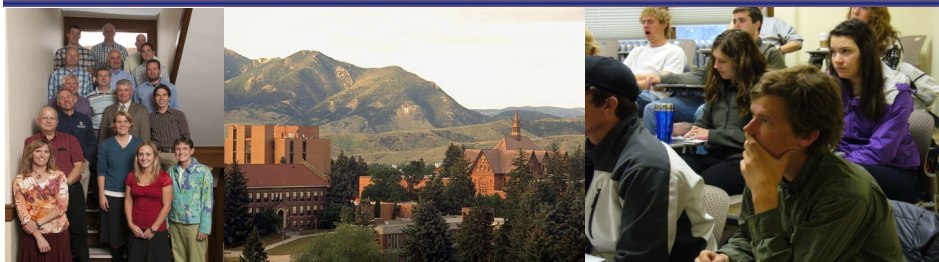


Department of Agricultural Economics and Economics



Spring 2014 Newsletter

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Letter from Department Head

Another academic year is coming to an end here in Bozeman, and I am honored to share the Department of Agricultural Economics and Economics (DAEE) spring newsletter with you. Our students have been busy with research projects and coursework, our staff members have been busy keeping the DAEE running smoothly, and our faculty have continued the DAEE tradition of excellence in research, teaching, and outreach.

DAEE undergraduate and graduate students have excelled in research and engagement this year. Several DAEE students presented their research at the MSU Undergraduate Research Celebration this spring, including DAEE student Riley Shearer (a triple major in Chemical Engineering, Biochemistry, and Economics), who was chosen as a Hughes Scholar and presented a talk titled, "Geckos and Goo: Learning Across Disciplines." DAEE graduate student Kirkwood Donavin and DAEE undergraduate student Jake Ebersole will travel to Kenya this spring to work with the MSU Engineers Without Borders (EWB), under the direction of Dr. Sarah Janzen, as they begin an assessment of the impact of EWB activities in the area.

DAEE faculty members have also been active in research and engagement. On the engagement front, several DAEE faculty are helping with efforts to provide education for the 2014 Farm Bill programs, and the Montana \$aves \$cavenger Hunt was a big success with Montana high school students. Faculty research on youth depression and future criminal behavior and on mortgage foreclosure policies will be forthcoming in economic journals soon. The DAEE is happy to welcome Kate Fuller as a new assistant professor of extension. She will be starting in July.

Finally, we wish the best to our graduating class of 2014. We have a record 49 undergraduate students graduating this year, including 25 Agricultural Business majors and 24 Economics majors. Students have accepted jobs at financial institutions, agricultural marketing companies, and in the farming and ranching sector. Congratulations and best wishes graduates!

Wendy A. Stock



Student News

Congratulations Outstanding Seniors

Each year the DAEE faculty members choose an outstanding graduate from among the graduating seniors in each of our majors.

The DAEE faculty have selected three students as outstanding graduating seniors in the department this year: **Jacob Weimer** in Economics, and Jana **Haynie** and **Taylor Richter** (tie) in Agricultural Business.

Jacob Weimer

Jacob provided us with some insight regarding his time here at MSU. He is an economics major.

What brought you to MSU?

I visited the campus the summer before I graduated and really liked the university as well as the Bozeman area for all the outdoor recreation.

What did you enjoy most about MSU?

Proximity to really good skiing, fishing, and backpacking. Bozeman and MSU also have really nice people in general.

What did you enjoy most about DAEE?

It's a small enough department that you end up knowing most of the students and professors, and everyone is very nice and helpful.

What was your Favorite Class?

Econometrics II with Dr. Stoddard, although Financial Engineering with Dr. Atwood and Dr. Watts last year was also really interesting.

What are your Post-graduation plans?

I have accepted a position with a sawmill company in the Portland, Oregon area with a mixed bag of responsibilities in finance, operations, and production hedging.

What is your advice for incoming students?

Go heavy on math even if it's not required, particularly take math and science calculus rather than business calculus. Get to know your professors early in your career, they are all very knowledgeable and more than willing to offer valuable advice on how to position yourself for opportunities going forward.



Jacob Weimer when he's not studying



Jacob Weimer in New Zealand

Student News, cont'd.

Congratulations Outstanding Seniors

Jana Haynie

Jana has also provided us with some insight regarding her time here at MSU. She is graduating this spring in Agricultural Business.

What brought you to MSU?

I loved the small town feel of Bozeman, it has all the amenities of a big city, shopping, restaurants, etc., but you never get stuck in traffic jams and the crime rate seems small compared to other college towns in Montana. There are also so many things to do in the Bozeman area and the great reputation of the College of Agriculture.

Can you tell us some of the things you most enjoyed about MSU and our Ag Econ & Econ department?

I most enjoyed how personable all the staff are in our department. They truly make you feel as if your future matters and that they are there to help you

every step of the way. I also feel the College of Agriculture has the best scholarship opportunities of all the colleges and the application process is as pain free as possible. MSU as a whole is just a great atmosphere, there seems to be something for everyone here.

What was your Favorite Class?

My favorite class was AGBE 345 with Professor Atwood. It was an eye-opening class that teaches material that is so easily real-world relatable. He makes the course a challenge but at the same time is so invested in making sure everyone is successful, you can really tell that Professor Atwood loves what he does. Learning about the process of saving for retirement and paying loans is something that will be useful your entire life.

What are your Post-graduation plans?

I plan to take the summer off and spend time with my family after graduating. School, although a fun and fulfilling experience, was stressful and I feel I deserve a good break.

