Fiscal Year 2013
Annual Review
With
Special Tribute
to Murray
Weidenbaum
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LETTER FROM THE CHANCELLOR

A Bridge Between Policymakers and Scholars

Now in its 38th year, the Weidenbaum Center on the Economy, Government, and Public Policy continues to play a vital role in educating the Washington University community on key public policy issues and current social science research efforts, as well as promoting cross collaboration between departments and other organizations across campus. The Center’s mission is to serve as a bridge between policymakers and scholars and to engage the public through a variety of programs, publications, media coverage, and online resources.

I would like to highlight some of the events hosted by the Weidenbaum Center during the past year. In March, the Center and the International Center for Advanced Renewable Energy and Sustainability (I-CARES) brought in Richard Sandor of Environmental Financial Products to talk about financial and environmental innovation. In January and February, the Weidenbaum Center Lecture Series attracted overflow crowds to hear in-depth coverage of the Great Recession in a three-part lecture by Associate Director Steven Fazzari. In October, the Department of Economics and the National Association of Business Economics joined the Center in co-sponsoring a panel discussion on the election and the economy. The annual Media Retreat brought writers, journalists, and producers together with academic experts to participate in interactive seminars examining the role that statistics and data analysis play in the news, public policy, and politics.

By supporting social science faculty and research in the Departments of Economics and Political Science, as well as other campus departments and programs, the Center maintains its commitment to create funding and research assistantship opportunities for faculty and students.

Through the Center’s assistance from the National Science Foundation, National Institutes of Health, and other foundation grants, many students are given opportunities to work with faculty on research projects. The Center also provides opportunities for faculty to place research modules on its survey instrument, The American Panel Survey (TAPS).

The academic year concluded with a forum and dinner honoring Murray Weidenbaum, the Center’s founder and honorary chairman. It was truly a pleasure to bring attention to Murray’s distinguished career and the countless civic, academic, and research achievements made possible by his steadfast dedication and hard work over the past four decades. A bronze bas-relief sculpture of Murray was unveiled at the dinner and now hangs in the Weidenbaum Center’s main entrance. It reminds us every day of the extraordinary contributions of this great man, both in scholarship and in public service. The sculpture and award medallions replicating the sculpture were commissioned and generously donated by Washington University Trustee Richard J. Mahoney, who is the Center’s Distinguished Executive in Residence. (For more information on the sculpture, the medallions, and the newly created award, see pages 9-12).

The Weidenbaum Center is one of Washington University’s greatest assets — it educates, informs, collaborates, and brings our community together to better understand important public policy issues. We are grateful to everyone who participates in its activities and especially to those who generously provide support for its efforts.

Mark S. Wrighton
Chancellor
Reverence to Founder, Research Support, and Public Policy Programs Dominate Year

This year the Center and other key individuals joined together to formally recognize and honor Center founder and honorary chairman Murray Weidenbaum. The Center’s vast accomplishments throughout the years could not have been possible without his leadership and guidance. It has been and continues to be my honor to work with him and benefit from his immense wealth of knowledge, expertise, and experience.

The recognition began with the unveiling of a commissioned bronze bas-relief of Professor Weidenbaum. A tribute forum and the initiation of the "Weidenbaum Center Award for Excellence" rounded out the tribute. Information on this event, with links to complete videos, can be found on pages 9-12 of this report.

A special student program honoring Professor Weidenbaum is the "Weidenbaum Scholars Program." This effort gives Washington University undergraduate students unique, rewarding, and life-altering opportunities to learn and work under the guidance and mentoring of world-class academic experts.

We are eager to continue to honor Professor Weidenbaum and to create other ways to enhance research, faculty and student expertise.

In Fiscal Year 2013, support of the research activities of faculty in the Departments of Economics and Political Science expanded through small grants, research program grants, and aid in faculty efforts to obtain National Science Foundation, National Institutes of Health, and private foundation funding. In addition, the Center has provided time to Washington University faculty for surveys on The American Panel Survey (TAPS), the survey research platform that was initiated last year. Publications resulting from TAPS include public attitudes about macroeconomic policy in the United States, religious beliefs and practice and presidential preference, and the polarization of Americans on fiscal policy choices. Descriptions of all research support and the resulting publications can be found on pages 24-29.

Our public policy programs – public forums, debates, conferences, lectures, and roundtable discussions – focused on key issues facing our nation and the world. We brought experts together with Center supporters, University scholars, and students to promote an open discussion on current affairs such as advances in environmental innovation, Washington politics after the 2012 election, understanding the great recession, and economic recovery in St. Louis. Through collaborations with other departments and centers on campus, the reach of our public forums has skyrocketed, helping to increase the visibility of the Center and the University. Please see pages 14-22 for descriptions of all of the Center’s policy programs.

Next, I would like to thank all of our loyal supporters. You enable the Center to carry on its mission and expand its activities each year. Your continued friendship and financial support help make possible the public policy programs, special lectures and forums, and also fund cutting-edge research support for Washington University faculty that make such a difference in our community and the world. As you read through this Annual Review, please know that these activities would not be possible without you.

I close with special thanks to Chancellor Mark Wrighton, Dean Barbara Schaal, the University administration, and the Board of Trustees for their continued encouragement and friendship.

Steven S. Smith
Director
Honorary Chairman Murray Weidenbaum Continues His Important Contributions to the Center and Washington University

Center Founder Murray Weidenbaum continues to serve as its Honorary Chairman. His vast experience, unique perspective, and unparalleled knowledge served as a touchstone as he participated in public policy luncheons, breakfast meetings, and Center forums.

The past year provided Professor Weidenbaum the opportunity to spend more time teaching as well as writing. Given the strong student response to the lectures he presented in his upper level course on business and government, a course he has taught for 38 years, he converted a number of those presentations to articles which have been or are being published. These include “A Primer on Taxation” and “The Overlooked Subject of Government Regulation.”

His article, “American Business Adrift in a Global Marketplace,” appeared in the Winter 2013 issue of the Harvard International Review. To quote Professor Weidenbaum:

“…Interest groups overlook the many ways in which a global marketplace generates, directly and indirectly, very positive long-term effects on American consumers, workers, entrepreneurs, and on the nation in general.”

The Federal Reserve Bank of St. Louis is publishing a digital version of Professor Weidenbaum’s book Advising Reagan: Making Economic Policy, 1981-82 (originally published by the Center in 2005) as part of the Bank’s long-term efforts to provide economic infrastructure for researchers interested in the U.S. economy.

Works in press include “Economics of Defense Spending,” chapter 5 of Public Economics: The Government’s Role in American Economics (a new encyclopedia being published by ABC-CLIO). He is currently writing “Think Tanks: Expectations and Accomplishments,” an extended article for American Political Culture: An Encyclopedia, also being published by ABC-CLIO. In a lighter vein, Professor Weidenbaum wrote “Clean Energy and Dirty Policies” for the Clean Energy blog, maintained by Professor Itai Sened of the University’s Political Science Department.

Professor Weidenbaum has been appointed a member of the Harvard International Review advisory board and continues to serve as economics editor of USA Today (the non-profit independent magazine). His article topics include controlling government spending, taxation, and reforming the defense sector of the economy.

In January 2013, Professor Weidenbaum was a guest lecturer at the Thomas F. Eagleton and Public Law seminar at Saint Louis University, and spoke on “What Makes Economic Policy.” He spoke at the Wednesday Club of St. Louis in April on the different views (conservative vs. liberal) of the role of government in our society.
Steven Smith is a professor in the Political Science Department, Director of the Weidenbaum Center, and the Kate M. Gregg Professor of Social Sciences at Washington University. As the Center’s director, he initiates and oversees the sponsorship of faculty research activities, grants administration, student research enrichment programs, and public outreach.

