevant specialties. Dean Lawlor concluded that health-care reform is a high priority to President Obama and he will work hard to get a law passed as quickly as possible.

The Conflict in Afghanistan. Thomas Schweich, senior counter-narcotics official under the
Bush Administration, spoke on how deeply the Afghan government is involved in protecting the opium trade by shielding it from American-designed policies. He spoke on government-wide corruption as well as the inconsistencies in the Afghan anti-narcotics court, the problems in providing better alternative crops for farmers, and the resistance to the anti-opium offensive from the U.S. Defense Department and some NATO allies. He summarized by stating that the problem is that the fighting is unlikely to end as long as the Taliban is able to finance themselves through drugs. Mr. Schweich stressed the need for a coherent strategy to resolve these issues and stressed that the policy which was developed in 2007 should be fully executed.

Economic Policy in Latin America. U. S. State Department Officers met for a roundtable discussion on economic policy in Latin America. These Economic Officers, working at embassies and focusing on economic and trade issues in their respective countries, address a variety of challenges as they seek to advance U.S. interests. These include helping foreign countries develop free-market economies; negotiating trade agreements to open foreign markets; interdicting terrorist and drug financing; and protecting intellectual property rights. They work on economic, trade, environmental, scientific, financial or agricultural affairs throughout the world, in an overall effort to help build and maintain worldwide economic stability. State Department officials speaking at this program were Andrew Dowdy, Deputy Director, Office of Regional Economic Policy and Summit Coordination at the U.S. State Department; John Ries, Economic Chief, Trinidad and Tobago; Joseph Ripley, Economic Chief, Nicaragua; D.R. Seckinger, Economic Officer, Barbados; and David Schnier, Senior Brazil Desk Officer.

CORPORATE LEADERS PROGRAMS. Initiated in 2008, this program keeps Center Corporate Leaders informed of major developments in the public policy arena. Briefings address topics that include the national political situation, national economic conditions and forecasts, and St. Louis regional developments. Members maintain close relationships with Center’s scholars and regularly receive top-level research and analysis on specific policy interests and priorities. In addition, corporations provide important input to the Center on a wide variety of issues. When space permits, Weidenbaum Center Eliot Society Members are also invited to participate in these programs.

Freddie Mac. David Moffett, the new Chief Executive Officer of Freddie Mac (a corporation authorized by Congress to provide a secondary market for residential mortgages) and Lori Appelbaum, recently a top banking analyst for Goldman Sachs, shared their perspectives on the housing market and the financial crisis. For more information on this program, see Weidenbaum Center Eliot Society Series.

Changes in the U.S. Congress and the Implications for the November Election. At the first Corporate Leaders Program, Center Director Steven Smith examined the scenarios that might occur as the result of the outcome of the 2008 elections. He gave different possibilities for both the executive and legislative branches of the federal government.

Hindsight is Rarely 20:20 — Why the Unlearned Lessons of “Control Fraud” Epidemics Produce Recurrent Financial Crises. Professor William Black, Executive Director of the Institute for Fraud Prevention, conducted a candid session on his research and professional experience on the current financial crisis in the U.S. and the world. In the 1980s, he was the chief counsel for the Federal Home Loan Bank Board, and the effective leader of the regulators trying to get control of the savings and loan crisis.

Election Day Results and the Implications for Years to Come. A week after the elections, Center Director Steven Smith gave insight on the 2008 election results and the implications of what the country’s selection of president, senators, and representatives
Economic Policy in Latin America. This special roundtable program featured State Department Economic Officers from various Latin American countries. For more information on this program, see Weidenbaum Center Eliot Society Series.

Anatomy of an Economic Crisis. This session provided an in-depth discussion of Associate Director Steven Fazzari’s research article, “Household Debt in the Consumer Age: Source of Growth – Risk of Collapse.” This article, which was published in the journal Capitalism and Society, explores the institutional and behavioral factors that caused a boom in American consumption spending since the middle 1980s and the corresponding dramatic rise in household debt. Dr. Fazzari discusses the unique historical conditions that allowed the consumption and debt boom to continue for nearly a quarter century. The article also predicted the 2008 deep consumer-led recession.