What is your advice for incoming students?

I think the best advice I could give other students is to make friends with others in your department and your professors. Your fellow students are going to know exactly what you're going through and can be there for you every step of the way. It makes in-class time as well as out-of-class time more enjoyable when spent with people who are going through the same highs and lows as you are. Your professors are crucial to your college success; there is nothing that replaces human interaction and really getting to know someone.



Jana Haynie, when she is not studying



Jana Haynie

Student News, cont'd.

Congratulations Outstanding Seniors

Taylor Richter

Taylor Richter graduated in the Fall Semester with a major in Agricultural Business.

What are you doing now?

I am working for Helena Chemical in Sidney, MT. They taught me to run a fertilizer spreader that has 3 different compartments to spread from. This fall we will be soil sampling to figure out what parts of a field will benefit from different fertilizers and what amount to apply. We are going to use the three chambers to spread variable rate fertilizer instead of a constant blend. This should help farmers increase profit margins by not wasting fertilizer on marginal ground.

What is your advice for incoming students?

I would first have to say that if you are getting a job in Sidney, invest in an

insulated winter coat since you will still need it. But secondly, I would say work hard because even though people might not acknowledge it, they notice.

Note from Jane Boyd, DAEE Student Advisor

Taylor Richter is an exceptional student who is always pleasant, polite and willing to help others. He and his parents have a long history of farming and ranching in California. Taylor enjoyed Bozeman and made many friends and contacts.

Note from Jerys Enget, Taylor's Boss and Branch Manager of Helena Chemical

"I would like to put in a good word for him. Taylor is and will become an excellent employee. For a young man just coming out of college he is very motivated and well educated. I have a positive feeling with him going forward. He is willing to learn just about everything we are willing to teach

him. The biggest thing we try and teach young students is PATIENCE!!!! Far too often young people want high dollars and less work. Time and patience and the willingness to learn "the business" as a whole will further advance a young person's longevity in their desired field. I truly believe as of today that Taylor will have a great potential in the ag. business. I would also like to thank MSU for turning out good prospective students. The ag. industry as a whole is begging for quality young people."

Good Job Taylor!



Taylor Richter, at Helena Chemical



Taylor Richter

Student News, cont'd.

Congratulations DAEE Work Study Student

Lena Heuscher, a DAEE work study employee from Choteau, MT has been awarded the Department of Physics 2014 Outstanding Senior Award.

This fall, she will begin her studies at the Dept. of Earth and Atmospheric Sciences, University of Nebraska-Lincoln to obtain her Master's degree in Meteorology.

The DAEE is proud to employ such high-caliber work study students and wishes Lena well.

DAEE Students Headed to Kenya

Beginning in 2005, the MSU Engineers Without Borders (EWB) chapter has partnered with communities in the Khwisero District of western Kenya to conduct water and sanitation engineering projects at primary schools located throughout the district.

Under the guidance of DAEE faculty member **Sarah Janzen**, DAEE graduate student **Kirkwood Donavin** and DAEE undergraduate student **Jacob Ebersole**, will be heading to Kenya to conduct surveys to begin a study that will focus on the socioeconomic impacts of 8 deep water wells and 11 composting latrines previously constructed at various primary schools in the Khwisero District of

western Kenya, as well as on the impact of construction projects being implemented this year.



DAEE Graduate Student **Kirkwood Donavin** describing an upcoming economic study of the EWB efforts in Kenya

EWB at MSU is a unique and valuable organization because it offers

undergraduates an opportunity to apply their classroom skill sets to a project that hopefully improves welfare outcomes for many poor households living in rural western Kenya.

While qualitative evidence suggests that the EWB impact is positive, this study seeks to quantify the socioeconomic impacts of the composting latrines and deep water wells constructed by MSU's chapter of EWB. The results will contribute to the general understanding of the value of clean water and sanitation projects, while also informing the design of future EWB projects and service delivery.

Thank You Jane Boyd!

The 2014 Agricultural Business graduating class went out of their way this semester to give special thanks for DAEE advising specialist Jane Boyd.

Along with flowers, balloons, and a special thank-you card, the students baked goodies to express their appreciation for all the hard work Jane does to help students in the DAEE!



The Agricultural Business Class of 2014 gives a special "Thank You!" to DAEE Advisor **Jane Boyd**

Student News, cont'd.

Peer Leadership Students

Now in its fifth year, the DAEE Peer Leadership program links students in ECNS 101: The Economic Way of Thinking and ECNS 202: Principles of Macroeconomics with top-level economics students (i.e., peer leaders).

Students enroll in ECNS 105: Study in the Economic Way of Thinking or ECNS 206: Study in Principles of Macroeconomics in order to gain additional practice on economic concepts covered in those courses.

The program has now served over 1,000 MSU students.



Amber Stenson, Holly Watson, Scott Phelan, Josh Allen and Stephen Riggs served as ECNS 105 Peer Leaders this Spring.

Peer leaders report that the teaching experience greatly improves their communication and skills.

CHS Helps Students in AGBE 315

This spring, the CHS foundation donated \$10,000 to DAEE in support of cooperative education to help defray the costs for the students enrolled in AGBE 315 who are headed to New Zealand for the class field trip in May. Thank you CHS!



Student Spotlight: *Allen Beard*

Allen faced the difficult challenges and beat the odds by successfully completing two majors while managing much more. One highlight includes being on the Dean's Honor Roll last year.

Allen, ever courteous and of good cheer, is graduating in May with a double major. He will obtain a Bachelor's in Agricultural Business (Farm & Ranch Management option) and a second major in Economics.

