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The Weidenbaum Center on the Economy, Government, and Public Policy, now in its 36th year, continues its mission to support important social science research and shape the debate on key issues facing America. It works to educate business leaders, policymakers, journalists, and the general public through a variety of programs, publications, media coverage, and online resources.

The Center works closely with the Departments of Economics and Political Science to enhance faculty research opportunities, support grantsmanship, sponsor academic workshops, conduct public forums, and increase the visibility of the work of Washington University scholars. Enriching the environment for students by creating opportunities for them to serve as research assistants, supporting their efforts to obtain external funding for dissertation research, and giving them the chance to participate in a wide range of public policy programs is an important endeavor for the Center.

During this past year, the Center embarked on a project that represents a major investment in social science research. The American Panel Survey (TAPS) promises to be one of the most important survey instruments in the social sciences. The panel design allows social scientists to follow a national probability sample of people to observe changes in their attitudes and behavior. The online method used in TAPS creates the opportunity to introduce important innovations in survey instruments, including the use of multimedia.

Center programs such as the Media Retreat, the NSF sponsored Summer Institute on the Empirical Implications of Theoretical Models (EITM), and TAPS are of great importance to us all. The Media Retreat brings writers, reporters, editors, and producers together with academic experts for intense, interactive seminars that examine the role numbers, statistics, and data analysis play in the news, public policy, and politics. The EITM program enables top faculty to instruct advanced graduate students and junior faculty from across the nation on ways to better test theories of political and economic processes.

The Center’s annual report examining the expenditures and staffing of federal regulatory agencies of the U.S. budget continues to garner national recognition. This regulatory tracking tool is extensively referenced in textbooks, government papers, and prominent newspapers. Further, its monthly regulatory e-mail and letter, “Studies in Regulation,” outlines important studies produced by the Weidenbaum Center and other key organizations.

I am most grateful for the Center’s efforts to educate and inform the community and its ability to collaborate with numerous departments, centers, schools, and student organizations across campus. I thank all of those involved in its activities and those who generously support its programs.

Mark S. Wrighton
Chancellor
Washington University in St. Louis

Letter from the Chancellor
I am pleased to report that the Weidenbaum Center has completed another productive year of research and public affairs programs. In addition, we have begun an exciting new endeavor that will greatly advance social science research at the Center and Washington University. This new project, The American Panel Survey (TAPS), is an important instrument that collects key attitude and behavioral data in an innovative online method. See page 5 for more information.

Our public affairs activities contribute to public education and political discourse. During the course of the fiscal year, the Center pursued a wide-ranging program that addressed major public policy issues through research and reports, public debates, conferences (both public forums and scholarly workshops), public policy meetings, and other special programs. These programs looked at climate change, unemployment and underemployment, health care, the economy, the federal budget, the housing crisis, global challenges, political reform, and a number of other key public policy issues.

Student enrichment continued to be a priority at the Center. Substantial funds were committed to student assistantship and mentoring. In addition, the Center made it possible for students to meet and discuss public policy issues with experts from across the country.

We continued to work closely with faculty in the Departments of Economics and Political Science in an effort to augment their research efforts. We provided small grants for promising research projects, helped secure and support research assistants, and assisted with fund raising efforts and grant administration. We relied upon their expertise in Center programs such as its major donor public policy luncheons, media retreat, and its Summer Institute on the Empirical Implications of Theoretical Models program (EITM). The Center also collaborated with many departments and centers throughout the University on both scholarly programs and public conferences. Many of these efforts helped produce an array of scholarly reports, articles, books, and other publications.

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.

I am grateful for the support of Chancellor Wrighton, the University administration, the Board of Trustees, and our many generous donors. I am also fortunate to have the pleasure of working with the gifted faculty and students at Washington University.
The unique perspective, wide range of experience, and expertise of Murray Weidenbaum continued to influence the direction and programs of the Center. As founder of the Center and current Honorary Chairman, he participated in public policy luncheons, breakfast meetings, and forum programs. He also conducted a session at the Center’s Media Retreat, speaking on “The Seriousness of Budget Games: How to Play ‘Spin the Budget.’”

On the academic side, Professor Weidenbaum continued to mentor students, teach, and serve the University. He taught a spring graduate/undergraduate course on business and government (a class he has been teaching for 37 years). He co-taught a Center for New Institutional Social Sciences (CNISS) workshop designed to help students with research projects and he continued to serve as a board member for CNISS. He was a guest lecturer in a class on international business in the spring, speaking on “Farm Subsidies and the Global Economy.”

His research primarily focused on a detailed analysis of the federal budget for FY 2010, identifying low priority areas that were good candidates for budget cutting. His emphasis was on the many special subsidies that benefit private interests. The Center published his report How to Really Cut the Federal Budget in the fall of 2010. During that time, Professor Weidenbaum also spoke on this topic at events sponsored by the Center and other departments in the College of Arts and Sciences. His research efforts then turned to a fresh look at the economics of defense spending for a forthcoming encyclopedia on public economics.