The Future of Social Security. Michael Astrue, Commissioner of the Social Security Administration, spoke to Center Corporate Leaders and Eliot Society members and corporate leaders about the future of social security. For more information on this program, see Weidenbaum Center Eliot Society Series.

Health-Care Reform in the Obama Administration. Dean Edward Lawlor of the Brown School of Social Work summarized the complex web of issues facing the Obama Administration, and the country as a whole, as major health-care reform is now again under discussion. Dean Lawlor concluded with an assessment that reform is very important to President Obama, and major reform laws are expected before year’s end. For more details on this program, see Weidenbaum Center Eliot Society Series.

The Banking Industry and the Economic Crisis. Mark Vaughan, Federal Reserve Bank of Richmond, spoke on what caused the current economic crisis and that of the 1930s, the banking industry’s influence on the crises, the mistakes made by the Federal Reserve in the ’30s, and the necessary actions for resolving this situation. As a member of the Federal Reserve Bank’s supervisory administration, Dr. Vaughan feels that increased supervision is the key to a successful non-corrupt banking industry and economy.

Information on past or upcoming programs, program content, volunteer opportunities, co-sponsorship, or other funding, opportunities for these programs should be directed to: Gloria Lucy, Assistant Director, or Melinda Warren, Director, Weidenbaum Center Forum, 314-935-5630 or glolucy@wustl.edu, warren@wustl.edu.
Empirical Implications of Theoretical Models (EITM) Summer Institute

The Weidenbaum Center hosted its seventh EITM Summer Institute in June 2009. This Center program, funded by the National Science Foundation (NSF), sponsors three-week training seminars on the methodological challenges posed by mathematical models of the strategic aspects of politics. Students attended daily intensive classes and participated in hands-on lab applications in the evening. Below is a brief description of the seminars.

**Theoretical and Methodological Foundations — Randall Calvert and Andrew Martin (Washington University)**

This seminar presented important varieties of rational choice models in a form that emphasized the techniques by which these models can be used to generate testable implications through comparative statics analysis. A key component of the seminar was to provide tools with which students can develop their own statistical models to test predictions derived from formal theories.

**Random Utility Models and Strategic Choice — Mark Fey (University of Rochester)**

During this module, participants examined methods for explicitly linking theory and statistical analysis, especially in a strategic context. Topics covered in this section included random utility models (RUM), selection models, quantal response equilibrium (QRE), and structural econometric models of strategic interaction, including signaling.

**Operationalizing the Spatial Model — Simon Jackman (Stanford University)**

In this course, cutting-edge methodological tools were taught that will allow students to (a) operationalize the spatial model in their own research; (b) use the spatial model in other statistical models of behavior; and (c) use computational approaches to compute equilibrium predictions of various sorts of formal models.

**Experimental Applications — Rick Wilson (Rice University) and Catherine Eckel (University of Texas-Dallas)**

Topics in this course included voting experiments, public good experiments, tests of non-cooperative bargaining theory, experiments on information, and recent innovations in political science experimentation. Links between theory and experiment, experimental design, the role of pilot experiments, experimental technique, data gathering and data analysis were discussed.

**Issues in Testing Positive Theories of Legislative Politics — Jason Roberts (University of North Carolina) and Alan Wiseman (Ohio State University)**

The seminar was designed to give intensive consideration of several problems at the intersection of theory and method. Theoretical advances concerning legislative institutions, legislative parties, and the individual behavior of legislators have generated many methodological challenges. A central concern of the field is the development of appropriate tests of theories about the choice of formal and informal institutions. Closely related are theories of individual behavior in a strategic context.

**International Relations Applications — Robert Walker (Washington University)**

This seminar discusses the unique challenges posed by data that are observed across both space and time through the lens of political economy models in international trade, finance, and conflict. Participants construct, examine, and/or replicate dynamic models and models of transitions, measurement models, multiple imputation and other advanced techniques in cutting-edge applications of cross-national research using R.

For more information on the EITM program, please visit the website at http://wc.wustl.edu/eitm.html.
In June, the Center hosted its eighth Media Retreat. The program brought together academic experts with media participants for an interactive seminar examining the role that numbers, statistics, and data analysis play in the news, public policy, and politics. This four-day intensive set of seminars explored issues such as where these numbers come from, how they are misused across the political spectrum, and when a number is reliable and when is it not.