He has successfully handled his academics and work responsibilities in an admirable manner. Along with being a successful full-time student, Allen is also a full-time ranch hand, a member of a local band, and runs a DJ (disk jockey) company.

One of the greatest challenges he has faced is allocating his time. Allen would advise other students to prioritize deadlines or highest importance assignments first, use time efficiently, and utilize department resources (i.e., professors, TAs, peers, and other students).

Throughout his college career, Allen has enjoyed his fellow students and believes making friends in the department and studying together creates strong and lasting relationships. Working with the department's strong faculty has also been a pleasure.

Allen observes that, *"The faculty and staff care about students' successes and push for accomplishments. They are always willing to help in any way*

possible and go above and beyond for students."

Congratulations, Allen!

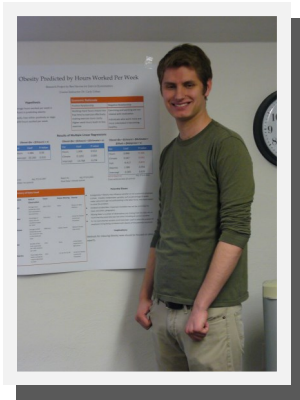


Allen Beard

Student News, cont'd.

Undergraduate Research Celebration

Several DAEE students participated in the spring MSU Research Celebration in the MSU Strand Union Building year, as well as in the DAEE undergraduate research celebration here in Linfield Hall. Many students engaged in hands-on research as part of the ECNS 403 Introduction to Econometrics course with Dr. Urban.



Benjamin Havens presented "Obesity Predicted by Hours Worked Per Week"



Stephen Riggs presented "How Does Same Day Voter Registration Affect Voter Turnout?"



DAEE faculty members **Mark Anderson** and **Chris Stoddard** discuss **Scott Phelan's** research at the DAEE Undergraduate Research Celebration



Grant Zimmerman discusses his research on cell phone bans with Dr. Stock during the MSU Undergraduate Research Celebration in the Student Union



Josh Allen presented: "The Effect of Race on Income in Big Sky Country"



Nicholas Holam presented his research on the effects of gun laws (Brady laws) on shootings



Scott Phelan, Chase Stefani, and Emery Gaylord at the DAEE Undergraduate Research Celebration



Andrew Carroll presented: "Policy for Profit: An Unintended Consequence of Asset Forfeiture Laws"

Student News, cont'd.

Off to (More) Graduate

Congratulations to DAEE graduating Master's Students **James Banovetz** and **David Elsea**, who are headed off to study for Ph.Ds. in economics this fall.

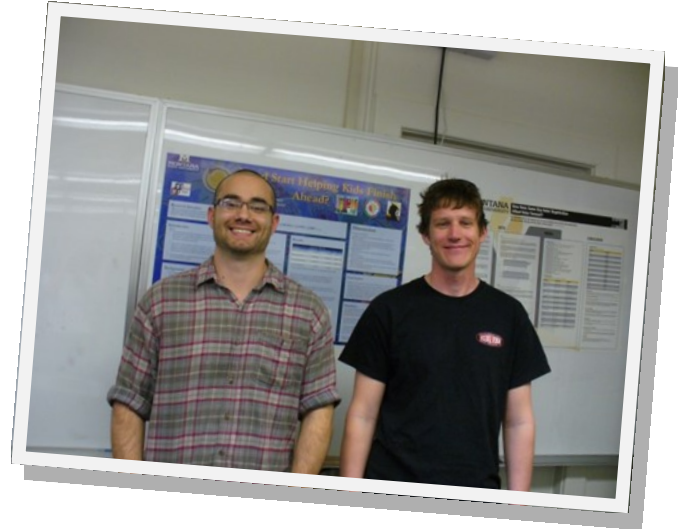
James had graduate school offers from University of California-Santa Barbara and Duke but ultimately settled on UCSB.

David had offers from UCSB and The University of Wisconsin-Madison, but ultimately settled on Wisconsin.

The DAEE Master's program enrolls roughly 8 - 10 new students each year. It is regularly one of the top Master of Science programs in Applied Economics in the United States.

Students take one-year of coursework, must pass a qualifying exam, and complete a master's thesis of original research.

Good luck James and David!



James Banovetz (left) and **David Elsea** (right) are headed off to Ph.D. economics programs this fall

Graduating Master's Students

- **James Banovetz**, "An Economic Analysis of the Determinants of Montana Alcohol Retail License Prices" Dr. Randal Rucker, Chairperson.
- **David Elsea**, "The Political Economy of Medical Marijuana Laws" Dr. Randal Rucker, Chairperson.
- **Amy Hasenoehrl**, "An Economic Analysis of the Impact of Decoupled Agricultural Payments on Farm Financial Solvency in the United States" Dr. Eric Belasco and Dr. Anton Bekkerman, Co-Chairmen.
- **Sophie Mumford**, "An Empirical Analysis of the Impact of State Excise Taxes on Craft Breweries in the United States" Dr. Anton Bekkerman, Chairperson.
- **Ethan Wilkes**, "Redshirting and Academic Performance: Evidence from NCAA Student-Athletes" Dr. Randal Rucker, Chairperson.

Student News, cont'd.

