

PURCE

PURDUE UNIVERSITY RESEARCH CENTER IN ECONOMICS

2020-21 ANNUAL REPORT



Krannert School of Management



“ *As much as any discipline, economics offers hope to address the main public policy challenges facing our nation. The Purdue University Research Center in Economics adds an empirically rigorous voice to the study of policy issues.*

JUSTIN TOBIAS

*Professor and Head, Department of Economics
Senior Associate Dean, Krannert School of Management
Loeb Chair in Economics*

WELCOME

PURCE experienced a great deal of growth over the past year. Some of this growth was forced upon us as we found ways to adapt our programs and events to COVID-19 restrictions; we are going to keep some of these innovations that improved the quality even after all the restrictions are relaxed. Another area of growth has been adding faculty affiliates Mario Crucini, Russ Hillberry, Seunghoon Na, and Colin Sullivan. A third area of growth was an increase in influence with journalists and lawmakers as more of our research ended up in the news and government leaders asked our faculty affiliates for policy advice.

Our monthly Economic Policy Luncheons became webinars for the year, which increased attendance and allowed some people to participate who would not have been able to come in person. We are planning to continue to stream these events, even after we return to the in-person lunch format. A new donation allowed us to double the number of students from across campus that we have been able to include in our Econ Scholars program, a discussion group that meets with a faculty member eight evenings over the semester to dive deep into a particular economic reading. We have increased the number of undergraduate students we have hired as research assistants, a program that gives students a real research experience as well as the opportunity to interact with one of our faculty affiliates.

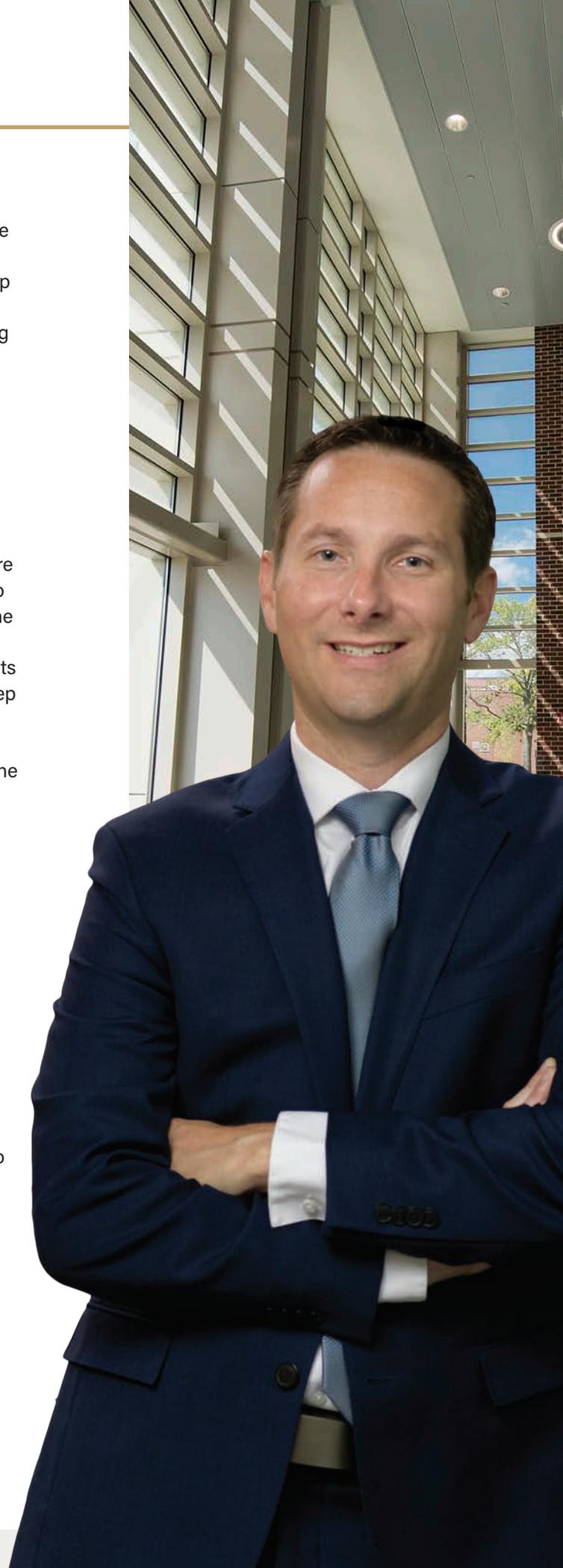
Our efforts to interact with government leaders at the Statehouse in Indianapolis produced some wonderful outcomes. During the legislative session, we hosted six information sessions on specific policy topics: unemployment insurance, high school testing, broadband adoption, K-12 learning loss from the pandemic, telemedicine, and the government pandemic response. Multiple government officials reached out to faculty affiliates after these sessions to ask for policy advice. Our faculty participated in meetings, offered suggestions on policy proposals, and provided white papers that were circulated to key decision makers.

