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Lu Liao Selected for Research Fellowship

April 28, 2015

BLOOMINGTON, Ill.— Economics and mathematics double major Lu Liao '16 will conduct research this summer thanks to the Mark A. Israel '91 Endowed Summer Research Fund in Economics. Liao's project will examine transferability of human capital for immigrants to the United States from source countries such as India, China, Vietnam, Korea and the Philippines.

Established by Mark Israel '91, the endowed fund allows students to spend the summer conducting independent research under the guidance of a faculty mentor. The fund provides a monetary stipend to the student.



Lu Liao '16

For her project, Liao will extract data from the American Community Survey and use the "age of immigration" as a variable to determine whether education and/or job experience were obtained from the source country or from the destination country – in this case, the U.S.

Liao said one of her best experiences at Illinois Wesleyan has been working with Mike Seeborg, Robert S. Eckley Distinguished Professor of Economics, over the past year on a study of earning differentials between college-educated Chinese immigrants and natives of the U.S. During that study, Liao said they discussed issues of transferability of human capital for different educational systems among China, Hong Kong and Taiwan.

"I thought it would be a great idea to study this as a separate project and also extend the topic to a larger area," said Liao, an international student from Zibo, China.

Guided by her faculty mentor Seeborg, Liao will examine the differences in the returns to human capital of immigrants across home countries, and study whether imperfect transferability of human capital has a significant effect on the wage gap between immigrants and natives.

"A finding that age of immigration determines immigrants' earnings could have important implications for immigration policy," said Liao.

She said the opportunity will allow her to get a sense of what it would be like to become a full-time economics researcher. She plans to pursue a Ph.D. in economics after graduating from Illinois Wesleyan.

Israel established the summer opportunity as a testament to the importance of his own undergraduate research experience.

"One of the very best parts of my Wesleyan experience was the chance to get my first taste of real, topical economic research, working in close collaboration with multiple members of the economics faculty, including Mike Seeborg, Bob Leekley and Margaret Chapman," said Israel. "Through this gift, I'm giving one student per year a chance to realize a similar experience, which just seems like the right way to pay something back for all that those experiences did for me."

After graduation from Illinois Wesleyan, Israel worked for State Farm Insurance before earning a Ph.D. in economics at Stanford University. He was an associate professor at Northwestern University's Kellogg School of Management before joining Compass Lexecon, one of the world's leading economic consulting firms. Israel is currently executive vice president for Compass Lexecon in Washington, D.C.

Liao's award is one of many opportunities for Illinois Wesleyan students to engage in original research and creative activity.