Graduating Seniors

Economics

Spring 2014

- Joshua Allen (**highest honors**)
- Alexander Bennett
- Andrew Carroll
- Edward "Ted" Farley
- Elesia Fasching
- Emery Gaylord (**highest honors**)
- Kayla Gnerer (**honors**)
- Amy Goebel (**honors**)
- Benjamin Havens
- Nicholas Holom (**honors**)
- Rebekah Mohr (**honors**)
- Aniko Nelson
- David Owen
- Scott Phelan (**highest honors**)
- Stephen Riggs (**highest honors**)
- Jordan Schupbach
- Alexander Shchepetkin (**honors**)
- Chase Stefani
- Jacob Weimer (**highest honors**)
- Grant Zimmerman (**highest honors**)

Fall 2013

- Dillon Gruber
- Rachael Johnson (**honors**)
- Brittany Means (**highest honors**)
- Alexandra Walcher (**honors**)
- Eli Weiner

Agricultural Business

Spring 2014

- Ryan Arthun (**honors**)
- Adam Barkhuff
- Allen Beard (**Economics 2nd Major**)
- John Beardsley
- Mark Boyd (**honors**)
- Morgan Densberger
- Katelyn Dynneson (**honors**)
(**Economics 2nd Major**)
- Jana Haynie (**highest honors**)
- Evan Helle (**Economics 2nd Major**)
- Clancy Kegel
- Zachary Lipszyc (**Economics 2nd Major**)
- Nicholas Metcalfe (**honors**)
- Mick Mosher
- Justin Philipps
- Chad Smith
- John "Jace" Swandal
- Jana Tihista
- Rebecca Townsend (**highest honors**)
- Brandon Udelhoven (**honors**)
- Connor Verlanic
- Zhi Wang (**honors**)

Fall 2013

- Logan Butcher
- Megan Cremer
- Cassidie Diefenderfer
- Zachary Kavon (**Economics 2nd Major**)
- Taylor Richter (**highest honors**)
- Julie Wichman (**honors**)

Student Awards

Chartered Financial Analysts Institute Research Challenge

In March, DAEE economics major **Jake Weimer** was part of a team that traveled to Spokane and won first place honors in the local level of the Chartered Financial Analysts Institute Research Challenge, a regional competition designed to test students' investment analysis, writing, and presentation skills.

Each team researched a designated publicly traded company, prepared a written report, and presented its findings to a panel of judges.

Jake's team advanced to the Americas Regional round of the competition in Denver where they competed against mostly master's-level teams from universities located across North and South America, including Harvard University, Stanford University, and the University of Pennsylvania.

Way to go Jake!



Jacob Weimer

Hughes Scholar

Congratulations to **Riley Shearer** (a triple major in Chemical Engineering, Biochemistry, and Economics) who was recently chosen as a Hughes Scholar.

Funded by the Howard Hughes Medical Institute, the Hughes Scholar program focuses on Montana State University students who are considering careers in biomedical/bioscience research or a medical/health field, and who are dedicated, driven, and innovative.

The successful Hughes Scholar understands the critical nature of a well-rounded education, strong communication skills, and a commitment to providing science learning opportunities to others. Key to



Riley Shearer

the Hughes Scholars fellowships is development of a significant and meaningful plan to reach out to populations through discovery-based

and/or research-relevant science. This program differs from others at MSU in that supported projects have a clear methodology for imparting science information to a specific audience, and in a way that encourages young learners or other populations to be excited and intrigued by science.

As part of his Hughes Scholar presentation at the new MSU Research Celebration, Riley presented, "Geckos and Goo: Learning Across Disciplines."

Congratulations Riley!

Awards and Accomplishments

Provost's Excellence in Outreach Award

In January, **Joel Schumacher**, DAEE Extension Specialist, won the Provost's Excellence in Outreach Award.

Schumacher has made outstanding contributions in two vital areas of Extension education: personal finance and energy, especially alternative energy.

Schumacher also has established himself as one of the top Extension specialist education experts in the country on alternative energy. In the process, he has worked closely with American Indian communities

through collaboration with Fort Peck Community College.

One of his most significant contributions in the area of financial planning is his collaboration with Extension Economics professor **Marsha Goetting** to develop the "Solid Finances" employee education seminar series. The program was initially developed for MSU-Bozeman employees, but it has

since spread across Montana and other states.

Congratulations Joel!



Joel Schumacher, winning his award

2012 Quality of Research Discovery Award

DAEE Professor **Randy Rucker** received the 2012 Quality of Research Discovery Award from the European Association of Agricultural Economists (EAAE) for the article titled, "Honeybee Pollination Markets and the Internalization of Reciprocal Benefits."

The paper is co-authored with Walter N. Thurman (North Carolina State University) and Michael Burgett (Oregon State University) and was published in the July 2012 edition of the *American Journal of Agricultural Economics*.

According to the EAAE, the award recognizes the (1) relevance of the topic, (2) originality of the work, (3) scientific quality, and (4) potential

Impact, especially for scientific theory and methodology.



Randy Rucker

In this paper, the most extensive markets for pollination services in the world - those for honey bee pollination in the United States - are examined. These markets play important roles in coordinating the behavior of migratory beekeepers, whose managed honey bees both produce honey and provide substitutes for ecosystem pollination services. The economic forces that drive migratory beekeeping are investigated, and the determinants of pollination fees are analyzed theoretically and empirically using a much larger and richer data set than has been studied before. The analysis in this paper expands the understanding of pollination markets and market-supporting institutions that internalize external effects.

Awards and Accomplishments, cont'd.

