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Alumnus Mark Israel Promotes Research for Students

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by Tia Patsavas

With his noteworthy experience in the realm of economics and beyond, Mark Israel '91 gave Park Place Economist insight into the valuable and eye-opening field of economic consulting. Israel graduated from Illinois Wesleyan with a major in economics and minor in mathematics, and later attained a Master's Degree in economics at the University of Wisconsin-Madison. He then began working within the Research Department of State Farm in Bloomington.

In 2001, Israel became an expert in his field when he gained his Ph.D. in economics at Stanford University. He later became an assistant professor at Northwestern University's Kellogg School of Management. Israel's career in academia led to his position as executive vice president of Compass Lexecon, a leading economic consulting firm that deals largely with mergers and antitrust litigations. "The world of people who take the lead on mergers is a small community dominated by a small number of top academics," he said.

"Cases come to us generally from law firms, and we work directly with those firms that represent the companies," he said. Since government approval is needed for a merger, companies typically draw first from investment bankers, then from law firms. If there are competitive issues about the merger, the role of economic consultants comes into play. "Companies usually contact an expert that they know, in our case, an expert at Compass Lexecon," Israel said. "Once the case is brought, it is given a case manager, a senior employee, who then runs the process and puts a team together."

From thereon, the process for a typical case is three to six months, but in the case of the merger between US Airways and American Airlines, his latest venture, the process lasted two years. After meeting with the lawyers, the academic process begins. Israel accentuated the importance of efficient and adept research in his field. "Since we have to have an enormous amount of data from the company, it's important to interpret all of it, and determine what is most important to the case specifically." With the research complete, Israel said that, in the case of mergers, "The team typically presents the research to Ph.D. economists at the Department of Justice or the Federal Trade Commission, so the research must be cutting-edge and high-end." If the federal agencies are convinced that there is no problem with the merger, the case is closed.

After spending numerous years perfecting his craft, the economist holds great appreciation for his alma mater. "I think people should take advantage of the liberal arts education that Illinois Wesleyan offers," he said. "Since there is plenty of time to specialize, people should take a wide variety of classes that are out of their comfort zone—it's something you just don't get a chance to do again." Israel continues to make an impact at Illinois Wesleyan, establishing a research fund intended for Economics students to research on campus over the summer. "The reason I wanted to do the research fund is because, in addition to the breadth of classes you could take at Illinois Wesleyan, there are many opportunities to do research," he said.

"These opportunities to engage with faculty and actually be doing hands-on research is something that many students aren't able to do until graduate school," he said. "The process of doing research alongside your professors prepares you well for whatever you might do in your future."