Professor Weidenbaum’s editorials and media coverage also flourished throughout the fiscal year. His editorials included “Don’t Miss the Key Decision Points” (published in Directors & Boards, Third Quarter 2010), “How to Play ’Spin the Budget’” (USA Today Magazine), “International Business Faces a Challenging Global Marketplace” (St. Croix Review), “Military Might Comes With a Price” (USA Today Magazine), and “How Does the U.S. Economy Stack Up?” (USA Today Magazine). His article on the social responsibility of non-governmental organizations, entitled “Who will Guard the Guardians? The Social Responsibility of NGOs,” was included in the volume Globalization and the Good Corporation, issued by Springer Publishers.
began preparing a book on the development of party leadership in the U.S. Senate and another on the partisan and procedural problems of the modern Senate.

Professor Smith also continued his internal and external outreach. He kept Center members and corporate leaders informed of political issues at major donors public policy luncheons and public policy breakfast meetings. He spoke internally before a number of Washington University friends and supporters.

In the fall of 2010, Chancellor Mark Wrighton asked him to speak on the upcoming elections before a special group of Washington University supporters. Also in the fall, he spoke on the same topic at one of the University’s Eliot Society Seminar Series. Externally, he continued his public speaking and media commentary. Print and electronic press frequently called upon him for his expertise on Congress and the presidency. In addition, he was regularly heard on public radio stations.

Mentoring political science graduate students continued to be a primary focus. He once again conducted 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.

The American Panel Survey (TAPS)

The Center has joined forces with a cutting-edge survey firm to create The American Panel Survey (TAPS). This survey is an important instrument for social science research and a window on public attitudes and behavior related to the issues facing the nation and the world. It will be one of the most innovative research tools in the social sciences. There are three distinctive features of the research design.

- As a panel study, the survey allows for the measurement of change at the individual level and the accumulation of a large volume of data about individual respondents.

- With an address-based sampling frame, the survey allows investigators to bring to bear data about the context (neighborhood and community) in which the respondent lives from census and other sources.

- As an online study, the researcher may incorporate streaming audio and video materials in a questionnaire.

As a part of its monthly time series, TAPS will measure consumer behavior and political attitudes. On a continuing basis, TAPS will measure public behavior in areas of policy interest (for example, participation in health care exchanges) and attitudes about pending public policy choices. The findings of the survey will create a steady flow of opportunities for University policy experts to evaluate and address some of the most important issues of the day.

For more information about TAPS, visit the website at http://taps.wustl.edu or email taps@wustl.edu.
Associate Director
Steven Fazzari

Throughout 2010-2011, Professor Steven Fazzari worked closely with Center Director Steven Smith on the Center’s academic and public policy programs. He played a key role in the Weidenbaum Center Forums as well as its Major Donor Public Policy Meetings.

Professor Fazzari’s research efforts were enhanced by an Institute for New Economic Thinking (INET) grant. This generous funding enabled him to pursue two projects: (1) The exploration of what drives economic growth and (2) the development of a website to explain his perspectives on macroeconomics to a broad audience. The website focuses on issues of current relevance, especially federal government fiscal policy and the causes and consequences of the Great Recession.

He also continued his vigorous publication efforts. Along with Barry Cynamon and Mark Setterfield, he edited a major book on the causes of the Great Recession as well as perspectives on the way forward for the U.S. economy. The book is now under contract with Cambridge University Press and the manuscript is nearing completion.

His publication in the Journal of Economic Dynamics and Control (co-authored with Edward Greenberg and Piero Ferri) focused on the impact of monetary policy. Their model emphasized the importance of business investment in the transmission of monetary policy to the real economy. In the model, they found that a strong response of monetary policy to unemployment stabilizes both output and inflation.

Another publication in the Journal of Business and Economic Statistics focuses on business investment. The research results find a relatively small, but precisely estimated, effect of the cost of capital and interest rates on investment. The article develops a new technique for estimating long-run responses of economic variables to various factors, such as prices and interest rates.

In addition, Professor Fazzari spent a generous amount of time lecturing and speaking at public events. Internationally, he spoke at the plenary lectures for the Brazilian Keynesian Economics Association (Sao Paulo, Brazil) and the annual conference of the European Finance, Innovation, and Growth project (Prague, Czech Republic). He also participated in seminars at the Federal University of Rio de Janeiro (Brazil) and Sciences Po University in Sophia-Antipolis (France). Further, he was a guest lecturer for doctoral students at the University of Bergamo (Italy).

Professor Fazzari also spoke to a number of groups across the United States including programs conducted by the University of Kansas, the University of Missouri-Kansas City, as well as locally at the Weidenbaum Center’s first annual Hyman P. Minsky Lecture, the Center’s media retreat, and other Washington University-sponsored programs.

He continues to serve Washington University as a member of the Arts and Sciences Personnel Advisory Committee that evaluates faculty candidates for tenure and promotion.

Internet-based Resource on Keynesian Principles

A generous grant from the Institute for New Economic Thinking (INET) enabled Dr. Fazzari to begin working on a website, Muddy Water Macro, which serves as a reference of Keynesian principles for non-specialists. The site will share views about how conflicting macroeconomic theory and evidence can be best reconciled to understand the world in which we live. The site will provide:

- Clear exposition of Keynesian macroeconomic theory.
- Careful consideration of alternative views, along with Keynesian responses to the critics.
- The link between prominent policy positions and the underlying theories.
- Discussion about how evidence, drawn primarily from the recent performance of the U.S. economy, helps us distinguish between competing views.
- Explanations that are thorough but are also accessible to a reader with little or no prior background in macroeconomics.
Distinguished Executive in Residence

Richard Mahoney

Mr. Richard Mahoney continues to play an important role at the Weidenbaum Center. His keen insight, wisdom, and business experience enrich the Center’s activities and programs. He is a regular participant in the Center’s public policy breakfast meetings, major donors public policy luncheons, and forum programs.