As one of the nation’s leading scholars on legislative institutions and politics, his spring 2013 sabbatical enabled him to ramp up his research on Congress, the Senate, and American politics. His work included projects on the institutional development of the U.S. Congress. On the Russian research front, he prepared articles, papers, and a monograph on the development of parliamentary institutions and parties in the Russian Federation. This research, funded by the National Council for Soviet and East European Research and the National Science Foundation, included a study of presidential parliamentary relations. In addition, he continued a major research initiative he began at the Center in fall 2011. The American Panel Survey (TAPS), a monthly online 2,000 person national probability sample survey, continued to collect original data – greatly enhancing the University’s social science research platform. For information on TAPS, see page 27.

Professor Smith’s public outreach remained strong. He wrote numerous articles, continued his regular commentary on Minnesota Public Radio, and appeared on a 60 Minutes segment which examined partisanship and parliamentary warfare in the U.S. Senate. His articles appeared in journals including the Legislative Studies Quarterly and American Politics Research, and included topics such as American attitudes about Senate filibusters, party power, and procedural motions in the U.S. Senate. Additionally, the 5th edition of Principles and Practice of American Politics: Classic and Contemporary Readings, a textbook for students learning the ropes of American government, included a chapter on Congress’s struggles with partisanship, filibusters, and scandals, as it tackled momentous issues authored by Professor Smith. Further, he chaired the Center’s 2013 Annual Media Retreat, leading a session on polling.

Mentoring university students continued to be of major importance to Professor Smith. He involved numerous graduate and undergraduate students in research projects and involved several in his graduate teaching seminars on the American presidency and survey research methods. Two Center graduate fellows coauthored a paper with him that he presented at the annual Midwest Political Science Association meeting on ideological labels in America.

Professor Smith’s commitment to Washington University remains a high priority. He spoke on the 2012 election and its implications at numerous panel discussions and lectures for University alumni groups and friends. He was called upon to give a special presentation for the Washington University Management Team, chaired by Chancellor Mark Wrighton, which included administrative leadership from all of the University’s seven schools.
FACULTY AND ADMINISTRATION

Associate Director Steven Fazzari Focuses on the Struggle for Economic Recovery and Growth

Steven Fazzari is the Associate Director of the Center and Professor of Economics at Washington University. While Steven Smith was on sabbatical, Professor Fazzari led the Center and its public policy programs.

Professor Fazzari’s perspectives on the causes and consequences of the Great Recession, financial stability, and fiscal policy were highlighted in the Center’s programs. In the second installment of the Weidenbaum Center Lecture Series, he delivered three related talks, entitled “The Rising Financial Fragility in the Consumer Age,” “Anatomy of a Historic Recession,” and “Challenges to Recovery.” He spoke to packed houses and received a tremendous amount of positive feedback from scholars, community members, and business and government leaders in attendance.

Professor Fazzari continued to study how spending decisions by households, firms, and governments affect growth in developed economies. He continued the development of the “Muddy Water Macro” website to help the public better understand macroeconomics and economic policy. Examples include arguing that government can indeed provide a stimulus to growth (in contrast to David Brooks’ March 9, 2013 New York Times column), and theoretical disagreements with Reinhart and Rogoff’s work on government debt and economic growth. (See muddywatermacro.wustl.edu.)


Professor Fazzari spoke at a wide array of public events, academic workshops, and conferences. He presented research in New York and Berlin at high profile conferences and delivered a lecture series for doctoral students at the University of Bergamo, Italy. In the fall of 2012, he participated in Decision 2012: A Panel Discussion, hosted by Washington University’s School of Arts and Sciences, which considered the politics, issues, and theatrics of the 2012 presidential election. He was honored to accept an invitation from Chancellor Mark Wrighton to speak in the “Beyond Brookings” series about the Great Depression. Professor Fazzari had a particularly active teaching year leading an advanced macroeconomics seminar for economics majors, a popular introductory macroeconomics course with more than 100 students, along with co-teaching the innovative “Economic Realities of the American Dream” seminar with Professor Mark Rank from the Brown School of Social Work.
FACULTY AND ADMINISTRATION

Distinguished Executive in Residence
Richard Mahoney Shares Real-World Experience

The Center’s Distinguished Executive in Residence Richard Mahoney continued to play a key role in Center programs and events – including the Center’s public policy breakfast meetings, major donors current events luncheons, corporate leaders programs, forum programs and Media Retreat. His vast business experience and keen wisdom helped initiate and lead discussions with invited speakers and scholars from both the local and the Washington University community.

As one of the founders of the Center’s annual Media Retreat, he continues to serve as a judge on the committee that chooses the recipient(s) of the "Award for Evidence-Based Journalism." This annual award recognizes quality journalism on economics, business, and government, and reflects the sophisticated use of research, numbers, and statistics. It is presented each year at the Media Retreat. At the 2013 retreat, Mr. Mahoney led the final program session which gave attendees the opportunity to explore previously discussed public policy issues in more depth, introduced new issues of concern to them, and further questioned the experts from earlier sessions. (For more information on the Media Retreat, see page 23.)

Mr. Mahoney’s desire to pay tribute to the Center’s honorary chairman and long-time friend, Murray Weidenbaum, was achieved in 2013 when he initiated the “Weidenbaum Center Award for Excellence.” Commissioning internationally recognized artist and Washington University School of Fine Arts alumnus Don Wiegand, Mr. Mahoney presented the Center with a bronze bas-relief sculpture of Weidenbaum as well as medal designs based on the sculpture. The medal will be awarded annually to a student and/or academic, and/or civic-minded individual who exhibits the type of character and caliber of work associated with Professor Weidenbaum.

As a long-time admirer and colleague of Murray Weidenbaum, it is a distinct pleasure to have been able to add to his many accolades earned over the years in initiating The Weidenbaum Center Award for Excellence. His commitment to advancing education, promoting ethics and ethical behavior, as well as imparting business common sense to students, continued through his mentoring of Washington University’s John M. Olin School of Business students. He also continued his support of “The Olin Award: Recognizing Research that Transforms Business,” established in 2008. The award highlights faculty scholarship that has practical and performance-enhancing applications to critical management issues. He is a frequent lecturer on business and leadership topics and serves on the Medical School National Council as well as the Medical School’s Finance and Planning Committee. He has been a Washington University Trustee, now Emeritus Trustee, since 1983.
A prominent figure in business and government, Murray Weidenbaum served as Assistant Secretary of the Treasury from 1969 to 1971, and was Chairman of President Reagan’s first Council of Economic Advisers from 1981-82. He founded the Center for the Study of American Business at Washington University in 1975 and directed the Center for many years. Professor Weidenbaum now serves as Honorary Chairman of the Center, which was renamed in his honor in 2001.

To honor its founding director’s life-long accomplishments and achievements, the Center held several special events in spring 2013. Below are brief descriptions of these events.

**Sculpture Dedication**
To honor Professor Weidenbaum, Center Distinguished Executive in Residence Richard Mahoney commissioned Don Wiegand (internationally renowned artist and Washington University alumnus) to design and execute a sculpture. The sculpture was unveiled in spring 2013.
a bronze bas-relief sculpture of Professor Weidenbaum. Much thought went into capturing the essence of Professor Weidenbaum in the design of this sculpture. It was of great importance to portray Professor Weidenbaum teaching and lecturing to his students as that is one of his greatest pleasures and achievements.

The sculpture was unveiled by creator Don Wiegand, sculpture donor Richard Mahoney, Chancellor Mark Wrighton, and Center Director Steven Smith at the Center’s annual dinner celebration. The sculpture was then moved to the Weidenbaum Center’s main entry and officially dedicated in a private ceremony for the Weidenbaum family, Center faculty and staff, and friends.