This growth is a direct result of generous support from our donors. Thank you to the foundations and individuals who give to PURCE to support our mission of improving social well-being through better policies. I hope to be able to talk with you at one of our upcoming events or hear from you sometime over the next year.

Sincerely,



Kevin J. Mumford
Kozuch Director of PURCE
Associate Professor of Economics





OUR MISSION

PURCE is home to select Krannert School of Management faculty who conduct data-driven research into how laws, regulations and government programs affect the market economy and the well-being of individuals and society.

We share our research findings on crime, education, health, taxation, trade and more with policymakers and community and business leaders, not to push any particular agenda, but to provide information that can lead to more informed decisions.

OUR CENTER:

- Provides resources to hire faculty who are trained in empirical economic methodologies and who apply them to policy evaluation
- Trains economics students in these methods with this research focus
- Distributes research findings in top academic journals as well as in other media to reach a general audience

We have a reputation for first-rate, academic research demonstrated by our ongoing activities and publications.

As a nonprofit research organization, PURCE relies on the generous support of donors to accomplish its mission.

OUR HOME

PURCE is housed in Purdue University's Krannert School of Management, one of the top business schools in the country, with 2,400 undergraduate and 731 graduate students. Krannert has been ranked a top-25 undergraduate business school in 23 consecutive rankings by U.S. News and World Report. Krannert's strengths in analytical and quantitative analysis reflect Purdue's roots in science, technology, and engineering. The curriculum at both the undergraduate and graduate levels emphasizes calculus-based analytics and data analysis.

The presence of the Department of Economics within the business school is another factor that makes Krannert unique and has contributed to the overall focus on teaching students data-dependent empirical methodologies.

The center's mission of using empirical economic methodologies to analyze the effects of laws, regulations, and government programs fits perfectly with Purdue's strengths.

Located in West Lafayette, Indiana, Purdue University is a world-renowned, public research university. Student enrollment is 45,869, of which 76% are undergraduate students. Purdue students graduate in more than 200 majors.



WHO WE ARE

PURCE STAFF



KEVIN J. MUMFORD
Kozuch Director



JODI AYERS
Senior Administrative Assistant



NICOLE BROOKS
Media Relations Specialist

AFFILIATED FACULTY

Jack Barron	Professor of Economics
Jonathan Black	Assistant Professor of Accounting
Timothy Bond	Associate Professor of Economics
Jillian Carr	Assistant Professor of Economics
Mario Crucini	Semler Chair and Professor of Economics
Mara Faccio	Duke Realty Chair in Finance and Professor of Finance
Farid Farrokhi	Assistant Professor of Economics
Trevor Gallen	Assistant Professor of Economics
Huseyin Gulen	Professor of Finance
Russell Hillberry	Professor of Agricultural Economics
David Hummels	Dr. Samuel R. Allen Dean and Distinguished Professor of Economics
Stephen Martin	Professor of Economics
Joe Mazur	Assistant Professor of Economics
William B. McCartney	Assistant Professor of Finance
John McConnell	Burton D. Morgan Distinguished Chair of Private Enterprise and Professor of Finance
Tim Moore	Associate Professor of Economics
Kevin Mumford	Kozuch Director of PURCE and Associate Professor of Economics
Seunghoon Na	Assistant Professor Economics
Victoria Prowse	Marge Magner Chair and Associate Professor of Economics
Mohammad Rahman	Associate Professor of Management
Brian Roberson	Professor of Economics
Miguel Sarzosa	Assistant Professor of Economics
Ralph Siebert	Professor of Economics
Anson Soderbery	Associate Professor of Economics
Colin Sullivan	Assistant Professor of Economics
Justin Tobias	Professor and Head, Department of Economics Senior Associate Dean Loeb Chair in Economics
John Umbeck	Professor of Economics
Chong Xiang	Professor of Economics
Cathy Zhang	Associate Professor of Economics

OUR RESEARCH

PURCE faculty affiliate research aims to aid communities, businesses and government in addressing economic challenges. We estimate the effects, both intended and unintended, of laws, regulations, and government programs in several focus areas:



COMPETITION

Research on market regulation and consumer protection policies measures the trade-offs between consumer welfare and firm productivity.



INNOVATION

Innovation is the primary driver of economic growth; our researchers estimate the causes and consequences of new technologies and innovation policies.