As one of the co-founders of the Center’s annual Media Retreat, he played an active role in the 2011 program, sharing his insights and expertise with print, radio, and television journalists. He led a summary discussion that helped participants to reflect on the contributions of the seminar’s program to their work. He also served as a judge on the Center’s media award committee. The Weidenbaum Center’s annual Award for Evidence-Based Journalism recognizes quality journalism on economics, business, and government and reflects the sophisticated use of research, numbers, and statistics.

He continues to support “The Olin Award: Recognizing Research that Transforms Business” that he established in the School of Business in 2008. This award highlights faculty scholarship that has practical and performance-enhancing applications to critical management issues.

Weidenbaum Center Senior Fellows

Weidenbaum Center Research Fellows are faculty in the Departments of Economics and Political Science who play a key role in Center activities and programs. In fiscal year 2011, the Center was fortunate to work with Political Science Professors James Gibson and Nathan Jensen.

Both Fellows played an active role in helping to shape the Center’s activities and outreach. They brought their expertise and insight to the Center’s monthly current event luncheons, participated in public policy breakfast meetings, and each managed a Center research program area. Professor Nathan Jensen is in charge of the Center’s Multinational Enterprises program, while Professor James Gibson oversees the Center’s Citizenship and Society program. (Visit the Center’s website, http://wc.wustl.edu/academic-support/faculty-research for information on major faculty research program areas.)
Despite administration efforts to freeze non-security discretionary spending, the budgets of federal regulatory agencies are increasing in both 2011 and 2012. The estimated cost of running regulatory agencies in fiscal year 2011 is $54.9 billion, a 5.7 percent increase over 2010 spending. The President’s budget request for 2012 calls for an additional 4.5 percent increase to $57.3 billion.

The on-budget cost of regulation is detailed in *Fiscal Stalemate Reflected in Regulators’ Budget: An Analysis of the U.S. Budget for Fiscal Years 2011 and 2012*, released in May 2011. The annual report is authored by the Weidenbaum Center’s Melinda Warren and Susan Dudley of the George Washington University Regulatory Studies Center. This is the 33rd edition of the report tracking the spending and staffing for the regulatory agencies as documented in the President’s budget. It includes data from 1960-2012.

Regulatory agencies with the largest requested budgets for fiscal year 2012 included the Patent and Trademark Office (reflecting President Obama’s commitment to innovation), the Food and Drug Administration (which is responsible for issuing regulations under the Food Safety Modernization Act), the Department Homeland Security, and financial regulatory agencies, including the Securities and Exchange Commission and the Comptroller of the Currency. Budgets and staffing for agencies focused on energy and environmental regulation appear to be holding steady or declining. The fiscal year 2012 budget request suggests a renewed interest in economic regulation, which had been declining in prominence since the 1960s. The portion of the regulators budget devoted to economic regulation is 17 percent in 2012, compared to around 15 percent over the past decade.

The number of staff working to develop and enforce regulations in 2012 is expected to increase by about 10,000 people over 2011 levels to reach an all-time high of 291,676. Additional employees at the Department of Homeland Security make up more than 65 percent of the total staff increase.

The report is available online at the Weidenbaum Center’s website, http://wc.wustl.edu/news/505.

**Regulatory Update Newsletter**

As a service to its supporters, the Center sends out a monthly letter and email called *Studies in Regulation*, which outlines important reports on regulatory issues that have been produced by the Center and other research organizations. Topics such as financial regulatory reform, regulatory oversight and analysis, dividend and capital taxes, land use deregulation, policy changes to improve health care quality, government health care plans, global warming, and cap and trade are just a few of the issues that have been brought to the attention of donors and friends. The letter and email summarize the studies and provide links to these reports.
The Velocity of Climate Change

The pace of climate change was the subject of a forum featuring Chris Field of Stanford University. Combining current climate and temperature gradients worldwide with climate model projections for the next century, Professor Field and a team of scientists at Stanford University and the Carnegie Institution have calculated temperature “velocities,” measurements of how fast temperature zones are moving across the landscape and their effect on plants and animals. The ability to predict the rate of temperature change across the globe will allow for the development of management strategies that may minimize biodiversity loss. This event was cosponsored with the University’s I-CARES (International Center for Advanced Renewable Energy and Sustainability) and the Department of Biology.

The Holy Vote: The Politics of Faith in America

Ray Suarez, senior correspondent for PBS’ The NewsHour, examined the way Americans worship and how organized religion and politics intersect in America. His talk, “The Holy Vote: The Politics of Faith in America,” revealed how this powerful collision is transforming the current and future American mindset. He stressed that the United States has not been so polarized — politically and ideologically — since the Civil War. But, at the very heart of this fracture is a fascinating marriage between our country’s politics and religion that is necessary for all of us to understand. The event was co-sponsored by the University’s John C. Danforth Center on Religion & Politics.

