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UAUJE Turns Five

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rather limited. The Federal Reserve purchases the loans and securities of commercial banks which deters the chance of deposit runs. After the Great Depression, the role of the Federal Reserve increased substantially to include monetary policy.

Dr. Moser works in the Bank Regulation area. He is concerned with bank safety, or capital adequacy standards. There is also the payments system division, which is the largest division. It processes checks by the Fed, runs payment systems for banks, and operates the securities wire, which moves treasury securities from one account to another.

The macroeconomic model used by the Federal Reserve, according to Dr. Moser, is an "aggregate model which divides all goods of the economy into four composite categories: labor services, commodities, bonds, and money." Effective Macro policy must relate the four sections to each other, a difficult balancing task. Dr. Moser's personal job is to "make rules that bankers will accept, that are consistent with their incentives."

The main macro goal of the Federal Reserve is stable growth, which is growth without the high risk of inflation. The Fed's tools consist of the money supply and interest rates. The measurements of success are employment levels and the inflation rate.

For example, on November 6th, 2001 the Federal Reserve lowered the Federal Funds rate from 2% to 1.5% because of the uncertainty in the economy and the possibility of recession. The lower interest rate made saving money less attractive to consumers and businesses. It also lowered the cost of borrowing money, making business investment more attractive. Profits and employment were increased as a result of these policy actions.

Dr. Moser said that the Fed needs help! To be an associate economist, you must have a four-year degree. Associate economists are research assistants. There are also paid internships available for thirty to forty students. Go to www.chicagofed.org for more information.

UAUJE Turns Five

Bharat Pardasani

The University Avenue Undergraduate Journal of Economics (UAUJE), a refereed electronic journal managed by undergraduate students from Illinois State and Illinois Wesleyan Universities reaches a major milestone this spring by completing five successful years. This online journal (URL:<http://www.econ.ilstu.edu/UAUJE>), published on an annual basis is unique in the sense that undergraduate students run the entire publication from authoring to the editing and peer evaluation process. To date, UAUJE is one of only two on-line economics journals run entirely by undergraduate students in the U.S. and one of only three in the world! Moreover, the journal lives up to the dear economic principles it preaches by offering cash incentives to aspiring writers pursuing an undergraduate degree in any part of the world. The best papers have a chance of winning prizes of \$750, \$500 or \$250.

UAUJE began in 1997 through a grant from the Calvin J. Kazanjian Economics Foundation. The goal of the UAUJE is to serve as a forum for the best research and analysis the world's economics undergraduates have to offer. Says Dr. Seeborg, Chair of the Economics at Illinois Wesleyan University, "The UAUJE exists in order to give undergraduate students the opportunity to feel like more of the economic community. The World Wide Web, by speeding up communication and allowing unlimited, low cost access to university students, facilitates this undertaking." Desislava Hristova (Class of 2003), one of the editors 2001-2002 issue sums things up well, "For those intending to pursue advanced degrees in economics, this journal is an excellent opportunity to become familiar with a submissions and publication process. For those who do not pursue advanced degrees, the UAUJE presents a unique chance to have an article published and possibly make some good money off it. Meanwhile, it's good reading material for any student of economics."

IWU has been one of the most active participants in this journal. The current five member UAUJE editorial board contains 3 IWU Students – Seniors Debbie Slezak and David Janashvili and Junior Desislava Hristova. Their job involves seeking

submissions and selecting the best articles for publication. Says Janashvili, "We also try to see that the paper topics in an issue are diverse as it helps us cater to a wider audience. Topics in the past have ranged from an economic analysis of the dowry system in India to an analysis of the banking industry in the US."

Papers by IWU students have consistently been published in the journal and have won prizes often edging out their Ivy league competitors, thus reflecting the strength of the economics program at IWU. In the last issue, IWU's Yuet Wen Wan (Class of 2001) paper, "A Case of the Phillips Curve in the Formation of a Monetary Union" was a recipient of the Bernard J. McCamey Award –the highest possible accolade. Wan received a check of \$750. Hristova promises that "the upcoming issue will be exciting and contain plenty of food for thought." Check it out at www.econ.ilstu.edu/uaujef.

A Prestigious Opportunity

Jamie Davenport

This spring, five economics students have the opportunity to present their research honors projects at two prestigious conferences. The 66th Annual Midwest Economics Association (MEA) Conference will be held in Chicago and includes presentations by hundreds of economists. This year, the conference will also include four sessions of undergraduate presenters. Of the twelve undergraduate presenters, four are from IWU. Jeremy Sandford, Katia Hristova, David Janashvili, and Debbie Slezak will present their research honors projects alongside students from other top midwest schools. According to Dr. Seeborg, undergraduate research conferences are a relatively new idea and offer a great opportunity for students to experience research economics in a professional setting. The conferences also provide great visibility and recognition for IWU and the Economics Department. The Economics Department is one of the few departments at the university to allow students the opportunity to present their original research in a professional setting.

IWU students will also present at the 2002 Carroll Round at Georgetown University in

Washington, D.C. Sandford, Hristova, Slezak, and Anisha Madan will travel to D.C. on an all-expense paid trip and participate in the conference with students from the nation's most selective colleges and universities. The conference, sponsored by the Sallie Mae Fund, focuses on international economic research and policy and allows opportunities for undergraduates that are otherwise difficult to attain. It is the hope of the conference's founders that the "conference and the exchange it fosters will embolden students to continue pursuing innovative ideas and rewarding careers in international economics."

The students were chosen for the conferences by sending in an abstract, application, and personal statement. Their research design, general interest in economics studies, and academic records were all taken into account.

Besides presenting, the students will also have "the chance to view policy-making and policy-makers in action and interact with distinguished members of the economics community." The weekend also includes a tour of the Federal Reserve and a meeting with Vice Chairman Roger W. Ferguson, Jr.

Jeremy Sandford will be presenting his paper, included in this edition of the *Park Place Economist*, on how English proficiency affects earnings of Mexican immigrants. He finds that for immigrants speaking very little English, the level of education and job experience does not affect earnings. Alternatively, immigrants speaking English very well experience returns to their education and job experiences very similar to English-speaking natives. In addition to his research honors project, Jeremy is co-authoring a paper with Dr. Seeborg that was presented by Dr. Seeborg at the Missouri Valley Association Conference in Memphis, Tennessee.

Debbie Slezak is presenting her comparative analysis of mobile phone usage in the United States and Spain at both conferences. She discovers that the difference in mobile penetration (number of mobile subscribers per one hundred inhabitants) can be attributed to a difference in the pricing structures that results in a shift in demand instead of a movement along the demand curve. Debbie is most looking forward to "incorporating the ideas I receive from the discussion into my final draft"

Katia Hristova will present at the MEA and Georgetown conferences. Her research analyzes voucher privatization in the Czech Republic and its involvement in the transition from a centrally-planned