**Weidenbaum Center Medal**

The “Weidenbaum Center Award for Excellence” – announced at the sculpture unveiling – will be awarded in up to three categories annually: to students (past or present), faculty, and civic-minded individuals who exhibit the type of character and caliber of work associated with Professor Weidenbaum. The award will be given in the form of a medal which features a replica of the bas-relief sculpture image on one side and the Washington University insignia on the other (see front and back medal images left). This will enable future generations to continue Professor Weidenbaum’s exemplary model of work and service.
The first panel, “Current Challenges in Regulation,” featured a lead-off talk by Christopher DeMuth of the Hudson Institute and former chairman of the U.S. Office of Information and Regulatory Affairs (OIRA). Mr. DeMuth is one of the nation’s foremost experts on regulation and regulatory policy. His talk focused on the successes and failures of the regulatory reform movement of the late 1970s and 1980s and highlighted the way forward for economic regulatory review.

Discussion followed with James C. Miller III, former director of the U.S. Office of Management and Budget, former chairman of the U.S. Federal Trade Commission, and former director of the OIRA, and Roger Noll, Professor of Economics Emeritus at Stanford and Senior Fellow at the Stanford Institute for Economic Policy Research. While both discussants largely agreed with Mr. DeMuth’s evaluation of the early regulatory reform effort, Dr. Noll expanded the discussion to include the movement of regulatory reform overseas, which he largely attributes to early U.S. regulatory reform proposals as advocated by Murray Weidenbaum. All emphasized Professor Weidenbaum’s contribution to the literature and the movement.

The second session, “Today’s Challenges in Macroeconomic Policy,” was keynoted by Laurence H. Meyer. Currently manager of the Washington Office of Macroeconomic Advisers, Dr. Meyer formerly served as a Governor of the Federal Reserve System and a professor of economics at Washington University. His long-term affiliation

EVENTS

Murray Weidenbaum Tribute Forum
Renowned economists gathered on May 20 to pay tribute to the Weidenbaum Center’s founder and honorary chairman, Murray Weidenbaum, in a forum tailor-made to highlight his life-long accomplishments.
“He’s an extraordinarily clear-thinking and tough-minded scholar... In action he’s a man of unflinching principle and integrity and character, a very good person to be in a foxhole with, whether it’s in politics or academic intellectual endeavors, and it’s extraordinarily rare for a person of these attributes to also be a man of such kind, sweet disposition ... he’s clearly an exemplary teacher.”

— Christopher DeMuth

“He’s been a recognized researcher, a leader in policy development and bringing about political change based upon good economics, and a teacher and mentor not only to students but to his many professional colleagues.”

— James C. Miller III

“I still look to Murray as a role model, as someone I aspire to be more like, and very much appreciate what he has contributed to me professionally and to our institution.”

— Steven Fazzari

with Professor Weidenbaum was evident in his talk on macroeconomics. Dr. Meyer emphasized the challenges of fiscal and monetary policy, offering suggestions for reform.

In responding to Dr. Meyer’s talk, James Burnham, Professor of Finance at Duquesne University, urged attendees to remember that the business cycle is an inescapable reality of the modern American economy that politicians insistently deny. They act as if the business cycle does not exist and insist on “doing something” to try to alleviate the downturn. He also expressed skepticism about reliance on econometric modeling. The Center’s Associate Director Steven Fazzari largely agreed with Dr. Meyer’s analysis of macroeconomic policy. He elaborated on the Great Moderation and the great impact of monetary policy on housing.

**Weidenbaum Center Annual Dinner**

At a special Weidenbaum Center Annual Dinner, friends and supporters gathered to recognize, thank, and honor Murray Weidenbaum. The Center was privileged to host Martin Feldstein, former Chairman of the Council of Economic Advisers and President Reagan’s chief economic adviser, who spoke on the “Agenda for Budget and Tax Reform.”

His talk focused on potential ways to promote reform in both our tax laws and our budget. He suggested lowering rates on corporate and personal income taxes, establishing a territorial tax system for foreign corporate earnings, and the elimination of taxes for capital gains, estates, and gifts. He also discussed how our country needs to work harder to reduce the growing deficit and the increasing ratio of debt to gross domestic product.

You can view videos of the forum, Dr. Feldstein’s speech, and the unveiling of the sculpture at [http://wc.wustl.edu](http://wc.wustl.edu)
SPECIAL REPORTS

Regulatory Reform Efforts

Both budgets and staffing at the 75 federal regulatory agencies tracked in *Sequester's Impact on Regulatory Agencies Modest: An Analysis of the U.S. Budget for Fiscal Years 2013 and 2014* will reach an all-time high in fiscal year 2014, according to the 35th edition of the Center's annual report on federal regulatory budget and staffing. Authored by the Weidenbaum Center’s Melinda Warren and Susan Dudley of the George Washington University Regulatory Studies Center, this report tracks the “regulators’ budget,” the portion of the fiscal budget devoted to developing and enforcing federal regulations.

The regulators’ budget for fiscal years 2013 and 2014 indicates modest increases in both outlays and staffing, and it does not appear to be hard hit by the sequester, which began in March 2013. The President’s proposed budget for regulation seeks $59.4 billion in FY 2014, a real (inflation-adjusted) increase of 3.6 percent over estimated FY 2013 outlays of $56.4 billion. The Budget also estimates personnel increases at federal regulatory agencies of 0.7 percent in 2014 and 1.6 percent in 2013.

To view a copy of the complete report, visit the Center’s website at [http://wc.wustl.edu/regulatory_reports](http://wc.wustl.edu/regulatory_reports).

Highlights from this year’s Regulatory Report

The largest budget increases in 2013 and 2014 are going to:

- The Food and Drug Administration (with more than $600 million additional outlays each year to implement the Food Safety Modernization Act of 2011).
- Customs and Border Protection (with increases of $115 million in FY 2013 and $542 million in FY 2014).
- The Patent and Trademark Office, which the American Invents Act of 2011 authorized to set its own fees (with increases of $399 million in FY 2013 and $293 million in FY 2014).
- Financial agencies to which the Dodd-Frank Wall Street Reform and Consumer Protection Act granted new authority, particularly the Securities and Exchange Commission (more than $250 million each year), the Comptroller of the Currency ($18 million in 2013 and $368 million in 2014), and the Consumer Financial Protection Bureau ($116 million in 2013 and $158 million in 2014).

Regulatory Update Newsletter

To help keep supporters informed of the current state of regulatory review, enforcement, and implementation, the Center continued its six-year tradition of sending monthly emails outlining important reports on current topics in regulation. At the end of each month this email, *Studies in Regulation*, highlights new research issued by the Center or other research organizations. A brief summary of the topic is followed by a link to the article. Topics covered in fiscal year 2013 included climate change, cybersecurity, health-care rulings, regulatory reform, financial sector oversight, employment, and energy.
Forums
Promoting the Understanding of Public Policy Issues

For 12 years, the Weidenbaum Center Forum has informed the public about current policy issues through public policy education. Programs focus on current economic and political issues that are important to the nation and the world. These programs are open to the public and are free of charge. Short descriptions of the forums held in fiscal year 2013 are below.