CRIME

Our research on the economics of crime and the criminal justice system provides insights on how to improve the system.



MARKET SOLUTIONS

Our researchers evaluate market-based solutions to some of the country's most important social problems.



EDUCATION

At both the K-12 and higher-education levels, our researchers evaluate new approaches with the potential to improve learner outcomes.



STATE POLICIES

Our research provides empirical estimates of the effects of welfare and other government programs that are primarily implemented at the state level.



FISCAL POLICY

Our research estimates how taxes affect households and employers and evaluates the effectiveness of government spending.



TRADE

International trade policy affects what we buy, how we work, and the growth of the economy; our research identifies optimal policies and welfare losses from trade restrictions.



HEALTH

Our focus on health policy provides insights on how specific policies influence health outcomes, health spending, and health care providers.



WORK

Our researchers examine the effects of government intervention in the labor market and how new technologies will impact the future of work.

In 2020, our faculty affiliates represented PURCE, the Krannert School of Management, and their research at more than 60 conferences and university research seminars. Some conferences and seminars were canceled due to the COVID-19 pandemic, while many of these events moved online.



CALIFORNIA

American Economic Association Annual Conference, San Diego
 American Real Estate and Urban Economics Association Annual Conference, San Diego
 University of California Irvine



COLORADO

The University of Colorado Boulder



DELAWARE

University of Delaware



ILLINOIS

Chicago Crime Lab
 Chicago Entrepreneurial Finance Workshop
 DePaul University
 Midwest Finance Association Annual Meeting, Chicago
 University of Chicago



INDIANA

Indiana University
 Purdue University



LOUISIANA

Southern Economic Association,
 New Orleans



MASSACHUSETTS

National Bureau of Economic Research,
 Cambridge



NEW HAMPSHIRE

Dartmouth College



TEXAS

Texas Tech University



UTAH

University of Utah



WASHINGTON, D.C.

George Washington University
 National Tax Association



WEST VIRGINIA

West Virginia University



AUSTRALIA

Deakin University
 Monash University
 University of Melbourne
 University of Technology Sydney



CANADA

American Association of Policy Analysis and Management Annual Meeting, Toronto
 McGill University
 University of Western Ontario



COLOMBIA

EAFIT University



FINLAND

European Finance Association Annual Conference, Helsinki



GERMANY

IZA Institute of Labor Economics transatlantic conference, Bonn
 Society of Labor Economists Annual Conference, Berlin



PORTUGAL

NOVA School of Business and Economics



SINGAPORE

National University of Singapore
 Singapore Management University



UNITED KINGDOM

Econometric Society Annual Conference, Coventry
 University of Reading

Faculty also participated in these virtual events with many hosts:

- International Virtual Research Seminar in Finance, co-hosted by Aalborg University Business School, the BAFFI CAREFIN Centre at Bocconi University, the Centre for Governance, Regulation and Industrial Strategy, the University of Bath, the Grenoble Ecole de Management, and University of Rome-Sapienza
- RIDGE LACEA (Research Institute for Development Growth and Economics, Latin American and Caribbean Economic Association)
- Urban Economics Association

PUBLICATIONS & HIGHLIGHTS

ACADEMIC PUBLICATIONS

PURCE-affiliated faculty had 30 peer-reviewed research papers accepted at top academic journals, including:

Economics of Education Review
Industrial and Labor Relations Review
Journal of Economic Behavior and Organization
Journal of Global Economic Analysis
Journal of Industrial Economics
Journal of International Economics
Journal of Law, Finance, and Accounting
Review of Economics and Statistics
Review of Financial Studies

RESEARCH HIGHLIGHTS

Jonathan Black, **“Information Production and the Duration of Accounting Fraud,”** with coauthors Mattias Nilsson, Roberto Pinheiro and Maximiliano Da Silva, *Journal of Law, Finance, and Accounting*. In this paper the researchers address an important question: Why do some financial statement frauds persist for longer than others? Using a sample of Accounting and Auditing Enforcement Releases (AAERs) issued by the Securities and Exchange Commission (SEC), they find:

- the likelihood of fraud detection is significantly greater in the quarter following the issuance of audited financial statements;
- the content of SEC reports is important for reducing fraud duration, as evidenced by the presence of explanatory language significantly strengthening results;
- the presence of industry specialist analysts reduces the expected fraud duration;
- there is a direct negative marginal effect of adding more specialists, suggesting that “free riding and herding among analysts impair their ability to illuminate fraud.”