Unemployment, Underemployment, and Public Policy

Christina Romer, Professor of Economics, University of California-Berkeley, and former Chairperson of the Council of Economic Advisers, spoke on “Unemployment, Underemployment, and Policy Responses.” The panel session that followed her talk was moderated by Murray Weidenbaum and featured Steven Fazzari (Weidenbaum Center), Marion Crain (School of Law), Michael Sherraden (School of Social Work), and William Emmons of the Federal Reserve Bank of St. Louis. The program was cosponsored with the University’s Center for Social Development, School of Law’s Center for the Interdisciplinary Study of Work and Social Capital, Center for New Institutional Social Sciences, and the George Warren School of Social Work’s Youngdahl Lecture Series.

Health Care in America: Transforming the Citadel

William Peck, Director of the Center for Health Policy and former dean of the School of Medicine at Washington University, examined why, even after the passage of the Patient Protection and Affordable Care Act (PPACA), health care remains an important and controversial topic. He examined the many assets and strengths of health care in America as well as the reasons why our health care emerged as the...
world’s costliest, most fragmented, and inefficient system prior to the PPACA. Dr. Peck also summarized the major elements of the PPACA and its underlying principles, stating his thoughts about what the future will bring for the PPACA reforms. This event was cosponsored with the University’s Center for Health Policy.

The Legacy of Hyman Minsky and the Great Recession

Hyman Philip Minsky was an American economist and professor of economics at Washington University in St. Louis. His research attempted to provide an understanding and explanation of the characteristics of financial crises. His theories about debt accumulation have received much media attention during the recent subprime mortgage crisis. The first lecture in this new series was given by Weidenbaum Center Associate Director and Professor of Economics, Steven Fazzari. His talk focused on how Professor Minsky’s ideas illuminate what has happened in the U.S. economy, as well as showing the way forward. He also spoke briefly about Professor Minsky as a person and his influence at Washington University.

Macroeconomics of Housing

Monika Piazzesi, Stanford University, spoke on the recent boom/bust episode in housing prices and her expectations of what the future holds for the market. Dr. Piazzesi focuses her work at the intersection of macroeconomics, financial economics, and applied time series econometrics. Her models of the yield curve for bonds are influential and have helped shape the Federal Reserve’s forecasting models. This event was cosponsored with the University’s Department of Economics.

Lessons from Abroad: The Opportunities of a Borderless World

Richard Heinzl, M.D., founder of Doctors Without Borders, Canada, shared his experiences in the high-tech world of the West and the war-torn, rural, and poverty-stricken areas of the world. He discussed global citizenship as a necessity for survival in today’s business climate and provided specific examples of the skills and attitudes that spell success in life and business. (The organization Doctors Without Borders, founded in 1971 by doctors and journalists, is the world’s leading independent medical humanitarian organization that delivers emergency aid to people affected by armed conflict, epidemics, disasters, and exclusion from health care in close to 60 countries worldwide. The organization was awarded the Nobel Peace Prize in 1999.) This program was co-sponsored with the University’s Gephardt Institute for Public Service and the School of Medicine.

The Angels of Our Nature in America and Its Challenges to Universities/Think Tanks

Strobe Talbott, President of the Brookings Institution, spoke about the challenge of polarization in American politics, now at its worst level since the late 19th century. As well as explaining the factors — especially institutional ones — driving our current predicament, Mr. Talbott emphasized the urgency of the problem, especially as it affects our ability to make progress on pressing public policy challenges. He reflected on the role of universities and think tanks, bastions of fact-based research and academic freedom, as antidotes to the current maladies of America’s political climate. The event was cosponsored with the Brookings Institution; Washington University’s Office of the Provost; Schools of Law, Arts & Sciences, Business, Engineering & Applied Science; Washington University D.C. Programs, Department of Political Science; McDonnell International Scholars Academy; John C. Danforth Center on Religion & Politics; and the Assembly Series.
Annual Dinner

The Center holds a dinner annually to thank Weidenbaum Center donors and the University community for their support. It brings in a prominent figure in public affairs to address a major national or international issue.

The 2011 dinner speaker, Juan Williams, spoke on “The Capacity of America to Address Its Most Pressing Domestic Issues.” Mr. Williams focused on communication, education, and tolerance between generations, cultures, and gender. He spoke on how important this is when it comes to America’s ability to address its domestic issues. He reflected on the advancements that have been made over time and noted where concentrated efforts still need to be made.

Mr. Williams is a political analyst at Fox News and journalist for numerous news outlets such as the Washington Post, New York Times, and Wall Street Journal. He has received an Emmy Award and much praise for his television documentary work along with several awards for investigative journalism.
Andrew Mertha, Associate Professor of Government at Cornell University, spoke on current issues impacting U.S.-China relations. While the Obama administration has premised its China policy on the importance of making China a full global player, increased assertiveness on China’s part caused concern. Professor Mertha said that one prominent factor in this increased assertiveness is the fact that China’s economy was relatively unaffected by the 2008 financial crisis, increasing its international trade with countries other than the United States. He also said that in the long run, the United States must raise its own self-confidence in order to work effectively with China.