Speakers were Steven Smith, Steven Fazzari, Richard Mahoney, (Weidenbaum Center), Russell Roberts (Weidenbaum Center and George Mason University), Professor Don Coursey (University of Chicago), Professor Donald Cox (Boston College), and Mark Vaughan (Federal Reserve Bank of Cleveland).

Some of the participants’ feedback included the following comments:

“...it allows those of us in the 24/7 media business to stop and think and analyze the way we do our jobs.”

“...good way for meeting sources, and it's a good way to get excited about work again. Also this helped me come up with some ideas of things I want to look into on my beat.”

“I already knew how to approach research skeptically but this gave me more tools to formulate good questions about it.”

“I think it was a terrific opportunity for a journalist to step back and think about the issues.”

“So beneficial to have experts meet with the journalists.”
Sponsored Research Programs

The Center continues to build more comprehensive research programs in public policy areas that complement Washington University’s faculty expertise. Four programs are currently in place, Multinational Enterprises and the Global Political Economy, Citizenship, Civil Society, and Democratic Values, American Politics, and Macroeconomic Conditions and National Policy.

Multinational Enterprises and the Global Political Economy

The program on Multinational Enterprises and the Global Political Economy continues to sponsor research and public outreach programs on the study of multinational corporations and their relationship with domestic governance. The program supports three broad research initiatives on: (1) Political Risk and Development, (2) Multinationals and Domestic Society, and (3) Competition for Multinational Investment. Academic workshops, graduate student training, as well as a variety of community outreach programs such as public policy conferences, lectures, and debates are held on an ongoing basis. This program is directed by Washington University Political Science Associate Professor Nathan Jensen.

The most recent endeavor under the auspices of this program is a soon to be released book, In Politics and Foreign Direct Investment, a team of scholars address the complex relationship between politics and multinational corporations (MNCs) within a global context. This is a co-written book, with common and individual chapters that is different in form and overall contribution than an edited volume. This book addresses two interrelated concepts: (1) how politics affect the risk environment for multinational corporations and (2) how firms influence politics. Using empirical data, survey evidence, and interviews, the authors uncover the complex relationship between politics and the operations of multinational corporations.

Citizenship, Civil Society & Democratic Values Program

This program, directed by Washington University Political Science Professor James Gibson, sponsors research and programs on the social foundation of democratic processes in the United States and abroad. The program aims to broaden and deepen democracy by understanding its cultural roots, the social impediments to majority rule, and the respect for minority rights. Issues such as trends in civic engagement and political participation, the development of democratic norms, evolving forms of political organization and social networks, and the causes and consequences of globalization are examined.

An important component of this program is Professor Gibson’s project on the politicization of state judicial elections and the effects of new style campaigns on state court legitimacy. This three-year project investigates whether change in attitudes towards law and court is a function of exposure to politicized judicial campaign advertisements. An analysis of data from a three-tier survey of the American public’s view of campaign ads is nearing completion.
The program once again provided support for Professor Gibson’s annual Political Tolerance and Freedom Survey. This project is an assessment of the levels of political tolerance and perceived political freedom in the United States, as well as attitudes toward various issues of law and politics. On the basis of the data collected in this survey, Professor Gibson has already prepared two research papers (see page 23).

**American Politics**

The program in American Politics sponsors major studies of important aspects of American politics and is directed by Center Director Steven Smith. Its focus in 2008-2009 was on the presidential primary process. The fiscal year began with Political Science professors James Gibson and Melanie Springer’s preparation of a national survey of public attitudes toward the process and reform proposals.

In late 2008, Steven Smith and Melanie Springer’s book, *Reforming the Presidential Nomination Process*, was released. This edited volume brought together pieces about presidential nomination politics and campaigns, written by top thinkers in the field. The volume appeals to college classrooms, the politically attentive public, and the audience for reform in the policy community. The book was also distributed to all members of the Democratic Commission for Change. On June 27, Professor Springer was asked to testify at the initial meeting of the Democratic National Committee’s Democratic Change Commission in Washington, DC. Her presentation was a lecture drawing on her work in the book. The focus was on timing of the current nomination process and historical information on the nomination process. In her talk, she also presented some findings about public attitudes toward reform drawing from her survey work with James Gibson.