**Politics, Economics and the Election**

The economy was the central issue in the 2012 presidential campaign. In October, a panel discussion on the election and the economy took place featuring renowned economists Chris Varvares, President of Macroeconomic Advisers; Rik Hafer, Distinguished Research Professor of Economics at Southern Illinois University-Edwardsville; and Weidenbaum Center representatives Steven Fazzari and Murray Weidenbaum. This panel of four prominent economists spoke freely about the economic issues facing the country and gave their thoughts on the policies being advocated by presidential candidates Barack Obama and Mitt Romney to address the continuing recession the United States faced at that time. The lively discussion and interaction among the panelists as they discussed the economic policies helped the attendees and those who later viewed the video of this event better understand the economic platforms of the candidates. This forum was co-sponsored by the St. Louis Gateway Chapter of the National Association of Business Economics, Macroeconomic Advisers, and Washington University’s Gephardt Institute for Public Service and Undergraduate Economics Association.

**Why Many Predictions Fail but Some Don’t**. Mr. Silver devised a statistical system to assess political races that correctly predicted the winner of all 50 states and the District of Columbia in the 2012 election. In his lecture, he drew from his research examining the world of prediction, which investigates how to distinguish a true signal from a universe of noisy data. He shared that the most accurate forecasters tend to have a superior command of probability, tend to be both humble and hardworking, and appreciate probability. This forum was co-sponsored with Washington University’s Political Review and the Assembly Series.

**Environmental and Financial Innovation**

In March, Richard Sandor, Chairman and Chief Executive Officer of...
Environmental Financial Products LLC, lectured on his newest book **Good Derivatives: A Story of Financial and Environmental Innovation**. Dr. Sandor is widely recognized as the “father of financial futures” for his pioneering work on developing the first interest rate futures contract in the 1970s. Discussion surrounded Sandor providing unique insights into the process of creating new financial products, such as the Chicago Climate Exchange which he founded as the world’s first exchange to facilitate the reduction and trading of all six greenhouse gases. He showed that derivatives can be used to solve major societal problems such as environmental degradation and global warming. He used the example of how cap-and-trade has already been used to significantly reduce acid rain. This event was co-sponsored by Washington University’s International Center for Advanced Renewable Energy and Sustainability.

**Inequality and the American City**

Robert Sampson, the Henry Ford II Professor of Social Sciences at Harvard University, spoke on the implications of the neighborhood effect on inequality and the future of the American city. It seems that fascination with globalization has tended to deflect attention from the persistence of local variation, concentration, and the spatial logic of inequality. Contrary to this fairly new thinking, Dr. Sampson’s research shows that neighborhoods influence a remarkably wide variety of social phenomena, including crime, health, civic engagement, home foreclosures, teen births, altruism, leadership networks, and immigration. Highlighting over a decade’s research, he explored how communities still matter and that even national crises cannot halt the impact of place. This forum was cosponsored with Washington University’s Center on Urban Research and Public Policy.

**Fiscal Responsibility**

David Walker, former U.S. Comptroller General and current CEO of the Comeback America Initiative, brought his national bus tour, the $10 Million a Minute Tour, to the Washington University campus in fall 2012. The non-partisan tour’s goal was to bring national attention to the economic and fiscal challenges facing the United States. This interactive forum explored how the national debt affects voters and what they can do to encourage reform. Mr. Walker and other national economic leaders led the conversation which offered bipartisan solutions to the country’s debt crisis and attempted to equip voters with the tools necessary to understand the fiscal reality and what solutions are available to help address the crisis. Campus co-sponsors were Washington University’s Assembly Series, the Gephardt Institute for Public Service, and the Student Union.

Streaming video of many of the Weidenbaum Center Forum events can be found at [http://wc.wustl.edu/videos](http://wc.wustl.edu/videos)

Information on past or upcoming programs, program content, volunteer opportunities, co-sponsorship, or other funding opportunities for these programs should be directed to Melinda Warren, Director, Weidenbaum Center Forum (warren@wustl.edu, 314-935-5652).

The Center does not necessarily endorse any views or comments promoted by the forum speakers.
The Center’s 2013 Lecture Series featured Center Associate Director and Economist, Steve Fazzari, who gave three evening lectures on the causes and consequences of the recent economic recession.

The first lecture, “Rising Financial Fragility in the ‘Consumer Age’: Source of Growth – Seeds of Collapse,” covered financial fragility – examining the period prior to the historic collapse of output and employment in 2008 and 2009. Professor Fazzari focused on the collapse of household demand, debt-financed consumption and home purchases as primary engines of demand, and the rising access of credit.

“Anatomy of a Historic Recession,” the second lecture, focused on how greater lending creates economic stimulus, faster growth, and more cash flow to help validate the debt. However, he pointed out that during the time before the onset of the Great Recession, the unsustainable spending and borrowing of lower income consumers actually resulted in higher inequality and greater lending with increased risks.

“Challenges to Recovery: Why is it So Slow? What Can Policy Do to Help?” was the focus of the third lecture. It emphasized the challenges to recovery and assessed the prospects for economic policy in the aftermath of the November 2012 election. Suggestions included improving efficiency, shifting the costs off the government budget, increasing public infrastructure investment, and supporting “organic” consumption growth through growth of the income of the middle class.

To access streaming video of this and other Weidenbaum Center Lecture Series on current economic and political issues, visit http://wc.wustl.edu/lecture-series.
MEMBER PROGRAMS

As part of Washington University, the Weidenbaum Center participates in the University’s membership programs such as the Century Club and the William Greenleaf Eliot Society. Members of these groups provide unrestricted giving to support and enhance the programs of a school or department – thus specifically becoming an Eliot Society Member on behalf of that school or department.

Public Policy Breakfast Series

Experts and policy issues provide winning combination

The following section highlights some of the special programs the Center holds for its Weidenbaum Center Century Club, Dean’s Club, and Weidenbaum Center Eliot Society members. These public policy programs bring in experts to share their views on a variety of timely and pressing public policy issues. Weidenbaum Center Major Donors (which includes Eliot Society members that designate $1,000 or more of their gift to the Weidenbaum Center) and Corporate Leaders are invited to all programs.

Leigh Raymond

The Use of Market Incentives to Shape Energy Policy

Leigh Raymond, Professor in the Department of Political Science and Director of the Center for the Environment at Purdue University, lectured on how cap and trade relates to energy policy and emissions. He summarized his talk with three conclusions:

• Cap and trade does not require very high allowance or energy prices as it offers many ways to mitigate higher energy costs.

John Sides

Campaign Myths

John Sides, Associate Professor in the Department of Political Science at George Washington University and founder of The Monkey Cage (a blog about political science and politics), discussed “five myths” about the 2012 presidential campaign.

1. Obama should be losing
2. The GOP primaries pushed Romney too far to the right
3. Gaffes matter
4. Debates can be game changers
5. An Obama victory will be a mandate

Sides’ information was highlighted in an October 2, 2012 article by Alan Greenblatt of NPR.

Tara Sinclair

The U.S. Economy Post-Election

Tara Sinclair, Associate Professor in the Department of Economics at George Washington University, and Washington University alumnus, discussed the U.S. economy following the November 2012 election. Professor Sinclair discussed some of the reasons the country went into an economic downturn including our long-run fiscal problems, the fiscal cliff and debt ceiling, and how Congress has made this downturn into a fiscal crisis. She examined three paradoxes and possi-
abilities for the economy which included productivity, policy, and government profligacy. She gave several indicators for progress which included slow but steady economic recovery, productivity gains, and the role that monetary policy is playing in helping our economic recovery.

**Washington Politics Post-Election**

Steven Smith, Director of the Weidenbaum Center, gave his insights on Washington politics following the 2012 election. He addressed:

- The 30/30/40 nation – indicating that 30% of the country voted for Obama, 30% of the country voted for Romney, and the other 40% did not vote at all or voted for other candidates.
- The “purpling” of America – referring to how news organizations generally use colors on their maps to indicate a Republican or Democrat candidate win. This does not take into account the margin of victory which would contradict the perception that the electorate is highly polarized by geography.
- Several policies that would expire at the end of calendar year 2012 including: Bush tax cuts, unemployment benefits extension, and the payroll tax cut.