The Economic Outlook: 2011 and Beyond

Joel Prakken, Chairman, Macroeconomic Advisers, LLC shared his views about the current state of economic recovery. He believes that “the norm is growth.” The U.S. economy has a propensity towards growth, but the economy faces unusual challenges in generating a sustained recovery in the near term. Although Dr. Prakken does forecast an eventual return to health for the U.S. economy, he also expressed concerns regarding the future of the federal deficit and the legacy being left for our children and grandchildren.

The Challenges of Governing Mexico

On the bicentennial celebration of Mexican independence, Professor Guillermo Rosas, Department of Political Science at Washington University, spoke on current issues faced by the Mexican government. He focused on two main challenges: public security in the face of Mexico’s drug war and economic problems stemming from slow economic growth and increasing income disparity. However, despite these challenges, he ended on a positive note, stating that these problems are solvable as government institutions, particularly the Legislature and the Supreme Court, are strengthened.

After Many Days

Washington University alumni, Shirley H. Perry, spoke on her book, After Many Days: My Secret Life as a Spy, which details her experiences as a Cold War spy behind the iron curtain as well as her travels in the Middle East.
Domestic Finance, Hegemony & Globalization

Professor Andrew Sobel, Department of Political Science at Washington University, used political and economic history to explore liberal hegemonic leadership in a global political economy. A hegemony is an indirect form of imperial dominance with which the hegemon (leader state) rules subordinate states by implied means of power rather than direct military force. He provided insights on important questions such as what is a liberal hegemon, why are they important, what do they do, and where does hegemonic capacity come from.

Washington Politics and the New Congress

Steven Smith, the Center’s director and Washington University Political Scientist, spoke on the new Congress and politics in Washington. His expertise on American politics, congressional politics, and the development of political institutions brought special insight on the ramifications of the changes in Congress.

Why is the Middle East Burning and Can Anyone Put Out the Fire?

Political Scientist and Chairman of the Center for New Institutional Social Sciences, Itai Sened, and Professor Morris Kalliny of Saint Louis University proposed that culture is an explanation for the current events happening in Egypt and the Middle East. They summarized by saying that, as conflicting values of Western and Islamic influences in Egypt have increased, individuals have been thrust into a cultural crisis, resulting in the 2011 revolution.

Analyzing Two Approaches to Budget Cutting

Murray Weidenbaum, the Center’s Honorary Chairman, analyzed two proposed plans to decrease the budget deficit, one proposed by Republicans, and one proposed by Democrats. He focused his remarks on the impact of these proposed plans on Social Security, Medicare and healthcare, military spending, and taxes, pointing out the games played by both parties.

Global Challenges to the United States in the 21st Century

Washington University alumni John Gannon, BAE Systems, provided a picture of the international atmosphere in 1976, when he began working for the CIA. He provided insight on the different global challenges faced by the United States today, as the multi-polarity of the world increases with the rise of China and Brazil as major players in the international arena.

A Political Scientist’s View of the Past and Future Redistricting

Jonathan Katz, California Institute of Technology, provided an in-depth look at the impact of redistricting on election outcomes. Using examples from his experience in analyzing district maps to determine the existence of party bias in redistricting maps, he demonstrated the way in which a map is drawn to predict election outcomes.

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 (glolucy@wustl.edu), or Melinda Warren, Director, Weidenbaum Center Forum (warren@wustl.edu), 314-935-5630.

2010-11 Annual Report
Is This Economic Recovery?

In the fall of 2010, the U.S. economy continued to confound its citizens. Center Associate Director Steven Fazzari has been carefully tracking data on the U.S. economy and developing an original perspective on the sources of the recent “Great Recession.” At his talk “Is This Economic Recovery?,” Professor Fazzari shared his insights on the challenges faced by the U.S. economy and discussed the prospects for recovery.

Implications of the 2010 Elections

Immediately after results of the 2010 elections were known, Center Director Steven Smith updated Corporate Leaders on how the mid-term election would affect Americans. In his talk “Implications of the 2010 Elections,” he spoke on the composition of the new Congress, likely strategies of the political policies following the election, and President Obama’s probable approach to Congress in the last two years of his term. As one of the nation’s leading scholars of legislative institutions and congressional politics, his expertise helped members make sense of the changing political landscape.

Regulatory Reform Under President Obama

President Obama’s January 2011 executive order on regulation encourages agencies to examine “values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts.” In order to help Corporate Leaders make sense of the changing regulatory landscape, Susan Dudley, Director of the Regulatory Studies Center at George Washington University, spoke on “Regulatory Reform under President Obama” in the spring of 2011. Her talk focused on past efforts at regulatory reform and the prospects for reform in the current administration.

The Seriousness of Budget Games

In June, Murray Weidenbaum’s address “The Seriousness of Budget Games: How to Play ‘Spin the Budget’” focused on the rapid growth of government spending and of deficit financing being experienced in the United States. He emphasized the importance of carefully analyzing the huge array of numbers contained in budgetary documents. Center Director Steven Smith provided commentary following Professor Weidenbaum’s talk. His input included needed information about the debt ceiling and the risks posed by a reduced credit rating for the United States.

Major Donor Current Events Roundtable Discussions

The Center holds a current events roundtable discussion once a month in the fall and spring of each year for its major donors.