**Macroeconomic Conditions and National Policy**

A fourth program led by Associate Director Steven Fazzari, Macroeconomic Conditions and National Policy, was initiated in the fall of 2008. Three events in this area were held in 2008-2009. The first was a combined Eliot Society/Corporate Leaders talk by William K. Black, Associate Professor of Economics and Law at University of Missouri, Kansas City. He is also Executive Director of the Institute for Fraud Prevention. For more information on this event, go to page 15. The next was a forum cosponsored with the University’s Department of Economics (and other university units). This program featured a panel discussion on “Financial Meltdown: Causes, Consequences and Cures.” (See Weidenbaum Center Forum section on page 9.) A second forum, “Financing University Education,” was held in the spring. This event was cosponsored with the Department of Economics and the Undergraduate Economics Association. For more information on this event, go to page 11.

Anyone wishing to help sponsor programs in these research areas should contact Melinda Warren (warren@wust.edu, 314-935-5652) or Gloria Lucy (glolucy@wustl.edu, 314-935-5689).
SPONSORED FACULTY RESEARCH

Center Grants

A major goal of the Weidenbaum Center is to help sponsor and support research by faculty primarily in the Departments of Economics and Political Science. One of the ways the Center does this is by providing small seed grants to initiate faculty projects and encourage research and development. The following faculty received research grants this year.

Department of Economics

**Marcus Berliant** (Economics) — Decentralization Conference
**Sebastian Galiani** (Economics) — Military Service and IT Training Program in Argentina
**Pamela Jakiela** (Economics) — Innovation Education Program in Kenya
**Stephanie Lau** (Economics) — Expectation Damages in Complex Contracts
**Juan Pantano** (Economics) — The Economics of a 24/7 Society
**Raul Santaeulalia-Llopis** (Economics) — AIDS and Economic Development
**Yongseok Shin** (Economics) — Finance Development and Human Capital

Department of Political Science

**Brian Crisp** (Political Science) — Legislative Voting in Latin America
**Matthew Gabel** (Political Science) — Roll-Call Voting Requests and Selection
**Stephen Haptonstahl** (Political Science Graduate Student) — Uncertainty in Bargaining
**Nathan Jensen** (Political Science) — Use of Tax Policy to Take Credit for New Investments (survey grant)
**Mona Lena Krook** (Political Science) — Reframing Representation and

**William Lowry** (Political Science) — Stable Energy Policy
**Gary Miller and Itai Sened** (Political Science) — The Uncovered Set and Senate Coalitions
**Gary Miller** (Political Science) — The Civil Rights Movement
**Michael Minta** (Political Science) — Substantive Representation of Minority Interests in the U.S. Congress
**Ryan Moore** (Political Science) — Old Age Pensions in the States
**Guillermo Rosas** (Political Science) — Legislative Voting in National Assemblies
**Norman Schofield** (Political Science) — Activist Coalitions and Regime Control
**Itai Sened** (Political Science) — Role of the Middle East in Sustainable Economic Growth
**Melanie Springer** (Political Science) — American Elections
**Margit Tavits** (Political Science) — Party Organizational Strength in Post-Communist Democracies
Grant Application & Administration

From July 1, 2008 through June 30, 2009, the Weidenbaum Center worked with faculty in a number of Arts and Sciences departments, preparing grant applications and submissions. Below is a list of these submissions.

**GOVERNMENT GRANT APPLICATIONS**

- **Department of Anthropology**
  - Herman Pontzer, Metabolic Costs of Living in Human Foragers. (NSF Resubmission)
  - Shanti Parikh, Life Projects and Anti-Retroviral Therapy Comparative Ethnographic Research. (NSF Resubmission)

- **CNISS**
  - Itai Sened and Gary Miller, Closing the Deal: Negotiating Major Legislation. (NSF Resubmission)

- **Department of Economics**
  - Haluk Ergin, Collaborative Research: A Subjective Model of Temporal Preferences. (NSF)
  - Juan Pantano, Conditional Cash Transfers and Parental Labor Supply: The Case of PROGRESA. (NSF)
  - David Levine, Applications of the Self Control/Dual Self Model in Economics. (NSF)
  - James Morley, Collaborative Research: Hypothesis Testing Within Unobserved Components Models. (NSF)