**Arab Spring**

Itai Sened, Professor of Political Science at Washington University; Morris Kalliny, Assistant Professor of Marketing at Saint Louis University; and Ayse Evrensel, Associate Professor of Economics and Finance at Southern Illinois University-Edwardsville joined forces to provide a comprehensive introduction on the pro-democracy uprisings sweeping the Middle East and North Africa. Professor Sened (a native of Israel and former senior strategic consultant to the Israeli government from 1991-1995) emphasized that Israeli and Middle Eastern politics must be understood in light of the culture and history of the Jewish and Arab people. He stressed that politics in this region must be taught and understood from a theoretical perspective. Professor Morris Kalliny (a native of Egypt) credited the upheavals to the role of networking technologies and satellite TV networks in the region, the role of foreign investments in Arab media, mobile and its internet market, and the people’s willingness to invest in education. Professor Ayse Evrensel (a native of Turkey) discussed the effect of culture on institutional quality in the region, examining the impact that varying currency and exchange rates had on the collapse in that region.

**Monetary Policy**

Christopher Waller, Senior Vice President and Director of Research at the Federal Reserve Bank of St. Louis, discussed the outlook for the U.S. economy through a monetary policy lens. He pointed out that the labor market was improving, consumer spending and housing sales were going up, and the Federal Reserve was buying financial assets from commercial banks and other private institutions to bolster recovery. In discussing the Fed’s policy to our current financial crisis, he spoke about:

- Reduction of the federal funds rate to zero
- Expanding lending and adding new programs for banks
- Stabilizing the housing market

**Assets and the Poor**

Michael Sherraden, the Benjamin E. Youngdahl Professor of Social Development and Founding Director of the Center for Social Development at the George Warren Brown School of
Michael Sherraden, Social Work at Washington University, discussed his work on “asset building.” As one of Time magazine’s 100 most influential people in the world in 2010, Sherraden focused on how assets can matter economically, socially, and psychologically in ways that income alone does not. Three key elements he addressed were:

- Assets are essential to achieving long-term stability and mobility
- The distribution of assets is unequal with poor families starting out behind
- Incentives, structures, and support can encourage the poor to save

**Sino-U.S. Relations**

**Wu Xindo**, Director of the Center for American Studies and Executive Dean of the Institute of International Studies at Fudan University in Shanghai, China, examined the different aspects of Sino-U.S. relations including the economic, military, geo-political, ideological, global governance, and domestic politics perspectives. Dr. Wu spoke about forging a new type of major power relationship between the U.S. and China by addressing the trends of globalization, the growing influence of emerging countries, and the need for plural development models. In terms of future relations between the two countries, he said the relationship is most likely to be one of cooperation, competition, and limited conflict, and that economic ties constitute the most important pillar for bilateral relations. Washington University’s McDonnell International Scholars Academy cosponsored this lecture.

**Chasing the American Dream**

**Mark Rank**, Herbert S. Hadley Professor of Social Welfare at Washington University’s George Warren Brown School of Social Work, spoke on work (with collaborator Tom Hirsch) on the “American Dream.” As one of the country’s foremost experts on poverty, inequality, and social justice, he discussed what the American Dream represents to individuals and the importance they attach to it; the emphasis individuals place on their freedom to pursue life goals and aspirations as they define them; and the pathways and realities of the socioeconomic landscape that leads individuals to varying levels of success or failure in their pursuit. This aspect of his discussion is only one section of a comprehensive book that will be published on the topic in 2014.
Major Donors Public Policy Luncheon Program

The Center’s monthly Public Policy Luncheon Program (held during the academic year) continued its longstanding tradition of discussing key current events in the news. These roundtable discussions enable invitees to interact with an array of faculty experts across the Washington University campus and business experts from the community to examine current affairs in an open discussion format. Each expert brings participants up to date on the issue and then discussion and questions among all is encouraged. Topics cover a wide range of issues in the news from areas such as healthcare, education, and energy.

Weidenbaum Center Eliot Society Excursion

Weidenbaum Center Eliot Society members were invited to participate in a unique educational cruise down the Mississippi River on the Becky Thatcher replica paddle wheeler. Participants enjoyed brunch, sightseeing, and an informative lecture on Civil War trivia. St. Louisan John Nischwitz, the author of a compendium entitled “Collections of a Civil War Trivia Junkie,” entertained and challenged attendees on a vast array of Civil War knowledge. Nischwitz is well versed in little-known trivia, coming from his experience as a Ranger-qualified West Point graduate, teacher of military history at the secondary and college levels, and book reviewer for the Missouri Historical Society.
MEMBER PROGRAMS

Corporate Leaders Programs

Major public policy developments were addressed in the Weidenbaum Center’s Corporate Leaders Program this past year. In its fifth year, the program informs corporate executives of major public policy developments. Topics addressed this past year included the Supreme Court’s Affordable Health Care Act, the 2012 election and its implications, the recent financial crisis, and health care in Missouri. Below are brief descriptions of the fiscal year 2013 events.

Health Care

Elizabeth Sepper, Associate Professor in the Washington University School of Law, addressed issues connected with health care in Missouri. Her talk included topics such as how premiums in the state have risen substantially for families from 2000-2010 with worker contributions on the rise as well, how 30 percent of Missourians are uninsured, and how the state is currently leaning against Medicaid expansion for its residents. She additionally discussed how the state is working to lower health-care costs through activities such as cutting payments to providers, tax subsidies for employer-based insurance, and cuts to delivery of health-care items such as administrative simplification.

A well-known expert in free speech, the law of politics, and the law of religion, Washington University Professor of Law Gregory Magarian spoke on why he contends that the Supreme Court’s Affordable Care Act Decision is fundamentally lawless. In his opinion, the Act, which deals with patient protection, is ill-fated in its attempt at institutional stewardship and every part of the opinion fails to state or adequately defend some important legal conclusion. According to Professor Magarian, the Act weakens the expansion of Medicaid and is a cautionary model of how the Supreme Court should not make certain decisions.

The Election and the Economy

Steven Smith and Murray Weidenbaum joined forces to discuss the 2012 Election and all of its implications. They addressed both the economic and political aspects of the election over the next four years. Topics included the examination of how various parts of the country voted, how to accurately read the voting results, and the accuracy of forecasts of postwar presidential elections (normally under 1 percent error). Results from questions from the Weidenbaum Center’s The American Panel Survey were also discussed including the difference in how Obama and Romney supporters viewed economic conditions in the country now and in the future.
Economics and the Recession

Alan Blinder, esteemed Princeton professor, Wall Street Journal columnist, and former Vice Chairman of the Federal Reserve Board, commented on how the worst economic crisis in postwar American history happened, what the government did to fight it, and how to proceed from here. Referring to data collected for his recently published book *After the Music Stopped: The Financial Crisis, The Response, and the Work Ahead*, Blinder described how America’s financial structure crumbled and was pushed abroad as complex and overrated investment products were exported to a hungry world. Additionally, he spoke on the important role that both American and international government intervention played in preventing the country from going into a total meltdown.

St. Louis Housing Market

With a more local focus, William Emmons, Assistant Vice President and Economist at the Federal Reserve Bank of St. Louis, answered the question of whether the St. Louis housing recovery was real and how it affects St. Louis business. He spoke about the rise of homeownership rates and mortgage debt levels for younger households, less educated households, and minority households, and the greater hardship these groups suffered during the housing crisis. He cited that, although all age groups have yet to recover to their 2007 wealth levels as it pertains to housing, when adjusted to inflation, households headed by older individuals are down 3 percent, by middle-aged people are down 10 percent, and those headed by younger individuals have declined nearly 40 percent.