DAEE's Janzen Awarded Three-Year \$1.1 Million Grant by BASIS Assets and Market Access Innovation Lab

Sarah Janzen along with collaborators Nick Magnan (Univ. of Georgia), Ruth Meinzen-Dick (IFPRI), and Rajendra Pradhan and Sudhindra Sharma (Nepa School, which partners with Heifer International and focuses on social protection policies in Nepal), were recently awarded a three-year, \$1.1 million grant by the BASIS Assets and Market Access Innovation Lab at the University of California-Davis.

Social protection policies and programs have been widely heralded as important for addressing persistent poverty. Productive asset transfer programs, often involving livestock, are a particularly popular form of social protection for vulnerable populations. Such programs are often supplemented with technical trainings that support human and financial capital development, as well as social mobilization.

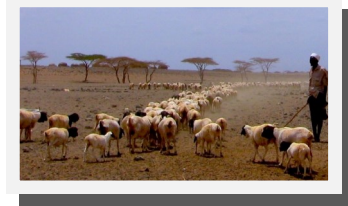
Dr. Janzen's collaborative research project, "Evaluating the Welfare Impacts of a Livestock Transfer Program in Nepal," seeks to disentangle the importance of physical (livestock) assets relative to human and social capital in the provision of social protection designed to permanently increase resiliency and improve nutritional and economic outcomes for the chronically poor in Nepal.

In this project, the researchers will partner with the global leader in livestock transfer programs—Heifer International—to evaluate the impact of a multifaceted social protection program developing physical (livestock), human, and social capital. The study is centered on a randomized control trial (RCT), where groups of beneficiaries will receive all or a subset of benefits normally provided by Heifer.

The Heifer program and others like it are clearly more than "goat drops." In addition to providing private goods (goats), they provide public goods intended to transform both communities and the lives of individuals. With these public goods in mind, the study will decompose the Heifer benefits package into its components to tease out the effects of each.

By doing so, the researchers expect to learn what parts of the package are most effective (and for who), and where complementarities arise.

Congratulations and Good Luck Dr. Janzen.



Ruth Meinzen-Dick, IFPRI



Nick Magnan, University of Georgia



Sarah Janzen, DAEE



Rajendra Pradhan, Nepa School



Sudhindra Sharma, Nepa School

Publications

“Youth Depression and Future Criminal Behavior”

<http://ftp.iza.org/dp6577.pdf>

Mark Anderson's paper, “Youth Depression and Future Criminal Behavior” (with Resul Cesur and Erdal Tekin) was recently accepted for publication in *Economic Inquiry*.

A brief summary: While the contemporaneous association between mental health problems and criminal behavior has been explored in the literature, the long-term consequences of such problems, depression in particular, have received much less attention. Using data from the National Longitudinal Study of Adolescent Health (Add Health), we examine the effect of depression during adolescence on the probability of engaging in a number of criminal behaviors later in life.

In our analysis, we control for a rich set of individual-, family-, and neighborhood-level factors to account for conditions that may be correlated with both childhood depression and adult criminality.

One novelty in our approach is the estimation of school and sibling fixed effects models to account for unobserved heterogeneity at the neighborhood and family levels. Furthermore, we exploit the longitudinal nature of our data set to account for baseline differences in criminal behavior.

The empirical estimates show that adolescents who suffer from depression face a substantially increased probability of engaging in property crime. We find

little evidence that adolescent depression predicts the likelihood of engaging in violent crime or the selling of illicit drugs.

Our estimates imply that the lower-bound economic cost of property crime associated with adolescent depression is approximately \$227 million per year.



Mark Anderson

“The Dark Side of Sunshine: Regulatory Oversight and Quo Bias”

<http://ssc.wisc.edu/~jmcollin/sunshine.pdf>

“The Dark Side of Sunshine: Regulatory Oversight and Status Quo Bias,” by **Carly Urban** and coauthor J. Michael Collins (University of Wisconsin-Madison) was accepted at the *Journal of Economics, Behavior, and Organization*.

As the mortgage foreclosure crisis accelerated in the United States in the late 2000s, state-level policymakers implemented measures designed to protect consumers and stem the tide of foreclosures. One form of policy was simply to require lenders to report on foreclosure prevention activities.

Such policies represented a shift from the status quo for mortgage loan

servicing firms operating under incomplete information—doing nothing with non-paying loans while waiting for more information to be revealed—to either foreclosing on the borrower or



Carly Urban

offering the borrower a modification of loan terms.

Using a difference-in-differences empirical strategy, we exploit one policy implemented in Maryland for a subset of mortgage servicers and find evidence that firms do perform more loan modifications, but also file more foreclosures.

Increasing foreclosure filings was contrary to the intent of the policy, suggesting that policymakers should be cautious of any unintended consequences of mortgage modification policies.

Outreach/Presentations

“Addressing Outliers and Statistical Noise in DEA Efficiency Models Using Quantile DEA”

Joe Atwood (coauthor Saleem Shaik – North Dakota State University) presented a paper, “Addressing Outliers and Statistical Noise in DEA Efficiency Models Using Quantile DEA,” at the March 2014 SCC-76 (Economics and Management of Risk in Agriculture and Natural Resources) annual meetings in Pensacola, Florida.

The paper presented a new methodology that enables the practical implementation of quantile approaches in Data Envelopment Analysis (DEA). DEA is increasingly being

utilized in industrial, firm level, and regulatory benchmarking efforts but has long been limited by DEA’s sensitivity to statistical noise and data outliers.

Quantile DEA (QDEA) directly addresses both of these issues while also allowing the practitioner to practically diagnose and compare technical, economic, and financial performance against quantile-based peer groups. QDEA development and research are ongoing.