- **Department of Political Science**
  - Dawn Brancati, Another Great Illusion: The Advancement of Separatism through Economic Integration. (NSF)
  - Mona Krook, Career: Gender Quotas and Women’s Political Representation. (NSF)
  - Margit Tavits, Inside Political Parties. (NSF)
  - James Gibson, Collaborative: Money, Politics, and the Legitimacy of State Supreme Courts: The Impact of Recusals and Disqualifications. (NSF)

**NSF/NIH AWARDS**

- Anthropology Assistant Professor Shanti Parikh received funding for her five-year project, “Life Projects and Anti-retroviral Therapy Comparative Ethnographic Research.” As a subcontractor on a Columbia University NIH award, she will lead preparatory and exploratory work in Uganda component. She will travel to Uganda to meet with her collaborators, help establish institutional affiliations, begin to explore how being on anti-retroviral drugs shape and are shaped by people’s sexual and social life projects.

  Anthropology Professor Herman Pontzer received funding from NSF for a two-year study “Metabolic Cost of Living in Human Foragers.” He addresses a fundamental question in human evolution and ecology: How do humans marshal the energetic resources necessary to reproduce at faster rates than other apes despite inhabiting lower productivity habitats and spending substantially more energy on ranging? This project will contribute to understanding human energy expenditure and locomotor efficiency.

- Political Science Assistant Professor Dawn Brancati received NSF funding for her two-year project, “Another Great Illusion: The Advancement of Separatism through Economic Integration.” She will analyze the effect of EU integration on the electoral strength of regional parties, which are major vehicles through which demands for autonomy and independence are expressed in Europe. This information can then be applied to other regions of the world as elections and secession movements unfold.

  Economics Professor Haluk Ergin received NSF funding for his three-year project, “Collaborative Research: A Subjective Model of Temporal Preferences.” He postulates this project will lead to the unified analysis of subjective versions of different important
models in decision theory. Ultimately this research can be applied to macroeconomics and financial economics, where Kreps and Porteus (1978) preferences have already proved quite useful.

Economics Professor David Levine, John H. Biggs Distinguished Professor of Economics, received NSF funding to begin a three-year project studying dual-self model of human behavior. His study, “Applications of the Self Control/Dual Self Model in Economics” will examine this model in the context of economic theory and empirical data. Professor Levine’s research will eventually be applied to practical issues and public policy questions.

Economics Professor Yongseok Shin's project, “Financial Frictions and Economic Development: A Quantitative Exploration,” sets an example of how to quantitatively analyze the mechanisms through which institutions determine economic development. By providing quantitative methods to analyze the joint dynamics of economic growth and inequality, important questions on economic reforms will be answered: How soon will reforms start to pay off? How fast will economic growth trickle down to the poor? What are the optimal policies on factor mobility?

Political Science Professor James Gibson received funding for the three-year project, “The Mental Health Effects of the Khmer Rouge Trials in Cambodia” (NIH subcontract from UNC-CH). He will review the psychometrics of items pertaining to reconciliation and respect for the rule of law in Cambodia. The project will also involve monthly videoconference meetings with the entire team of researchers and data analysis with the eventual goal of making policy recommendations.

Professor Gibson also received funding from the NSF for a one-year collaborative project called, “Money, Politics, and the Legitimacy of State Supreme Courts: The Impact of Recusals and Disqualifications.” His research will focus mostly on conflicts of interest arising when those litigating before a court are the same individuals and institutions that contributed to the judges during their campaigns for the bench. The entire team of researchers will, upon completion of the project, make policy recommendations.

CONTINUING NSF GRANT ADMINISTRATION

The Center continues to administer the following faculty NSF grants. Staff worked with faculty on budgeting, accounting, and filing reports. The staff also worked closely with the University’s research office and sponsored project accounting to make sure that NSF rules and regulations were followed keeping the University and the faculty involved in compliance at all times.

Anthropology


Michael Frachetti, “Dzhungar Mountains Archeology Project: Intensive Studies of Settlement of Landuse of Bronze Age Mobile Pastoralists.”