SPECIAL MEMBER PROGRAMS

Weidenbaum Center memberships help provide an annual solid operating base for the Center. For information on these memberships, volunteer opportunities, co-sponsorship, or other funding opportunities, please contact: Gloria Lucy, Assistant Director (glolucy@wustl.edu; 314-935-5689), or Melinda Warren, Director, Weidenbaum Center Forum (warren@wustl.edu; 314-935-5652). You can also go to the Center’s website, http://wc.wustl.edu.
MEDIA PROGRAM

Media Retreat

Twelve years running, the Media Retreat continues to show that numbers play a central role in reporting.

Limited to 20 participants, the Weidenbaum Center Media Retreat brings together academic experts and media representatives for an interactive three-day seminar that examines the role that numbers, statistics, and data analysis play in the news, public policy, and politics. The seminar provides media representatives the tools and techniques to analyze, evaluate, and investigate the validity of numbers and to utilize numbers to substantiate or refute a story.


Joseph Neff was presented the 2013 Weidenbaum Center Award for Evidence-Based Journalism at the Media Retreat opening dinner in June. Neff is an investigative reporter for The News & Observer in Raleigh, North Carolina. The Award was given for his work on a five-part project investigating how North Carolina’s major non-profit hospitals generate large profits and contribute to the high cost of health care. The Award recognizes a past participant(s) whose work represents quality journalism on economics, business, and government and reflects the sophisticated use of research, numbers, and statistics. For more information on the Media Retreat and past Award winners, please visit http://wc.wustl.edu/media_retreat.

So glad to be able to participate in this stimulating, thought-provoking retreat. I leave with a deeper understanding and renewed appreciation of evidence-based journalism.

This was really helpful to have an economist qualify the pros and cons to all the data.

An excellent review of macro data and pitfalls of reporting them. Loads of content, energetic, shows applications for journalism and reporting numbers. Very useful session for journalists.
Research Programs

The Weidenbaum Center has four comprehensive research programs in public policy areas that complement Washington University faculty expertise. These programs support original research, surveys, publications, labs, public forums, academic workshops, and student research assistantships at a higher level than the Center’s small faculty research grants.

American Politics

The program in American Politics sponsors major studies of important aspects of American politics. Steven Smith, the Center’s director, directs this program area.

In Fiscal Year 2013, the program supported two books on American politics. Professor Smith’s newest research project on the Senate will culminate in the book, The Senate Syndrome: The Evolution of Procedural Warfare in the Modern Senate (Norman: University of Oklahoma Press, 2013). This volume focuses on the emergence of what Professor Smith calls the Senate syndrome – the combination of minority-motivated obstruction and majority-imposed restrictions which emerged in the 1950s and has blossomed in the last two decades. In fact, the procedural tendencies of the Senate are being taken to greater extremes than any time in the institution’s history. This syndrome has changed the Senate from an institution that once encouraged cross-party collaboration and creativity to one where ideas become gridlocked on legislation of modest importance.

How the States Shaped the Nation: American Electoral Institutions and Voter Turnout, 1920–2000 (University of Chicago Press, 2013) is the title of a new book by former Washington University Political Science Assistant Professor Melanie J. Springer. This work explores the institutional basis for varying voter turnout rates in the United States throughout the 20th century. Advancing a general theory of participation, this work aims to link research on voting behaviour and political institutions by exploring the underpinnings and consequences of electoral federalism over time, and highlighting the numerous state electoral institutions, both restrictive and expansive, which were instrumental in shaping American elections and voting behavior. In doing so, it provides a comprehensive examination of the institutionalization of voting in the American states throughout the 20th century while highlighting regional and state-by-state variation, and contributing a historical basis for understanding institutional change that is certain to inform electoral reform discussions into the 21st century.

Experimental Social Science

The researchers in the program on Experimental Social Science 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 on an interdisciplinary basis.

The Weidenbaum Center’s support is the primary sponsor of the MISSEL experimental laboratory. It contributed to the behavioral research of the principal investigator David Levine, and helped sponsor the Fall 2012 Midwest Economics Theory and International Trade Meetings. Three graduate students and two undergraduate research assistants were supported in part by the grant.

At the MISSEL laboratory, economics doctoral student Yi-Yi Chen conducted 18 sessions with 150 subjects for her behavioral analysis of information and voting behavior. Economics doctoral student Stephanie Heger conducted 12 sessions with 197 subjects for her behavioral analysis of performance uncertainty and
optimism. The Behavioral Economics course, Economics 404, met in the laboratory to conduct mock experiments and student designed experiments. A research orientation session including a social preference experiment was conducted for the political science course Research Design and Methods.

Research leading to a book and four journal articles in behavioral economics was supported by the grant. For more information on these publications, see page 28.

The Fall 2012 Midwest Economics Theory and International Trade Meetings had 23 full sessions, one specifically devoted to applied behavioral economics and one to experimental economics. There were three papers presented at the applied behavioral economics sessions. Andreas Hefti of the University of Zurich spoke on attention and obfuscation, Shota Fujishima of Washington University spoke on evolutionary implementation, and Carmen Astorino-Figari of Washington University spoke about consumers with limited attention. Four papers were presented at the experimental session. Laurent Mathevet of the University of Texas at Austin spoke about predictive measures in repeated games, Julian Romero of Purdue University spoke about randomized responses, Ernest Lai of Lehigh University spoke about subjective expected utility theory, and Sascha Baghestanian of Indiana University-Bloomington about adaptive learning.

Leaders of the program are Washington University’s Steven Fazzari, Professor of Economics and Associate Director of the Weidenbaum Center; Professor David Levine, John H. Biggs Distinguished Professor of Economics; and Steven S. Smith, Director of the Weidenbaum Center.

**Macroeconomic Policy**

The Macroeconomic Policy program sponsors research that deals with the performance, structure, and behavior of the national or regional economy as a whole. The program looks at the relationship between factors like national income, output, consumption, unemployment, inflation, savings, investment, international trade, and international finance. Center Associate Director Steven Fazzari directs the program.

Fiscal Year 2013 was a particularly eventful time for the Macroeconomic Policy program. The book, *After the Great Recession: The Struggle for Economic Recovery and Growth*, edited by Barry Z. Cynamon, Steven M. Fazzari, and Mark Setterfield (Cambridge University Press), was released in November 2012. This
book is a compilation of essays on the Great Recession from prominent macroeconomists who developed a perspective that predicted the shape of the 2008 crises as well as the subsequent stagnation. Following the release of his book, Professor Fazzari gave a series of talks for the Weidenbaum Center Lecture Series. These lectures also focused on the causes and consequences of the historic collapse of output and employment in 2008 and 2009, the challenges to recovery, and the prospects for economic policy in the aftermath of the November 2012 election. See page 16 for details on these lectures.

In addition, the program sponsored a panel discussion on the election and the economy, featuring talks by four prominent economists. More about this forum can be found on page 14.

**Multinational Enterprises and the Global Political Economy**

The program on Multinational Enterprises and the Global Political Economy sponsors research and public outreach analyzing the relationship between multinational corporations, governments, and domestic economies. Its goals are to facilitate contacts between the U.S. business community and academics; advance the study of multinationals in political science, economics, and business scholarship; and disseminate the findings of academic research to the public through various outreach programs. This program is co-directed by Associate Professor of Political Science and Weidenbaum Center Senior Fellow Nathan Jensen and Center Director Steven S. Smith.