Jillian Carr, **“Housing Vouchers, Income Shocks and Crime: Evidence from a Lottery,”** with coauthor Vijetha Koppa, *Journal of Economic Behavior and Organization*. The researchers identify the causal effects of federally funded Section 8 housing vouchers (rent support) on arrests of adult household heads and find that voucher receipt has no effect on the likelihood of arrest. Even among the

groups with the highest propensities for crime, the vouchers have no impact. Income effects for these adults are particularly large relative to neighborhood effects, leading the researchers to believe that this large income shock does little to alleviate financial pressures that could lead to crime.

Mohammad Rahman, **“Where You Live Matters: The Impact of Local Financial Market Competition on Banks’ Response to Peer-to-Peer Lending,”** coauthored by Zaiyan Wei and Mohammed Alyakoob, *Information Systems Research*. The paper shows that the proliferation of online marketplace lending has been disrupting the consumer credit market, giving borrowers increased options for consolidating debt and building credit.

Although marketplace lenders like the Lending Club, Prosper and others can transcend the geographic boundaries of traditional banks, the ultimate benefits to marketplace borrowers can still differ because local opportunities to replace marketplace loans vary. Still, the researchers find that online marketplace lending has emerged as a credible substitute for conventional loan offerings.

Ralph Siebert, **“Heterogeneous Foreclosure Discounts of Homes,”** *Journal of Real Estate Research*. This paper evaluates the impact of foreclosure on house prices and is especially interested in heterogeneous impacts of foreclosure along the house size and income distributions across geographic regions.

The study uses a novel and comprehensive dataset that encompasses detailed housing and neighborhood characteristics, home sales, locations, foreclosure transactions and mortgage and income information and covers parts of Florida and Indiana from 2000 to 2008. The research shows that non-foreclosed houses experienced losses (between 0.8 and 4.7 percent) due to other houses in the neighborhood being foreclosed.

Anson Soderbery, **“Trade Restrictiveness Indexes: A Structural Approach,”** *Canadian Journal of Economics*. Trade restrictiveness indexes (TRIs) have become a staple for practitioners and policy makers to summarize international trade barriers. Soderbery has created a better way to produce a trade restrictiveness index that incorporates importer market power and exporter heterogeneity into calculations of TRIs and welfare globally.



MEDIA IMPACT

We use a media monitoring service to measure news mentions of PURCE-affiliated faculty in newspapers, magazines, radio, television, and online news sites.

In the 2020-2021 fiscal year, our research was covered by local media outlets like Star City News and WLFI TV, and national and international outlets including Forbes, National Public Radio (NPR), NBC News, Yahoo! Finance, and the Poynter Institute's PolitiFact.

VALUE OF MEDIA PLACEMENTS

We track the news advertisement value (the cost to purchase an equivalent amount of advertising space) and the size of the news audience for each media placement.

The first year PURCE started tracking this data, fiscal year 2016-17, our advertisement value was \$67,078 and the audience reach was 81,496,306.

This fiscal year, our advertisement value is \$100,863, and our audience reach totaled 200,880,738.

SENSE-MAKING

Our faculty are called upon to make sense of the news of the day. Their expertise is invaluable in helping to explain policy-related developments.

Cathy Zhang was asked to appear live on Yahoo! Finance twice this past fiscal year, in September to break down the Federal Reserve's decision to keep interest rates steady at near-zero, and in November for a reaction to announcements from the Federal Open Market Committee (FOMC).

In January, Kevin Mumford was asked to appear on Boston NPR station WBUR's show "On Point," broadcast live via more than 240 NPR stations around the country. He discussed President Joe Biden's economic policies. Also, Mumford's take on how federal coronavirus stimulus checks would affect the overall economy was picked up by outlets in Canada, Hong Kong, Singapore, and the U.S.

OUR PROGRAMS



RESEARCH PROGRAMS

GRADUATE RESEARCH ASSISTANTSHIP PROGRAM

Funding is available for Economics Department PhD students being advised by a PURCE faculty affiliate. This funding covers university tuition and fees as well as a teaching/research assistantship.

RESEARCH GRANTS PROGRAM

Research grants are available to PURCE faculty affiliates as well as PhD students being advised by a PURCE faculty affiliate. Recipients produce policy-relevant research papers that are published in top academic journals.



OUTREACH PROGRAMS

ECONOMIC POLICY LUNCHEON/WEBINAR SERIES

This monthly event brings together community, business and academic leaders from the Greater Lafayette area and beyond for a faculty research presentation, networking, and a Q&A session.

DISTINGUISHED LECTURE PROGRAM

World-renowned scholars come to Purdue to give public lectures on government policy topics. PURCE generally partners with the University President, the School of Management, or other university entity.