Meetings were held on September 21, October 25, November 18, and December 15 of 2010 and February 15, March 21, April 18, and May 2 of 2011.

Major Weidenbaum Center donors are invited to join faculty experts in an open dialogue on current public policy topics. The economy, government regulation, taxes, government spending, intellectual property rights, and health care are discussed as well as global issues such as international trade, outsourcing, international peace (or lack of it), intellectual property rights and copyright issues, and terrorism.
On July 13, 2010, the Center hosted a special Weidenbaum Center Eliot Society member tour of Springfield, Illinois. The tour took members to visit Lincoln’s Home, Lincoln’s Tomb, and the Lincoln Presidential Library and Museum.

President Lincoln played a key role in the formation and politics of the country. This tour provided a unique educational opportunity enabling members to immerse themselves in the world of President Lincoln.

On May 13, 2011, the Center hosted another special Weidenbaum Center Eliot Society member tour to the National Churchill Museum and the unveiling of the Winston Churchill sculpture commemorating the “Iron Curtain” speech which took place in Fulton, Missouri in 1946. The work of art by St. Louis sculptor Don Wiegand is the only sculpture to capture the exact moment when Churchill uttered the famous words “an Iron Curtain has descended.” The principal speaker at the event was Edwina Sandys, granddaughter of Sir Winston Churchill. (The sculpture was made possible by a generous gift of Richard J. Mahoney, the Center’s Executive in Residence.)
Empirical Implications of Theoretical Models (EITM) Summer Institute

The Weidenbaum Center hosted its ninth EITM Summer Institute in June 2011. Students attended intensive classes and participated in hands-on lab applications.

**Theoretical and Methodological Foundations**

Randall Calvert (Washington University in St. Louis) and Hong Min Park (University of Alabama)

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 that students can employ to develop their own statistical models to test predictions derived from formal theories.

**The Theory and Empirics of Representation**

Jeff Gill and Elizabeth Maggie Penn (Washington University in St. Louis)

This course presented methods for explicitly linking axiomatic theories of preference aggregation and the empirical determination of the determinants of voter behavior for use in the practical design of electoral representation schemes, including apportionment and districting.

**Random Utility Models and Strategic Choice**

Mark Fey (University of Rochester)

During this module, participants examined methods to explicitly link 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.

**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.

**Strategic Voting, Partisanship, and Representation**

Jeff Gill and John W. Patty (both of Washington University in St. Louis)

This module extended the focus of the study of representation to include strategic considerations. Different electoral institutions typically offer different incentives to both voters and candidates. In general, some of the relevant considerations for those designing the electoral institution depend upon behavioral counterfactuals that are not directly observable. Discussions combined the theory of strategic voting with appropriate Bayesian empirical methods to construct more theoretically reasonable estimates of the effects of altering electoral representation schemes.

For more information on the EITM program, please visit the website at http://wc.wustl.edu/eitm.
Weidenbaum Center Media Retreat

The Center held its tenth 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.


Speakers were Steven Smith, Murray Weidenbaum, Steven Fazzari, Richard Mahoney, Tim McBride (Weidenbaum Center, Washington University), Susan Dudley, Tara Sinclair (The George Washington University), Professor Don Coursey (University of Chicago), Professor Joel Best (University of Delaware), and Mark Vaughan (National Credit Union Administration).

**Participants feedback included:**

“Each session opened my eyes to something...I'm eager to share what I've learned with people in my newsroom.”

“Stimulating sessions and colleagues. Three days well spent!”

“This is a very valuable experience. We can all do with this every few years as a refresher.”

“The panels and the personal access to presenters, the small size of this group also allows for great discussion/access.”

“This was a really refreshing opportunity to explore some fundamental issues in economics...I most appreciate the chance to learn about some fairly cutting-edge research from real experts...a lot of intellectual firepower...”

“This conference was a good mix of serious work, with time to mingle and learn from others.”

“Valuable sessions for all journalists to hear.”

“Every opportunity we get to take a step back and understand data is valuable.”

“A real eye-opening experience all around. Thank you!”

“Looking forward to using everyone as a resource.”

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**Award for Evidence-Based Journalism**

On June 26, 2011, Kevin Hall of McClatchy Newspapers, received the Weidenbaum Center Award for Evidence-Based Journalism. This annual award recognizes a past participant whose work represents quality journalism on economics, business, and government and reflects the sophisticated use of research, numbers, and statistics.
Center Sponsored Research Programs

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

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 Political Science Professor Nathan Jensen.

Citizenship, Civil Society & Democratic Values
This program, directed by 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.

Program in American Politics
The Program in American Politics sponsors major studies of important aspects of American politics and is directed by Center Director Steven Smith.

Macroeconomic Conditions and National Policy
This program sponsors research and public discussions on topics of current interest in macroeconomics, including the determinants of economic growth, explanations for recession and recovery, and the link between financial markets and economic performance. The program is directed by Professor Steven M. Fazzari.