Joe Atwood



Saleem Shaik, North Dakota State University and DAEE M.S. Alum

The Economics of Immigration

In April, **Wendy Stock** presented "The Economics of Immigration," at the Bozeman Public Library as part of the Wonderlust monthly Friday Forum program.

The Quality of Price Discovery

In March, **Joseph Janzen** presented his paper, "The Quality of Price Discovery Under Electronic Trading: The Case of Cotton Futures," at the University of Florida, Food and Resource Economics Department.

Venice Summer Institute Workshop

Jason Pearcy was invited to and attended the 2013 CES ifo Venice Summer Institute Workshop on “Emission Trading Systems as a Climate Policy Instrument: Evaluation & Prospects.” The workshop took place in Venice, Italy.

The aim of this workshop was to bring together theoretical and empirical economists in order to discuss recent findings and



to help improve the design of future emission trading schemes.

At the workshop, Dr. Pearcy presented the paper "Tradable Pollution Permits with Offsets" which is coauthored with **Timothy Fitzgerald** and **Nathan Braun** (a former DAEE master's student).

This paper extends the existing theory of tradable permit markets to allow for tradable pollution permits and pollution offsets. The paper also compares the theoretical predictions of the model with empirical observations from

the European Union Emissions Trading System, which is currently the world’s largest mandatory carbon trading scheme.



Jason Pearcy



Tim Fitzgerald

Outreach/Presentations, cont'd.

The Impacts of Financial Education

Interagency Bison Management Plan Partners

Randy Rucker and Myles Watts gave a presentation titled "An Evaluation of the Costs Associated with Implementing Management Strategies for Control of Brucella Abortus in Yellowstone Bison and Elk" at the public meeting of the Interagency Bison Management Plan Partners held in Bozeman in April.

Carly Urban gave a seminar in the Microeconomics Seminar Series at The George Washington University entitled "State Mandated Financial Education and the Credit Behavior of the Young."

The seminar summarized Dr. Urban's joint work with Alexandra Brown (Federal Reserve Board), J. Michael Collins (University of Wisconsin-Madison), and Maximillian Schmeiser (Federal Reserve Board).

Policymakers have increasingly emphasized financial education as a solution to perceived failures in household financial decision-making. In the United States, a number of states have mandated personal finance classes in public school curricula. Despite a long history of financial and economic education in public schools,

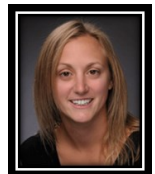
little is known about the outcomes of these programs on the credit management behaviors of young adults as they begin to establish financial independence from their parents. If young people are naive about the ramifications of taking on credit and paying bills on time, financial education in public schools may raise the salience of paying attention to, applying for, and managing credit.



THE GEORGE
WASHINGTON
UNIVERSITY
WASHINGTON, DC

Using a panel of credit report data, this analysis examines three states (Georgia, Idaho, and Texas) where new personal financial education mandates were implemented.

This policy shift is used to estimate credit scores and delinquencies in young adulthood by cohorts of students estimated to be exposed to the school system before and after the policy. Young people who are in school after the implementation of state mandates show evidence of modestly greater credit scores and lower delinquency rates. These effects are robust to a variety of matching and differencing estimators and, to the extent improved credit behaviors are a policy objective, these results may support the implementation of similar financial and economics education in the K-12 curricula of other states.



Carly Urban

Presentations: Mark Anderson



Mark Anderson

Mark Anderson presented several seminars this spring, including:

- A paper entitled "Deployments, Combat Exposure, and Crime" (with Daniel Rees) at the Economic Demography Workshop at the Population Association of America's Annual Meeting in Boston on April 30th. The paper was one of only six out of nearly 100 submissions chosen for presentation at this workshop.
- A guest lecture in April at Clemson University on "Using Sports Data to Assess Discrimination in Labor Markets."
- "What Happens When States Change Their Medical Marijuana Laws" at the Rethinking the War on Drugs Symposium at Northwestern University School of Law in February.

Outreach/Presentations, cont'd.

15 Years of Research on Graduate Education in Economics: What Have We Learned? Presented at two conferences

Wendy Stock presented, "15 Years of Research on Graduate Education in Economics: What Have we Learned?" at the American Economic Association Annual Meetings in January and the Society of Economics Educators Annual Conference in March.

The research was based on data from the National Science Foundation's Survey of Earned Doctorates and also on surveys of economics Ph.D.s who entered or left programs in certain years.

The research was featured in a story in Inside Higher Ed, ([click here](#) to read). It was also featured in Slate Magazine ([click here](#) to read).



Wendy Stock

SCC-76 Meeting on Economics and Management in Risk in Agriculture and Natural Resources

Eric Belasco and Joe Atwood presented research at the annual SCC-76 Meeting on Economics and Management of Risk in Agriculture and Natural Resources in Pensacola, FL in March.

Belasco's presentation was titled "The Impact of Direct Payments on Farm Solvency" and is based on a

working paper co-authored with Anton Bekkerman, and DAEE graduate student Amy Hasenoehrl.

Joe Atwood's presentation was titled "Addressing Outliers and Statistical Noise in DEA Efficiency Models Using Quantile DEA" which is based on research conducted with former DAEE graduate student and now colleague, Saleem Shaik.



Eric Belasco



Joe Atwood

Grain Handling and Transportation System Summit

Joseph Janzen participated in the Grain Handling and Transportation System Summit hosted by the University of Saskatchewan, Department of Bioresources Business, Policy, and Economics in March, where he presented "The Role of Futures Markets and

Contract Design," highlighting how futures markets can help alleviate problems in the grain supply chain.