SPECIAL WORKSHOPS

PURCE hosts presentations and discussions for specific audiences, including a series of information sessions for Indiana state law and policy makers. Partnering with Purdue's Office of Government Relations, we facilitate policy conversations with elected officials, government agency staff and key state-level decision makers, all centered on faculty research. We share our expertise not to advocate for specific policies, but to provide data and analysis that can lead to more informed decisions.



UNDERGRADUATE STUDENT PROGRAMS

ECONOMIC SCHOLARS PROGRAM

Students who have completed a principles of economics course are invited to apply for the program, with a preference for students who are not economics majors. The selected students take a one credit hour independent study course in which they complete readings and have a weekly discussion. They are each awarded a \$1,000 scholarship.

UNDERGRADUATE RESEARCH ASSISTANTSHIP PROGRAM

Undergraduates meeting strong criteria are employed as hourly researchers. They learn best practices and assist faculty with real-world research projects.



Read more on page 13.



DELVING DEEPER

Our unique Economic Scholars Program (ECON 290) course introduces undergraduate students from across Purdue to classical economic literature, best practices for small workshop-style discussions, and how economic theories of the past inform the present.

The course is intentionally kept small, at around 12 students, to foster in-depth conversations about demanding topics.

"It was these discussions with my peers that I found most valuable about the course," said Krannert student Kijune Kim, who took Econ Scholars in Spring 2020. "Our group was diverse in thought, which allowed for respectful debates.

"Fostering this ability to converse, disagree, step back and try our best to understand the opposing views within our small group is what distinguished this educational experience from the large room lectures that I had been used to," Kim said.

Undergraduate students from any major who have taken ECON 251 can apply to take the one credit hour course by submitting an essay and their transcripts. Selected students each receive a \$1,000 scholarship upon successful completion of Econ Scholars, and as an added perk the weekly evening class serves its students dinner (in Fall 2020, due to COVID-19, students were given gift cards for local eateries).

"The Econ Scholars Program grew out of a desire for students from the engineering, science, agriculture, or any of the other colleges across Purdue to be able to delve deeper into economic theory. Students get to experience how relevant some economic concepts, first developed 200 years ago, are to public policy today," PURCE Kozuch Director Kevin Mumford said.

This mission is getting across to the students. In Spring 2020, with Krannert Economics Lecturer Robert Holland at the helm, the scholars read works by French economist Frédéric Bastiat (1801-1850).

Thanks to Econ Scholars, "I not only can say I've read many excerpts from Bastiat's *Economic Sophisms*, but I

can also say that I have found a deeper understanding of the economics of the society in which we live," said Krannert undergraduate Brien Rissman.

Most memorable about Rissman's Econ Scholars course was "being able to talk about economic theory and how it can apply to the real world. In my economics curriculum at Purdue, I have focused more on the analytical side of economics, mainly because it is easier to make decisions about what's best when you have numbers to support it. But this opportunity expanded that."

Being able to focus on the course's readings, which are a mix of classic econ texts and current journal and news articles, and then discussing them, is a highlight of Econ Scholars.

In Fall 2020, Krannert Dean David Hummels taught Econ Scholars, and focused on the future. His iteration, "The Future of..." looked at how work, consumption, privacy, cities, and universities are being reshaped by the pandemic and other forces. His texts were the 2016 book *The Industries of the Future* by Alec Ross, a technology policy expert, and Bastiat's *Economic Sophisms* and *Economic Harmonies* — as well as several academic journal articles.

Hummels, seen with his class in the photo above, said Econ Scholars was one of the most enjoyable courses he's taught at Purdue. His students came prepared to challenge their preconceptions and wrestle with new ideas.

"One way to understand how the economy might look different in the future is to understand how much it has changed in the last two centuries," Hummels said. "Reading how leading thinkers from the 19th and 20th centuries grappled with forward-looking problems provides a context for our analysis.

"A class like this provides a real freedom to switch modes of analysis, and to see how different students respond and are convinced, or not, by different styles. Some really respond to cleverly constructed prose, others see best using modern graphical analysis, still others want hard numbers. As we go back and forth, we traverse centuries in the history of economic thought and persuasion."

OUR EVENTS

PURCE hosts public and private events each year that highlight our faculty, their research, and the research's ability to inform the public about the effects of policies.

The COVID-19 pandemic drastically altered our plans. Our popular monthly economic policy luncheons turned into a webinar series. While we missed gathering with others on campus, the webinars proved to be conducive to sharing research and holding discussions.