Behavioral Economics
The researchers in the program on Behavioral Economics use social, cognitive and emotional factors to help understand the economic decisions of individuals and institutions performing economic functions. This interdisciplinary approach looks at consumers, borrowers, and investors, and their effects on market prices, returns, and resource allocation. Not only are the researchers involved in this program concerned with the effects of market decisions but also with public choice. The program supports the research of faculty at Washington University and elsewhere on an interdisciplinary basis. Department of Economics Professors Sebastian Galiani, Pamela Jakiela, and David Levine led this program in fiscal year 2010-2011.

Anyone wishing to help sponsor programs in these research areas should contact Melinda Warren (warren@wustl.edu, 314-935-5652) or Gloria Lucy (glolucy@wustl.edu, 314-935-5689).
Management of Other Washington University Centers

In 2011, the Weidenbaum Center continued to assist the University by managing the budget and financial operation, grant preparation and administration, and the human resources of two other small centers — the Center in Political Economy (CPE) and the Center for New Institutional Social Sciences (CNIS).

Center staff also continued to work with faculty in these departments on their National Science Foundation (NSF) grant applications. Awarded projects were then administered by Weidenbaum Center staff, which included budgeting, accounting, and filing reports. The staff 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.
Center Sponsored Faculty Research

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

Department of Economics

Pamela Jakiela — Kenya Risk Panel
Stephanie Lau — Expectation Damages in Complex Contracts
Juan Pantano — C-Section and Fertility
Ping Wang — Housing-Urban-Labor-Macro (HULM) Conference (co-sponsorship)

Department of Political Science

Brian Crisp — Agenda Control in Bicameral Legislatures
Mona Krook — Gender Quotas and Representation
Mona Krook — Gender Quotas Workshop (co-sponsorship)
Gary Miller & Itai Sened — Preference Estimation and the Uncovered Set
Sunita Parikh — The Indian Supreme Court
Norman Schofield — Baku Election Project
Melanie Springer — Voter Bias

Galiani, Sebastian

Kim, Sukkoo

Krook, Mona Lena

Rosas, Guillermo

Schofield, Norman


2010-11 Annual Report
Tavits, Margit

Wang, Ping

Weidenbaum Center Publications
Fazzari, Steven


Gibson, James


Jensen, Nathan


Warren, Melinda

Weidenbaum, Murray

“Don’t Miss the Key Decision Points,” Directors & Boards, Third Quarter 2010.

“How to Play ‘Spin the Budget,’” USA Today Magazine, September 2010.


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From July 1, 2010 through June 30, 2011, 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.

**Department of Anthropology**

**Shanti Parikh** — AIDS, Inequalities, and the Gendered Spectrum of Care (NIH Subcontract)

**Herman Pontzer** — Metabolic Cost of Living in Chimpanzees and Human Foragers (NSF Supplement)

**John Bowen** — NSF Supplemental grant for his project, Shariah Without Courts: A Study of Islamic Judicial Practices in England (Awarded)

**Bradley Stoner** — Syphilis Prevention: Provider Education (Subcontract) (Awarded)

**Center in Political Economy**

**Norman Schofield** — Voter Perceptions, Political Leaders, and Activists: A Comparison of Developed and Partial Democracies (NSF)

**Department of Economics**

**Pamela Jakiela** — The Kenya Risk Panel: Testing Hypothetical Measures of Risk Aversion in Field Setting (NSF)

**Ping Wang** — An Integrated Economic Modeling of Energy Sources for Electricity Generation With Environmental Constraints: Demand Supply and Policy Evaluation (NSF)

**Juan Pantano** — Social Security Benefits Based on Uniform Life Expectancy and Early Retirement Decisions (Sandell Grant/Center for Retirement Research at Boston College)

**Department of Political Science**

**Brian Crisp** — Electoral Mandates, Politics, Institutions and Policy Responsiveness (NSF)

**Brian Crisp** — Bicameralism in Presidential Systems (NSF)

**Brian Crisp and Matt Gabel** — Telling Half the Story?: Using Roll Call Votes to Understand Legislative Behavior Beyond the U.S. Congress (Awarded)

**James Gibson** — Collaborative: The Symbols of Judicial Authority: an Empirical and Theoretical Assault on an Ancient Hypothesis (NSF Resubmission)

**Nathan Jensen** — Breaking the Rule of Law: Executive and Non Executive Driven Expropriations of Foreign Direct Investors (NSF)

**Margit Tavits** — Power Within Parties (NSF)

**Ryan Moore** — Asset Shocks: Home Equity, Social Insurance, and the Accountability Gap (Russell Sage Foundation)

**Dawn Brancati** — Junior Faculty Research Program (Smith Richardson Foundation)

**Department of Political Science — Doctoral Dissertation Research**

**Christopher Claassen** — Doctoral Dissertation Research in Political Science: The Emotional Logic of Participation in Ethnic Violence (NSF)

**Ian Ostrander** — Doctoral Dissertation Research in Political Science: Winning The Game: Senatorial Delay in Executive Nominations (NSF) (Awarded)

**Joshua Potter** — Doctoral Dissertation Research in Political Science: Party Entry and Voter Coordination Across Electoral Systems: A Natural Experiment (NSF) (Awarded)
Weidenbaum Center Workshop and Seminar Support

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 2010-2011, the Center supported the Macroeconomics, Development and Public Policy, and Economic Theory workshops in the Department of Economics. Seminars are listed below.