David Rasmussen, “Paleontology and Primate Evolution in the Late Oligocene of Kenya.”

Charles Trombold, “Late Epiclassic Transitional Dynamics at La Quemada, Zacatecas, Mexico: View from Hinterland and Agricultural Terraces.”

Economics

Haluk Ergin, “Collaborative Research: Models of Unawareness and Ambiguity”

Political Science

James Gibson, “The Politicization of State Judicial Elections: The Effects of New-Style Campaigns on State Court Legitimacy.”

James Gibson, “Assessing the Consequences of Politicized Committee Processes.”


Norman Schofield, Center for Political Economy, “Activist Coalitions: Modeling Elections and Regime Change.”

James Spriggs, “The Establishment of State Decisions in the American Legal System.”

Joseph Tonon and Marc Law, “Earmarking and the Political Economy of Agricultural Research.”
Center Supported University Workshops

The Weidenbaum Center — in an effort to enrich the programs offered to graduate students and to encourage collaboration among faculty — supports a variety of workshop programs. These programs run in the fall and spring of each academic year. Scholars are brought in from across the globe to discuss their research. In 2008-2009, the Center supported the Macroeconomics and Departmental workshops in the Department of Economics. Seminars are listed below.

Cross Country Differences in Productivity: The Role of Allocative Efficiency — John Haltiwanger, University of Maryland

Decentralized Trade with Asymmetric Information — Guido Lorenzoni, MIT

Learning the Wealth of Nations — Francisco Buera, UCLA

The Sorting Effect of Price Competition (with Jan Eeckhout) — Philipp Kircher, University of Pennsylvania

Liquidity, Business Cycles, and Monetary Policy — Nobuhiro Kiyotaki, Princeton University (with John Moore)

The Impact of a Hausman Pretest on the Size of a Hypothesis Test: The Panel Data Case — Patrik Guggenberger, UCLA

"Essential" Patents, FRAND Royalties and Technological Standards — Patrick Legros, Université Libre de Bruxelles

Home Equity, Foreclosures, and Bail-outs — Carlos Garriga, Federal Reserve Bank of St. Louis (with Don Schlangenau)

Long-Term Volatility of the Stock Market and Macroeconomic Fluctuations — Manuel Santos, University of Miami

A Search-Theoretic Model of the Retail Market for Illicit Drugs — Nicola Persico, New York University (with Manolis Galenianos and Rosalie Liccardo-Pacula)

Sophisticated Monetary Policies — V.V. Chari, University of Minnesota

Durability of Output and Expected Stock Returns — João Gomes, University of Pennsylvania (with L. Kogan and M. Yogo)

On the Cross-Country Distribution of Welfare Gains from Trade — B. Ravikumar, University of Iowa

Transition to FDI Openness — Ellen McGrattan, Federal Reserve Bank of Minneapolis

For a complete list of upcoming seminars, please visit the Department of Economics website at http://economics.wustl.edu/index_seminars.php

Management Of Other Washington University Centers

In 2008-2009, the Weidenbaum Center continued to assist the University by managing two other small centers: the Center in Political Economy (CPE) and the Center for New Institutional Social Sciences (CNISS). Weidenbaum Center staff managed their human resources, payroll, accounts receivables and payables, as well as their budgets.

In addition, staff also worked with faculty in these departments on their NSF grant applications. Awarded projects were then administered by Weidenbaum Center staff which included budgeting, accounting, and filing reports. The staff also worked closely with the University’s research office and sponsored project accounting to make sure that NSF rules and regulations were followed — keeping the University and the faculty involved in compliance at all times.
Grants At Work
The following list of publications is the product of research that the Weidenbaum Center helped support in the past year.


Mona Lena Krook, Women, Gender, and Politics: A Reader (co-edited with Sarah Childs) (New York: Oxford University Press), forthcoming.


Mona Lena Krook, “Critical Mass Theory and Women’s Political Representation” (co-authored with Sarah Childs), Political Studies, forthcoming.


Andrew Martin, Lee Epstein, Kevin M. Quinn, and Jeffrey A. Segal, “On the Perils of Drawing Inferences about Supreme Court Justices from the First Few Years of Service,” *Judicature* 91: 168-179.