ECONOMIC POLICY WEBINARS

Links to recordings of the following research presentations can be found on our center's website:

- September: Miguel Sarzosa, "Classroom Peer-Effects and Grade Retention"
- October: William B. McCartney, "Economic Hardship Decreases Voter Participation"
- November: Victoria Prowse, "Using Goals to Motivate College Students"
- January: Kevin Mumford, "The Economic Impact of COVID-19"
- February: Krannert Economics PhD Candidate Dan Bonin, "How Social Policies Affect Migration" – It was a joy to feature one of our talented PhD students. Dan has since finished his doctoral program, and is a research economist with the U.S. Department of Agriculture's Economic Research Service.
- March: Jonathan Black, "Fraud Happens — But Who Uncovers It?"
- April: Farid Farrokhi, "How Trade Policy Can Help Reduce Carbon Emissions"

SPECIAL EVENTS

PURCE faculty affiliates were called upon to make sense of the economic effects of COVID-19.

As part of a Krannert School of Management series of live webinars, PURCE's Tim Bond, Jillian Carr and Tim Moore provided context on the economic implications of the pandemic. In another live session, Trevor Gallen, Huseyin Gulen and Cathy Zhang discussed the stock market, small business, and stability in the face of the pandemic.

These live events were recorded and can be found on Krannert's YouTube channel.

INDIANA STATEHOUSE

For the second consecutive year we worked in partnership with the Purdue University Office of Government Relations to host information sessions at the Indiana Statehouse. These research presentations and discussions aimed at state law and decision makers also moved online.

Starting in January 2021 and concluding in early April, key department heads and elected officials joined us for research presentations and discussions by the following faculty on carefully chosen topics:

- Jillian Carr, on offering college entrance exams for free to high school students.
- Miguel Sarzosa, on COVID-19 related K-12 student remediation.
- Kevin Mumford, on how COVID-19 has affected employment.
- Guest Roberto Gallardo, Director, Purdue Center for Regional Development and C&RE Specialist, Purdue Extension, on broadband adoption in rural communities.
- Victoria Prowse, on the cost and effectiveness of unemployment insurance in the time of COVID-19.
- Susan Lu, Krannert associate professor of management, on state regulations of telemedicine visits.

We plan to continue this impactful series in the 2022 legislative session.



BRIDGING THE GAP

Krannert faculty are engaged in important, interesting and impactful research. But often this research reaches only a narrow readership, that of niche academic journals.

PURCE aims to bring the findings of empirical economic research to a larger audience. To help fulfill our mission, we planned and hosted a series of live virtual information sessions specifically for Indiana decision makers, choosing topics of importance to the 122nd Indiana General Assembly.

"Policy-relevant research frequently fails to make the jump from the academic journal into the hands of policymakers, and these information sessions with state government leaders have been an effective way to bridge the gap," Kevin Mumford said.

Mumford and PURCE staff planned the six-part webinar series in partnership with Purdue's Office of Government Relations. Indiana's elected officials, government agency staff and key state-level decision makers were invited to the 50-minute virtual sessions. We wanted to encourage an intimate, workshop-style atmosphere that allowed for robust discussions.

"Our primary goal is that the increased interaction between Purdue professors and government leaders will lead to better government policies for Indiana," said Mumford.

Indiana State Senator Shelli Yoder attended several webinars in the series and appreciates the "practical takeaways." She also noted that there is a level of trust built into research presentations hosted by Purdue.

"There's a great deal of oversight that comes out of a university," Yoder said. "To be able to know there aren't ulterior motives or politics associated with it, that's why I kept signing up."

Mumford echoes that notion: "Our state government leaders want to make evidence-based decisions, and we provide a reputable and unbiased source of this evidence."

PURCE provided webinar attendees follow-up materials, from a recording of the webinar to written summaries with key takeaways to links to additional resources.

Charity Flores, Chief Academic Officer for the Indiana Department of Education, found Miguel Sarzosa's

presentation especially helpful and timely. His research-supported suggestions for K-12 remediation "sparked conversations within the Department about providing information to schools and corporations as they consider continued learning efforts," Flores said.

A two-page summary of Sarzosa's presentation, outlining five steps K-12 educators should take to address COVID-19 related learning loss, was particularly helpful.

"We have a subgroup of Department staff formalizing additional guidance for schools and corporations on accelerating learning," Flores said. "This document served as a key resource as we determined next steps."

In some instances, webinar attendees asked for follow-up virtual meetings; several faculty members and PURCE's director met with state agency leaders to further share expertise.

"Faculty were engaged and willing to support our efforts," said Flores. "Miguel highlighted some important areas that we are including in our guidance specifically related to social emotional learning and the potential impact on students' academic needs."