**Behavioral/Experimental Economics**

Sendhil Mullainathan, Harvard University, *Self Control at Work: Evidence from a Field Experiment*

Alvin Roth, Harvard University, *Organ Allocation Policy and the Decision to Donate*

Gary Charness, University of California-Santa Barbara, *Overconfidence, Self-Esteem, and Strategic Deterrence*

Lise Vesterlund, University of Pittsburgh, *Differences in Bargaining Outcomes: A Field Experiment on Differential Treatment*

**Development and Public Policy**

Marianne Bitler, University of California-Irvine, *Insurance Mandates and Mammography*

Garance Genicot, Georgetown University, *Aspirations, Inequality, Investment and Mobility*

Miguel Urquiola, Columbia University, *Going to a Better School: Effects and Behavioral Responses*

Giulio Zanella, University of Bologna, *Grandparenting and Labor Supply*

Paul Gertler, University of California-Berkeley, *Legal Restrictions on Physician Ownership of Non-Physician Medical Services*

Nathan Nunn, Harvard University, *The Origins of Gender Roles: Women and the Plough*

Liz Ananat, Duke University, *The Effect of Job Loss on the Birth Rates of Young Women*

David McKenzie, World Bank, *What is the Cost of Formality? Experimentally Estimating the Demand for Formalization*

Enrico Moretti, University of California-Berkeley, *Real Wage Inequality*

Ernesto Dal Bo, University of California-Berkeley, *“Do the Right Thing”: The Effects of Moral Suasion on Cooperation*

Amy Finkelstein, MIT, *The Oregon Medicaid Experiment: Evidence from the First Year*

Abhijit Banerjee, MIT, *Marry for What? Caste and Mate Selection in Modern India*

**Economic History/Economic Theory**

Yuichi Yamamoto, Harvard University, *Repeated Games with Unknown Monitoring Structure*

Wojciech Olszewski, Northwestern University, *Attributes*

Andrea Mattezi, Caltech, *Mediocracy*

Ronny Razin, London School of Economics, *Gradualism in Dynamic Influence Games*

Simon Board, University of California-Los Angeles, *Rational Contracts and On-the-Job Search*

Andrew Postlewaite, University of Pennsylvania, *Mental Processes and Decision Making*

David Myatt, University of Oxford, *On the Rational Choice Theory of Voter Turnout*

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Weidenbaum Center Student Support, July 2010-June 2011

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 looked for opportunities to engage both undergraduate and graduate students in its programs as well as special occasions for students to meet and interact with government officials and business leaders in 2010 and 2011. The Center also 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 permits, they were invited to partake in the Center’s Public Policy Luncheon Series. In addition, students had an opportunity to informally meet with some of these speakers for an informal session.

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

Erika Antisdale
Jesse James Atencio
Miriam Ben Abdallah
Philip Bolson
Adam Caplan
Yi-Yi Chen
Arlan Cohen
Carlos Costa
Mark Dudley
Chelsey Erway
Paul Fetter
Ian Fisher
Zachary Gale
Emily Gardner
Nay’Chelle Harris
Morgan Hazelton
Ashley Hearn
Eve Ilves
Austin Kim
Timothy Krah
Gyanesh Lama

Joshua McGowan
Mariana Medina-Garciadi
Corinne Mitchell
Shintaro Miura
Santiago Olivella Sierra
David Olson
Ian Ostrander
Dustin Palmer
Irina Panovska
Nicholas Papageorge
Troy Pepping
Mark Plattner
Christopher Pope
Joshua Potter
Diana Rangel Alfaro
Howard Rudnick
Viktoryia Schnose
Michelle Shapiro
Gustavo Torrens
Daniel Weiss
Jessica Werley

Eliana Wilk
Rachel Zemke

Grant Support for Students
Justin Dollinger
Sylvie Doppelt
Paul Fetter
Ulas Gulkiripik
Maria Gutierrez
Benjamin Kallen
David Klayton
Moritz Marbach
Tess Mattingly
Heather Meiers
Wung Lik Ng
Santiago Olivella Sierra
Ian Ostrander
Amanda Sabele
Viktoryia Schnabe
Viktoryia Schnose

John M. Olin Prize for Excellence in Economics
Daniel Weiss
Weidenbaum Center Support

The Weidenbaum Center, while an integral part of Washington University, is responsible for its own financial support and relies heavily upon generous donations from individuals, corporations, and foundations. As a nonprofit, nonpartisan organization, the Center falls under the University’s 501(c) (3) tax-exempt status.

The Center is grateful to the volunteers who have worked so hard over the years to help it reach its annual financial needs. Special recognition goes to James E. Schiele who chairs both the Center’s Eliot Society Volunteer Committee (individual giving) and the Center’s Corporate Volunteer Committee.

Expansion of current programs and the creation of new programs require additional funding on a continual basis.

There are many ways to support the Center. Support can be provided by individual memberships (Century Club, Dean’s Club, and Eliot Society), corporate membership (Corporate Leaders Program), student support (Murray Weidenbaum Scholars Program), special named giving opportunities, or general unrestricted support. Every dollar helps.

Anyone wishing to support the Center’s efforts should contact Gloria Lucy at 314-935-5689 (glolucy@wustl.edu) or Melinda Warren at 314-935-5652 (warren@wustl.edu).