Joe Janzen

Cow Capital Beef Day

Myles Watts and Eric Belasco were featured speakers as part of Cow Capital Beef Day in Miles City in January.

Outreach/Presentations, cont'd.

International Livestock Conference

Gary Brester gave a talk on "Changing the Size of the U.S. Cow Herd" at the International Livestock Conference in Denver in January.

The talk centered on whether or not we expect to see substantial rebuilding of the U.S. beef breeding herd.

International Industrial Organization Conference

Jason Pearcy presented a paper at the International Industrial Organization Conference held at the Northwestern University School of Law in Chicago in April.

The paper, "Actual and Potential Competition in International Telecommunications," is coauthored with Scott Savage.

This paper examines markets for international telecommunications from 1995 to 2004. During this period, the average price of a call from the United States to a foreign country declined by 89%.

There are many competing explanations for the decline in prices, and the research estimated the causal effect of an FCC policy change during that period on prices. They find that the FCC policy considered caused a 33% decline in average prices, only explaining part of the 89% overall decline in price.



Jason Pearcy

The paper also develops new econometric methods used for estimating and analyzing causal treatment effects. Most importantly, the analysis provides strong empirical evidence consistent with the theory of contestable markets.

Contestable market theory is the idea that a market with a small number of firms can still be competitive if the probability of entry is high, but this theory has lacked empirical verification and has been unresolved in the Industrial Organization literature for the past 30 years.

Public Choice Conference

Carly Urban presented "Who Comes Home to The Base? Evidence from Campaign Contributions," jointly with Sarah Niebler (an Assistant Professor of Political Science at Dickinson College) at the Public Choice Conference in Charleston, SC.

This paper estimates the costs, in terms of campaign contributions, associated with "going negative" in a political primary contest. The researchers estimate that doubling the

fraction of intra-party negative advertisements in a given media market reduces campaign contributions of the winning candidate within the same party by over \$1 million. This is consistent across parties.

PUBLIC CHOICE
SOCIETY



Carly Urban

Outreach/Presentations, cont'd.

Spatially and Temporally Indexed Database of Weather Station Data

Joe Atwood and the DAEE are maintaining a spatially and temporally indexed database of weather station data.

Daily station-level weather data from more than 90,000 worldwide (54,700 in the United States and Canada) are downloaded from GHCN/NOAA and processed on a biweekly basis.

Daily data from 1900 to present are processed into spatially and temporally

indexed data sets that are suitable to rapid querying and/or the construction of spatially and temporally customized weather variables and indexes.

The data has been utilized by faculty and graduate students at MSU, other universities and research organizations, and governmental agencies.

Data and customized query results are available for use by interested parties.



Joe Atwood

MSU For a Day

As part of Montana State's "MSU For a Day" program, **Wendy Stock** traveled to Billings West High school in April to present a day of lectures to high school classes on the economics of the great recession and the economics of labor markets. She also discussed the costs and benefits of attending college and the things students can expect as they make the transition from high school to college.

What's New in Extension?



Farm Bill Educational Program: Ag In Uncertain Times (Helping Producers and Others Meet the Challenge)

www.farmmanagement.org/aginuncertaintimes

With the rollout of the 2014 Farm Bill underway, several DAEE faculty members are engaged in outreach activities to provide unbiased education on various aspects of the Farm Bill.

These include:

- Specialty Crop Programs, Food Safety & FSMA and Thoughts for the Future
- Nutrition & Food Policy, Trade Implications and Research Title Highlights
- Commodity Programs and Crop Insurance

- Dairy Margin & Livestock Disaster Programs
- The Farm Bill Overview

To view recordings go to:

www.farmmanagement.org/aginuncertaintimes

This website, associated pages and materials are developed and managed by the Western Extension Committee, which is an organization of Extension Economists from the 13 western states, Guam and other Pacific Islands supported by Cooperative Extension Service Directors in the western region.



What's New in Extension? cont'd.



Montana Saves \$cavenger Hunt

www.msueextension.org/montanasavesscavengerhunt

The first Montana State University Extension Montana Saves \$cavenger Hunt got the attention of more than 280 students age 14 - 19. The students who completed the contest became eligible for one of 31 cash awards of \$100, courtesy of Montana Credit Unions for Community Development and the First Interstate BancSystem Foundation.

The \$cavenger Hunt, designed to teach youth the benefits of saving, was developed by **Marsha Goetting**, Extension Family Economics Specialist and **Keri Hayes**, Extension Publications Assistant.

Feedback on the program has been overwhelmingly positive. Although the contest ended on February 15, a Personal Finance Teacher for the Project for Alternative Learning in Helena is using the program to teach

students about saving. *"There is so much great information in the \$cavenger Hunt. I will be able to use the information throughout my Personal Finance class to supplement my curriculum."*

One mother from Polson shared the following, *"As her mom, I wanted to thank you for the experience. Our daughter was drawn in immediately to the idea of the scavenger hunt and appeared to have a lot of fun with it. We printed out several of the resources cited and had some very interesting dialogues about money and how it relates to her and her future."*



The website for the Montana Saves \$cavenger Hunt is www.msueextension.org/montanasavesscavengerhunt



While Jeff Bader, Director of MSU Extension, drew the names of the 31 winners and 31 runner-ups, Marsha Goetting explained how the hunt worked, and Keri Hayes recorded the names.

Solid Finances 2013-2014 Series



www.msueextension.org/solidfinances

Solid Finances is a series of financial education webinars that were held in the Fall 2013 and Spring 2014.