Byron Ernest, a member of the Indiana State Board of Education, found Jillian Carr's comprehensive survey of the college entrance exams issue valuable.

"It is always important to look at what other states are doing when making decisions to review data, get ideas, find out things that worked, and more importantly, anything that did not work," Ernest said.

His attendance at and participation in Carr's session led to more meetings. Ernest requested a discussion of how a value-added or predictive measures approach could be used to create more realistic goals for schools related to SAT scores for students.

"I would like for our state board of education to work with the faculty to help us use all data in order to demystify the complexity of issues surrounding education in Indiana. We need to find ways for our data to tell a complete story," he said.

Faculty expertise is integral in meeting that need. "I greatly value the relationship I have formed with Dr. Mumford and Dr. Carr," Ernest said. "They have become valuable thought partners."

STUDENT SUPPORT

Since our founding, approximately 20% of PURCE expenditures, from all sources, supported Economics PhD students. In the 2020-2021 academic year, PURCE provided full fellowships to these PhD students, who are trained in empirical methodologies and are pursuing a research agenda that is primarily focused on evaluating government regulations and programs:

DANIEL BONIN

MASON REASNER

AMRITA SANYAL

PURCE provides for its PhD students in crucial ways, including funding trips to conferences and purchasing data access needed for research projects.

The first year of our Undergraduate Research Assistantship Program was a success. Undergraduates meeting strong criteria – including completion of at least three upper division economics courses – can apply to be hourly researchers. They learn best practices and assist faculty with real-world research projects.

Thanks to donors who supported this program, PURCE was able to pay nine students to assist faculty with research in the 2020-2021 academic year, giving these students an opportunity to build upon classroom learning, to work with large data sets, and to hone critical research skills.



“*After I took the econometrics course here at Krannert, I just really wanted more research experience. And I really wanted to apply what I had learned in class into a more real-world experience.*”

MEGAN HAMMOND

*Economics & Spanish major
PURCE Undergraduate Research Assistant*



FACULTY LINES

Since the center's founding, generous donors have funded the academic year salary, summer salary and benefits for several Department of Economics faculty members. During the 2020-21 academic year, PURCE funded six faculty members.

Without PURCE funds, these faculty lines would not exist.

PURCE-funded faculty teach economics to both undergraduate and graduate students at Purdue. Without PURCE-funded faculty lines, the Department of Economics would not be able to offer as many courses, meaning fewer students would have the opportunity to learn empirical policy analysis methodologies.

NUMBER OF STUDENTS TAUGHT BY PURCE-FUNDED FACULTY

	Undergraduate	MS or MBA	PhD
Fall 2020	170	23	15
Spring 2021	185	1	12
Summer 2021	48	34	8
Total	403	58	35

In the 2020-21 academic year, PURCE-funded faculty taught these courses:



JILLIAN CARR

Economics of Public Policy (undergraduate), Public Economics (PhD)



FARID FARROKHI

International Economics (MS), International Trade (PhD), Trade & Agriculture (MS independent study)



TREVOR GALLEN

Intermediate Macroeconomics (undergraduate), Computational Economics (PhD)



JOE MAZUR

Industrial Organization (undergraduate)



TIM MOORE

Health Economics (undergraduate), Health Economics (MS)



VICTORIA PROWE

Econometrics (undergraduate), Topics in Empirical Labor and Public Economics (PhD)

FACULTY UPDATES

We are pleased to announce the addition of four new faculty affiliates, two new to Purdue University.

Professors Mario Crucini, Russell Hillberry, Seunghoon Na, and Colin Sullivan joined PURCE in August 2021.



MARIO CRUCINI

is professor and Semler Chair in the Department of Economics. He has studied business cycles across countries for more than three decades. His recent work includes researching the tradeoffs of health and economics in the application of national, state and local stay-at home orders; the extent to which the \$800 billion stimulus package

by the Obama administration helped counties most negatively affected by the Great Recession; and an exploration of the large loan program to business, administered by the Small Business Administration under the CARES Act.

Crucini joined Purdue in August 2021 and was most recently at Vanderbilt University, where he was a tenured professor and director of the Center for International Price Research. He has published important research on savings behavior, investment, exchange rates, tariffs, and U.S. monetary policy. He is a research associate of the National Bureau of Economic Research (NBER), a senior fellow at the Federal Reserve Bank of Dallas, and an associate editor of the *Journal of Monetary Economics*.

"Mario is one of the leading macroeconomists in the country," said Kevin Mumford. "He gives PURCE an increased ability to analyze the effects of important federal government policy changes and communicate with government and community leaders."