In 2008-2009, with the generous support of a number of key donors, the Center established the Weidenbaum Center Scholars program. This program was created to honor Murray Weidenbaum for his long standing commitment to teaching and mentoring undergraduate students. The program is open to all Washington University undergraduate students. Participants are chosen by academic standing, interests, or career goals.

Jessica Karlow, a senior, worked (under the direction of Steven Smith, the Center’s director) with graduate students Joel Sievert and Ian Ostrander. Her work entailed coding data for their research project on presidential signing statements. Jessica also did research identifying key regulatory research reports and wrote summaries of them for the Center’s monthly “Studies in Regulation” report. In May 2009, Jessica graduated with a Bachelor of Arts degree in International and Area Studies and Political Science. She spent the summer of 2009 in Harbin, China, studying Chinese through the State Department’s Critical Language Scholarship Program.

Nathan Ferguson, an undergraduate student, worked for Professor Steve Smith on a project about filibusters in the U.S. Senate. He researched all the filibusters that have happened in the past 10 years. He also collected data from the Congressional Quarterly to figure out which bills have been filibustered. After he found these bills, he entered them into a data set that included information such as whether the filibuster ultimately killed the bill and the results of cloture votes. Then he searched major newspapers for articles on these bills.

It was a really interesting experience because I never knew how many filibusters there were in the Senate and it was remarkable to find out all the different reasonings that motivated the filibusters to occur.

— Nathan Ferguson
Other Student Support

The Weidenbaum Center supports undergraduate and graduate research assistants for faculty through its small grants programs. This sponsorship creates a unique opportunity, particularly for undergraduates, to work and collaborate with university faculty on research projects related to the economy, politics, and public policy.

The Center also looked for opportunities to engage both undergraduate and graduate students in its programs as well as special occasions for these students to meet and interact with government officials and business leaders in 2008 and 2009. The Center supported the Department of Economics seminar series, which is primarily designed for graduate students.

Graduate students in the departments of Economics and Political Science were invited to attend the Center’s monthly Public Policy Breakfast Meetings and the Weidenbaum Center Forums. Occasionally, when space permitted, they were invited to partake in the Center’s Public Policy Luncheon Series.

Below is the list of students who were supported through the faculty small grant program or other types of research related work.

Miriam Ben Abdallah  Charles Franklin  William Osberghaus
Adam Blandin  Ulas Gulkirpik  Dustin Palmer
Kayla Brinkley  Maria Gutierrez  Nidhi Pande
Jeremy Caddel  Stephen Haptonstahl  Nicholas Papageorge
Christopher Claassen  Jee Seon Jeon  Hong Min Park
Alexander Cloninger  Jessica Karlow  Mark Partridge
Harry R. Colvin  Taro Kumano  Joshua Potter
Adriana Crespo Tenorio  Lucas Leemann  Viktoryia Schnose
Amanda Driscoll  Christopher Maury  Joel Sievert
Mark Dudley  Shintaro Miura  Jacek Suda
Rohan Dutta  Daniel O’Neill  Rachel Zemke
Chelsey S. Erway  Lauren Olens
Nathan Ferguson  Santiago Olivella

Winner, John M. Olin Prize for Excellence in Economics
Kathryn Hoelzer

ADMINISTRATION

Researchers and Staff

Steven S. Smith, Director
Murray Weidenbaum, Honorary Chairman
Steven Fazzari, Associate Director
Richard J. Mahoney, Distinguished Executive in Residence
Melinda Warren, Director, Weidenbaum Center Forum
Gloria Lucy, Assistant Director/Business Manager
Christine Moseley, Administrative Coordinator
Chérie Moore, Administrative Assistant
Donors & Members

The Weidenbaum Center is grateful to its many generous donors and volunteers who work so hard to help it reach its financial goals. Special recognition goes to James E. Schiele, Chairman of both the Center’s Eliot Society Volunteer Committee (individual giving) and its Corporate Volunteer Committee.

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Peter F. Mackie
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Expansion of current programs and the creation of new programs require additional funding on a continual basis. To support the Center contact Gloria Lucy at 314-935-5689 (glolucy@wustl.edu) or Melinda Warren at 314-935-5652 (warren@wustl.edu).