This was a particularly fruitful year for co-director Nathan Jensen. Professor Jensen was awarded a Kaufmann Foundation grant to study competition for investment in the Kansas City region. This project specifically addresses the fierce competition for firms across countries and within the United States by the creation of a data set of all programs to attract investment. This data set will be used to evaluate the impact of investment, with a focus on Kansas City. A public forum on the findings will follow on the results of the survey.

A number of articles have either recently been published or will soon be out as a result of research on multinational enterprises. Some of these articles draw from the Weidenbaum Center sponsored book *Politics and Foreign Direct Investment* by Professor Jensen et al. (University of Michigan Press, 2012). Topics covered include legislatures and expropriation risk in authoritarian regimes, taxing multinationals, and investment incentives.

In addition to these publications, Professor Jensen has a number of working papers in progress with topics ranging from foreign investment in Vietnam to the domestic and international determinants of expropriation.

For current activities in these areas, visit the Center’s website (http://wc.wustl.edu/academic-support/faculty-research). Anyone wishing to help sponsor programs in these research areas should contact Melinda Warren (warren@wustl.edu, 314-935-5652).
The American Panel Survey (TAPS) is a monthly online survey of a national probability sample of about 2,000 adults in the United States. Directed by Steven Smith, it is one of the best survey research platforms in the social sciences. GfK Knowledge Networks, a leading online survey research firm, conducts these monthly online panel surveys for the Weidenbaum Center.

Now in its second year, The American Panel Survey (TAPS) has conducted 20 original surveys with its core national probability sample of roughly 2,000 U.S. adults. Monthly surveys collected data on economic and political attitudes, demographic and key background information, and specialized questions for faculty researchers. Examples of faculty original research done using TAPS are below.

**State Electoral Laws and Income Level**
Assistant Professor Melanie Springer teamed up with Elizabeth Rigby of George Washington University to use the TAPS survey for research that assesses whether individuals are aware of the electoral laws in their state and whether this knowledge varies by income level. The project further evaluates whether elections serve to inform or educate voters about electoral processes and how this interacts with partisan mobilization efforts.

**Representation in the States**
Assistant Professor Ryan Moore and Boris Shor of the University of Chicago are studying the issue of representation in the states, particularly on health policy specific domains. As these politics are rapidly changing, TAPS allowed them to create dynamic measures of opinion and thus representation of the public by elites. Their paper, “Public Opinion and the State Politics of the Affordable Care Act,” is based on data from TAPS.

**Political Tolerance**
Professor James Gibson continued his decades-long investigation of political tolerance in the United States. His survey asked TAPS participants whether they would “put up with” political activity by groups they oppose. As in earlier research, political intolerance is more widespread than it should be in a democracy like the United States.

**American Views of Investment by Foreign Countries**
In “Globalization with Whom: Context-Dependent Foreign Direct Investment Preferences,” Professor Nathan Jensen (with co-author René Lindstädt of the University of Essex) harnessed TAPS data to explain how Americans view investment by foreign companies. Analysis from TAPS data found the context of the investment largely shapes Americans’ views towards foreign investment. Americans are more supportive of foreign investment from certain countries (Germany and Japan, as opposed to Saudi Arabia and China) and investment liberalization if it is coupled with liberalization in other countries.

**Public Support for Democracy Promotion**
Dawn Brancati, Assistant Professor of Political Science, used TAPS to evaluate two competing perspectives regarding what underlies the public’s support for democracy promotion – a democratic values-based perspective positing that the public’s support for democracy promotion is based on a principled desire to spread American values, beliefs, and ideologies to other countries, and a national interests-based perspective claiming that it is based on a rational desire of Americans to advance the United States’ political and economic interests abroad. She reports the results of her survey in a soon-to-be published Political Behavior article “The Determinants of U.S. Public Opinion Toward Democracy Promotion.”

Researchers at Washington University and elsewhere may apply to the Center to place projects on TAPS. Guidelines, deadlines for application, and pricing information are available on the TAPS website (http://taps.wustl.edu).
ACADEMIC PROGRAMS

Center Sponsored Faculty Research

To encourage research and initiate faculty projects, the Center evaluated faculty requests for research funds from the Departments of Economics and Political Science. These small grants often lead to applications for external funding which provide direct benefits and opportunities to the departments while enhancing the research experiences of junior faculty and graduate students. Ultimately, the projects lead to scholarly reports.

Small Research Grants

Brian Crisp – Using the Composition of Constituencies to Explain Party System Nationalization, Government Formation, and Policy Outcomes

Brian Crisp and Guillermo Rosas – Placing Latin American Citizens and Elites on Common Ground

Jon Rogowski – Elections and Accountability in American Legislatures

Carl Sanders – Why Can’t Long-term Unemployed Workers Find Jobs?

Norman Schofield – Applying a New Logit Model to Elections in Britain

Margit Tavits – When Can Voters Accurately Place Parties?

Publications Resulting from Center Small Research Grants

Dawn Brancati


David K. Levine


Jacob Montgomery


Norman Schofield


Margit Tavits


Itai Sened


Recent graduate and Middle Class Researcher Daniel Guenther with Itai Sened

Helping to Manage other Washington University Centers

The Weidenbaum Center continued to assist the Center for New Institutional Social Sciences (CNISS) with their human resources, payroll, budgeting, and certain additional administrative and grant related aspects.
Furthering Research, Ideas, and Scholarship

The Weidenbaum Center continued to enhance grantsmanship in the School of Arts and Sciences. Grant assistance, budget preparation, and proposal preparation and submission assistance were given to the Departments of Economics, Political Science, and Anthropology. In addition, Center staff assisted numerous graduate students with preparation and proposal submissions for a National Science Foundation Doctoral Dissertation Improvement Grant.

Below is a list of proposals submitted to the National Science Foundation (unless otherwise noted).

**Department of Political Science**

**Nathan Jensen**
Globalization and Location: The Politics of Investment Location Incentives

**Jacob Montgomery**
Computerized Adaptive Testing for Public Opinion Research

**Margit Tavits**
Collaborative Research: Where is my Party? The Perceptual Accuracy of Party Policy Offerings

**Department of Economics**

**Michele Boldrin**
Pharma Research Group (submitted to Gustavus & Louise Pfeiffer Research Foundation)

**Yi-Yi Chen – Ph.D. student**
Doctoral Dissertation Research in Economics: Political Rallies and Voting Behavior Theory, Experiment, and Empirical Study

**Yongseok Shin**
Quantitative Models of Financial Systems and Development (awarded-sub award with UCLA)

**Department of Anthropology**

**NOTE:** While the Weidenbaum Center continues to assist the Anthropology Department, this will be the last year the Center assists that department in the submission of NSF doctoral grants.