The goal of these workshops is to provide working Montanans high quality, unbiased financial education opportunities through webinar based programs.

This year's series involved collaboration with Luke

Erickson, University of Idaho with a topic on Identity Theft. South Dakota University-Extension presented topics on Federal Student Loans: Repayment Options and Current and/or Potential Borrowers.

Lynn Egan, Montana Commissioner of Securities and Insurance, also presented on Financial Fraud Scams and How to Avoid Them.

During the month of April, **Marsha A. Goetting**, MSU Extension Family Economics Specialist, was presenter for five Solid Finance Webinars on topics of Advance Directives, Property Ownership and Estate Planning, Long-Term Care Partnership Program, Medicaid and Long Term Care Costs, and Montana Medical Care Savings Accounts.

Big Timber Pioneer

Marsha A. Goetting, MSU Extension Family Economics Specialist, has published a monthly column in the *Big Timber Pioneer* on a variety of estate planning topics.



What's New in Extension? cont'd.

New Appointment

Marsha A. Goetting, MSU Extension Family Economics Specialist was appointed to the board of directors of the Helena Branch of the Minneapolis Federal Reserve in 2013.

She is now serving as Chair of the Federal Reserve Helena Branch Bank Board of Directors, Minneapolis Federal Reserve during 2014.

DAEE Welcomes a New Extension Faculty Member

The DAEE is happy to welcome our newest faculty member, **Kate Fuller**, who will join the department as an assistant professor of extension this summer.

Dr. Fuller completed her Ph.D. in Agricultural and Resource Economics at the University of California-Davis in 2012.

She also holds an M.S. in Agricultural and Resource Economics from UC-Davis and a B.A in Mathematics and Economics from the

University of North Carolina at Asheville.

Dr. Fuller's research focuses on natural resource economics, econometrics, and agricultural economics.

She has several refereed journal publications and has worked extensively with growers and producers in California's wine industry and with alfalfa growers and custom contractors on major extension projects.



Kate Fuller

Dr. Fuller has extensively studied the economics of various plant diseases, including Pierce's Disease, which affects wine grapevines in California.

Aging Horizons

Marsha A. Goetting, MSU Extension Family Economics Specialist, was guest presenter for five programs on the topic of estate planning for Aging Horizons, a weekly television program that is a public/private partnership with the Montana Department of Public Health and Human Services, Senior and Long Term Care Division.

The programs were aired during March 2104 on local cablevision in Billings, Butte, Helena, Kalispell, Bozeman, Great Falls, and Missoula.

To view the videos go to www.youtube.com and search "Montana Aging Horizons".



Marsha Goetting, presenting on Aging Horizons

Estate Planning Presentations for Several Groups



Marsha A. Goetting was an invited speaker during January 2014 on the topic of estate planning for several groups, including:

- 2014 Montana Department of Agriculture's 34rd Young Agricultural Couples Conference in Helena
- Eastern Montana Winter Ag Series in Jordan, Circle, Broadus, Ekalaka, Baker, Wibaux, Glendive, Terry, Miles City, and Forsyth
- Cabin Fever Series in Havre
- Meagher County Conservation District Annual meeting in White Sulphur Springs
- Big Sky Retired Educators meeting in Bozeman

Other News

Distinguished Speaker's Series

In February, the DAEE was able to host a speaker as part of the College of Letters and Science Distinguished Speakers Series. Lance Lochner (University of Western Ontario) presented a public lecture titled, "Re-Designing Student Loan Programs: A Difficult Balancing Act."

The lecture focused on family financing and the role of student loans. Major

changes in North American labor markets and education sectors have prompted a re-evaluation of student loan policies. Two seemingly contradictory patterns have emerged in recent years. On the one hand, more and more students appear to face limited resources and credit, restricting their higher education choices. In addition many students appear to be leaving

college with very high debt levels that are difficult to re-pay. Dr. Lochner discussed these two growing challenges and their implications for the optimal design of student loan policies.



Lance Lochner,
University of
Western
Ontario

External Program Review Thanks to Students and Alumni

Every department at MSU undergoes an external program review every seven years. During the review, faculty members in related disciplines from other universities come to campus to meet with faculty, administrators, and most importantly, our students, alumni, and stakeholders. The goal of the review is to get constructive feedback for ways to improve our

teaching, research, and outreach programs.

The DAEE underwent it's an external program review this spring. Although the final report is forthcoming, the reviewers spoke very positively about the department.

The DAEE wants to thank students and alumni who met with reviewers during their

time here. Several students met with the reviewers between classes, and alums Holly Fretwell, Jason Jimmerson, Tyler Wiltgen, Ty McDonald, Heather Malcom, and Kelcey Bieber took time out of their workday to share lunch with the review team.

Thank you students and alumni!

Research Seminar Series

The DAEE was delighted to host several guests as research seminar speakers this spring, including: Ben Cowan (Washington State University), Josh Hill (MSU-Billings) and Justin Marion (UC-Santa Cruz) who discussed their research on "Testing for Educational Credit Constraints," "The Agency Problem of Empire: British Mechanism for Constraining Governor Behavior," and "Tax Incidence and The Pass-through of State Diesel Taxes"

We hope to continue this level of research engagement between DAEE and researchers at other institutions into the future.

Our seminar schedule is available at:
www.montana.edu/econ/seminar

Help Support Agricultural Economics & Economics

A gift to the department is a great way to support student and faculty endeavors. Donations can be earmarked for student scholarship funds, faculty research, the M.L. Wilson lecture series, and more.



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