RUSSELL HILLBERRY

is a familiar face at PURCE events and has now joined the center officially as a faculty affiliate. A professor in Purdue's Agricultural Economics department, he also has a courtesy appointment in the Department of Economics. He came to Purdue in 2016 from the World Bank

where he was a Senior Economist. Prior to this he was a professor at the University of Melbourne and a research economist at the U.S. International Trade Commission.

Hillberry's research focuses on the geography of trade flows, the welfare consequences of trade costs, the efficacy of trade facilitation measures, and the organization of multistage production processes. International trade is increasingly complex and his research shows how trade regulations affect workers, entrepreneurs, and consumers.

"Russ brings to PURCE his experience at both a federal government agency and the World Bank in addition to his excellent academic credentials and experience," said Mumford. "Russ is also a great speaker who can clearly explain how a particular trade policy not only affects GDP, but also workers in Indiana and families in Albania, for example. Our audiences at the Statehouse and at our other events are going to learn a lot from his research!"



SEUNGHOOON NA

is an assistant professor of economics who joined Purdue in 2018 after earning his PhD from Columbia University. His areas of expertise include open economy macroeconomics, monetary economics, and finance. His paper “The Twin Ds: Optimal Default and Devaluation” was published in the *American Economic Review*, one of the top academic journals.

Na is advancing new ideas in macroeconomics regarding how

we should think about electronic devices that are purchased by consumers when they are complementary with firm investment in online services and shopping. He is also writing about the variation in the share of income that goes to workers during cyclical fluctuations and economic transitions, an important topic for understanding income inequality.

“Seunghoon is using high-quality micro data and applying it to important macro policy issues. I’m particularly impressed at his use of new machine learning tools in his research on inflation and monetary policy, issues that are increasingly relevant to all of us,” Mumford said.



COLIN SULLIVAN

is an assistant professor of economics who came to Purdue in August 2021 with degrees from the University of Chicago, Harvard University, and the Wharton School, where he earned his PhD in Applied Economics. He most recently was a postdoctoral fellow in Stanford University’s economics department.

“Colin is an outstanding economist doing important policy work on discrimination,

hiring practices, and organ transplant policy. We are fortunate to have him joining us,” Mumford said.

Sullivan’s research uses experiments and observational data to understand how markets work, and how to improve them. He focuses on matching markets, “where prices are not the only thing who determines who gets what,” Sullivan said.

Sullivan also designs experiments to understand what drives hiring discrimination and how to increase labor market access. He is working on a project to identify whether paternalism contributes to discrimination in hiring decisions.

PURCE is pleased to add these four outstanding researchers to the center’s roster.

ACCOLADES

Our faculty affiliates continue to be recognized by organizations for their teaching and expertise. Here are just a few highlights.

MARA FACCIIO

exceeded 20,000 Google Scholar citations. She was also invited to become a managing editor of the *Journal of Financial and Quantitative Analysis*.

STEPHEN MARTIN

joined the advisory board for the China Research Center for Competition Policy, Hainan.

MOHAMMAD RAHMAN

earned the Central Indiana Corporate Partnership (CICP) Faculty Commercialization Award.

RALPH SIEBERT

was named editor of the *Journal of Economics and Management Strategy*.

ANSON SODERBERY

became a National Economics Education Delegation delegate.

JUSTIN TOBIAS

was elected fellow of the International Association of Applied Econometrics.



ED
KORDEE

WILLS HALL



FUTURE VISION

From the director:

This was my third year as director of PURCE and it has been wonderful to look back over the center's growth and achievements. The primary focus of PURCE faculty affiliates is producing empirical research that evaluates laws, regulations, and government programs. While completed research papers go through a comprehensive and very lengthy (often several years) peer review process in order to be published, few people read papers that are published in these prestigious journals. Our mission is to disseminate this research to ensure that it does more than just sit in an academic journal waiting for a policymaker to take interest. We do this by hosting public events, writing policy briefs, interacting with reporters, and holding information sessions for government leaders. We aim to become a go-to resource for thought-leaders and legislators who are seeking empirical evidence on specific government policies.

The PURCE twitter account at @KrannertPURCE provides links to our scholar's news interviews, newly released papers, and our public events; I encourage you to follow. Please also check out our website — krannert.purdue.edu/centers/purce — and read about the transformative opportunities we are providing to Purdue students and our other programs. Most of all, I invite you to support our mission to share empirical, policy-relevant research findings by talking with others about something you learned from a faculty affiliate. When it comes to government policy there are a lot of voices offering opinions, but facts seem to be in short supply. By providing data and the empirical analysis to understand the effects (both intended and unintended) of government policy, PURCE is becoming part of the solution.



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