**Gayle Fritz**
CNH: The Farming Success and Societal Responses to Climate Change in North America, A.D. 1-1500

**Tristram Kidder**
Coastal SEES (Track 2): Collaborative Morphologic Socioeconomic and Engineering Sustainability of Massively Anthropic Coastal Deltas: the Compelling Case of the Huang He

**Crickette Sanz**
CAREER: Social Tolerance and the Evolutionary Origins of Complex Technology: Determining the Ecological and Social Factors Shaping Chimpanzee Tool Using Traditions

**Carolyn Sargent**
The Transnational Co-Production of Meanings about Cancer among West African Immigrants in Paris, France

**Margit Tavits and Guillermo Rosas**
Economic Inequality and the Electoral Geography of Political Polarization
### Macroeconomics Workshops

*(co-sponsored by the Federal Reserve Bank of St. Louis)*

<table>
<thead>
<tr>
<th>Workshop</th>
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<td>Price Setting with Menu Cost for Multi-Product Firms</td>
<td>Fernando Alvarez, University of Chicago</td>
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<td>Examining Macroeconomic Models through the Lens of Asset Pricing</td>
<td>Jasrosiav Borovicka, New York University</td>
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<td>Do ‘Broken Windows’ Matter? Identifying Dynamic Spillovers in Criminal Behavior</td>
<td>Gregorio Caetano, University of Rochester</td>
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<td>Human Capital Accumulation in a Federation</td>
<td>Daniele Coen-Pirani, University of Pittsburgh</td>
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<td>Can Spatial Mobility Insure Families Against Long-Term Impacts of Economic Shocks? Evidence from Drought and Disability in South Africa</td>
<td>Taryn Dinkelman, Dartmouth University</td>
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<td>On the Optimality of a Dominant Unit of Account</td>
<td>Matthias Doepke, Northwestern University</td>
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<td>Ramsey Taxation in a Rat Race Economy</td>
<td>Andy Glover, University of Texas-Austin</td>
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<td>Taxation, Redistribution, and Debt with Aggregate Shocks</td>
<td>Mikhail Golosov, Princeton University</td>
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<td>The Money Value of a Man</td>
<td>Mark Huggett, Georgetown University</td>
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<tr>
<td>Analyzing the Effects of Insuring Health Risks: On the Trade-off between Short Run Insurance Benefits vs. Long Run</td>
<td>Dirk Krueger, University of Pennsylvania</td>
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Eventually Noise and Imitation Implies Balanced Growth

**Erzo Luttmer**, University of Minnesota

Empirical Microeconomics Workshops

The Contribution of Family, School, and Community Characteristics to Inequality in Education and Labor Market Outcomes

**Joe Altonji**, Yale University

Household Search or Individual Search: Does it Matter? Evidence from Lifetime Inequality Estimates

**Luca Flabbi**, Georgetown University

Performance Pay and the Autocovariance Structure of Earnings and Hours

**Thomas Lemieux**, University of British Columbia

The Home Selling Problem Theory and Evidence

**Antonio Merlo**, University of Pennsylvania

Identity, Group Conflict, and Social Preferences

**Seth Sanders**, Duke University

Economic History/Economic Theory Workshops

Stochastic Games in Continuous Time: Persistent Actions in Long-Run Relationships

**Aislinn Bohren**, University of Pennsylvania

A Theory of Subjective Learning

**David Dillenberger**, University of Pennsylvania

Designing for Diversity in Matching; Priorities vs. Precedence in School Choice: Theory and Evidence

**Scott Kominers**, University of Chicago

Symmetric Auctions

**Mallesh Pai**, University of Pennsylvania

Optimal Mechanism Design without Money

**Xianwen Shi**, University of Toronto

Selling Through Referrals

**Vasiliki Skreta**, New York University

Quadratic Vote Buying

**Glen Weyl**, University of Chicago
The Center continued to enrich undergraduate and graduate student research experience with the creation of 40 research assistants in fiscal year 2013. These one-on-one opportunities for students were funded through the Center’s Faculty Small Grants program, the Weidenbaum Scholars Program and the Benefactor Fund for Student Research Opportunities. These research assistants worked with faculty on some of their most important research projects in macroeconomics, international relations, and American politics and policymaking. Faculty instructed and trained students on key research concepts including creating effective and efficient research plans; locating, identifying, and collecting data; properly evaluating and analyzing data, and preparation of reports and papers for publication. Additional support was provided for a select number of graduate students — supporting data collection, research travel, the purchase of data sets, and other expenses related to their dissertation and/or individual research projects.

"Working as a Graduate Fellow in the Weidenbaum Center has furthered my research immensely. The Center's American Panel Survey is an invaluable resource for anyone interested in studying public opinion longitudinally. It is both exciting and rewarding to contribute to this unique project."  Patrick Tucker, Political Science Graduate Student.

The Center awards the John M. Olin Prize for Excellence in Economics to an outstanding economics graduate student each year. Madeline Daepp received this award in 2013 for her work on prices and availability of healthy foods across St. Louis. She presented her work at the University’s 2013 Economics Honors Conference. Daepp, a former research assistant for Center Associate Director Steven Fazzari, was a summa cum laude undergraduate economics and mathematics major. Previously she received a Harry S. Truman Scholarship, and an Udall Scholarship.

The Center also created unique opportunities for graduate students to interact with business, community, and government leaders at the Center’s public policy programs. Graduate students in the Departments of Economics and Political Science were invited to the Center’s Public Policy Breakfast Meetings, Forum programs, and occasionally Public Policy Roundtable Luncheon Discussions. The Center also supported the Department of Economics seminar series (see pages 31-32). This series gives graduate students a unique platform where they can share their research questions and results with faculty experts in their department.

Students Supported by the Weidenbaum Center

| Tessa Baizer | Daniel Deibler | Stephanie Heger | Samantha Mercadante |
| Miriam Ben Abdallah | Kaleb Demerev | Kieran Holzhauer | Cara Nickolaus |
| Stephanie Budrus | Betul Demirkaya | Sean Janda | Lauren Paley |
| Adam Caplan | Kevin Doss | Jee Seon Jeon | Irina Panovska |
| Wenlin Chen | Paul Fetter | Benjamin Kallen | DrTalliana Patterson |
| Yi-Yi Chen | Matthew Graham | Jeong Kim | Joshua Potash |
| Christopher Claassen | Nay’chelle Harris | Camilla Krauss | Ariella Rothstein |
| Madeleine Daepp | Micaela Heery | Jacques Lamothe | Alicia Salvino |
| Daniel Deibler | Kaleb Demerev | Stephanie Heger | Samantha Mercadante |
| Kieran Holzhauer | Sean Janda | Jee Seon Jeon | Cara Nickolaus |
| Kevin Doss | Benjamin Kallen | Irina Panovska | Lauren Paley |
| Paul Fetter | Jeong Kim | DrTalliana Patterson | Hanqiang Tan |
| Matthew Graham | Camilla Krauss | Joshua Potash | Rongsheng Tang |
| Nay’chelle Harris | Jacques Lamothe | Ariella Rothstein | Patrick Tucker |
| Micaela Heery | | Alicia Salvino | Matthew Walsh |
| Madeleine Daepp | | | Hamsika Santanam |
| Daniel Deibler | | | Ashley Shannon |
| Kaleb Demerev | | | Michelle Shapiro |
| Betul Demirkaya | | | Hanqiang Tan |
| Kevin Doss | | | Rongsheng Tang |
| Paul Fetter | | | Patrick Tucker |
| Matthew Graham | | | Matthew Walsh |
| Nay’chelle Harris | | | Julia Wenck |
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.

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

**FINANCIAL SUPPORT**

**Individual, Corporate, and Foundation Support**

Special recognition and thanks go to James E. Schiele – Chairman of the Center’s Eliot Society Volunteer Committee and Corporate Volunteer Committee – for his dedication and endless development efforts and community outreach on behalf of the Weidenbaum Center.

Mr. Schiele is one of six recipients this year to receive the Arts & Sciences Distinguished Alumni Award. The Awards honor graduates of the College of Arts and Sciences, Graduate School of Arts & Sciences, and University College, who exemplify the ideals embodied by a liberal arts education and bring distinction to Washington University through their lives, work, and service.

The Weidenbaum Center is grateful to the volunteers who have worked so hard over the years to help it reach its annual financial needs.

**Researchers and Staff**

**Steven Smith**, Director

**Murray Weidenbaum**, Honorary Chairman

**Steven Fazzari**, Associate Director

**Richard Mahoney**, Distinguished Executive in Residence

**Melinda Warren**, Director, Weidenbaum Center Forum

**Gloria Lucy**, Assistant Director and Business Manager

**Christine Moseley**, Administrative Coordinator

**Alana Bame**, Administrative Coordinator