

ECONOMICS
AT
BOWDOIN COLLEGE



STUDENT HANDBOOK
2008-2009

**Bowdoin College
Department of Economics
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Webpage: <http://academic.bowdoin.edu/economics>

ABOUT ECONOMICS

The economics program is designed to introduce the basic theoretical and empirical techniques of economics. The major provides an opportunity to study economics as a social science with a core theory and to study the process of drawing inferences from data and historical evidence. The aim of the program is to develop students' ability to apply systematic economic thinking to social problems. Such problems include Third World economic development, the functioning of economic institutions (e.g., financial markets, corporations, government agencies, labor unions), and current policy issues (e.g., the federal budget, poverty, the environment, globalization, deregulation). The major is a useful preparation for graduate study in economics, law, business, or public administration.

The twelve members of the department offer expertise in a variety of topics. In addition to theory courses in microeconomics, macroeconomics and a course in economic statistics, students can take elective courses in environmental economics, labor economics, game theory, history of economic thought, industrial organization, financial markets, Marx, business cycles, public finance, poverty, international trade and finance, econometrics, development economics, economic history, economics of technology, demographic economics, and law and economics.

The Economics Department at Bowdoin offers introductory classes that are exclusively taught by professors. Although Economics is a popular field and several hundred students each year complete these introductory courses, class size is no larger than forty. All students therefore have the opportunity for substantial personal interaction with the instructor.

Faculty members are active in research and publish articles in academic journals and edited collections, and write books. Students can become involved as research assistants and/or conduct their own research under the guidance of a faculty member through an independent study. [See section on research assistants and on independent studies.]

The economics department is also involved in several interdisciplinary areas. Selected economics courses are cross listed in the Asian studies, Latin American studies, Environmental Studies and Gender and Women's studies programs. We also offer a joint mathematics-economics major for students with an interest in mathematics or who plan to go on to graduate school in economics.

REQUIREMENTS

Requirements for the Major in Economics

The major consists of three core courses (**Economics 255, 256, and 257**), two advanced topics courses numbered in the 300s, at least one of which must be designated as a seminar, and two additional courses in economics numbered 200 or above. Only one of **Economics 260 and 360** may be counted toward the economics major. Because **Economics 101** is a prerequisite for **Economics 102**, and both are prerequisites for most other economics courses, most students will begin their work in economics with these introductory courses. Prospective majors are encouraged to take at least one core course by the end of the sophomore year, and all three core courses should normally be completed by the end of the junior year. Note that **Economics 255** is a prerequisite to **Economics 256**. Advanced topics courses normally have some combination of **Economics 255, 256, and 257** as prerequisites. Qualified students may undertake self-designed, interdisciplinary major programs or joint majors between economics and related fields of social analysis.

To fulfill the major (or minor) requirements in economics, or to serve as a prerequisite for non-introductory courses, a grade of C- or better must be earned in a course. Courses required for the major must be taken on a graded basis.

All prospective majors and minors are required to complete **Mathematics 161**, or its equivalent, prior to enrolling in the core courses. Students who aspire to advanced work in economics (e.g., an honors thesis and/or graduate study in a discipline related to economics) are strongly encouraged to master multivariate calculus (**Mathematics 181**) and linear algebra (**Mathematics 222**) early in their careers. Such students are also encouraged to take **Mathematics 265** instead of **Economics 257** as a prerequisite for **Economics 316**. The **Economics 257** requirement is waived for students who complete **Mathematics 265** and **Economics 316**. Students should consult the Department of Economics about other mathematics courses that are essential for advanced study in economics.

Interdisciplinary Major in Mathematics/Economics

This interdisciplinary major consists of six courses in mathematics as follows:

Mathematics 181, 201, 225, 265; and two of **Mathematics 224, 229, 264, 304.**

Either **Computer Science 210** or **Mathematics 235, 244, or 305;** and four courses in economics with a grade of C- or better, as follows: **Economics 255, 256, and 316,** and one other 300-level course.

Requirements for the Minor in Economics

The minor consists of **Economics 255**, and any two additional courses numbered 200 or above. Only one of **Economics 260 and 360** may be counted toward the economics minor. To fulfill the minor requirements or to serve as a prerequisite for other courses, a grade of C- or better must be earned in a course. Courses required for the minor must be taken on a graded basis.

ADVISING

Every sophomore who wants to major in Economics must have an Economic Faculty member Adviser. You choose your adviser when you sign up for the major and that person will be your Adviser until you graduate. While meeting with your Adviser, students must complete a *Major/Minor Form (Available in department office)*. The form must be returned to the Department Coordinator.

You can see your Adviser to talk about selecting courses or about choosing a major. You can talk about special opportunities like studying abroad or getting involved in research, about courses that are giving you problems and courses you are enjoying, and about any other topic related to your life at Bowdoin. Or, you can meet just to chat about how things are going and about what might be happening in your future.

CONTACTING FACULTY MEMBERS

Your professors have office hours on their doors indicating times you can see them. The department has more information about Faculty schedules on their webpage: <http://academic.bowdoin.edu/economics>. If you cannot see an academic member of staff during their office hours, then it is usually advisable to contact them by email regarding your query and the possibility of arranging an alternative time to meet.

Contributing Faculty and Instructional Support

Paola Boel, *Assistant Professor of Economics.*

Rachel Ex Connelly, *Bion R. Cram Professor of Economics and Faculty Liaison to the Center for Learning and Teaching.*

Gregory P. DeCoster, *Associate Professor of Economics.*

Deborah S. DeGraff, *Professor of Economics, Chair.*

Julian Diaz, *Assistant Professor of Economics.*

John M. Fitzgerald, *William D. Shipman Professor of Economics.*

Jonathan P. Goldstein, *Professor of Economics.*

Guillermo Herrera, *Associate Professor of Economics.*

B. Zorina Khan, *Associate Professor of Economics.*

Joon-Suk Lee, *Assistant Professor of Economics.*

Stephen J. Meardon, *Assistant Professor of Economics.*

June Fu O'Leary, *Adjunct Lecturer in Economics.*

John Todd, *Adjunct Lecturer in Economics.*

David J. Vail, *Adams-Catlin Professor of Economics.*

Emeritus Faculty:

A. Myrick Freeman III, *William D. Shipman Research Professor of Economics.*

C. Michael Jones, *Associate Professor of Economics.*

Department Coordinator: Elizabeth Weston

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Librarian Liaison

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Please consult the Economics Department website at

<http://academic.bowdoin.edu/economics> for more information about the economics program and for a list of courses currently taught.

INDEPENDENT STUDY AND HONORS

The Economics Department encourages majors to consider independent research projects (Economics 401) as part of their major program. Projects can be an extension of work begun in an Economics 300 course. Each year the most promising independent studies are considered for departmental honors. The attached materials are intended to provide prospective majors with an understanding of the requirements and procedures for honors and also with ideas for research projects. You will see that the range of honors topics over the past ten years has been enormous. Members of the department also have a wide range of research interests and in recent years several students have developed honors projects based upon collaboration with faculty in their areas of research.

At any time prior to the senior year, feel free to discuss your prospective research interests and the honors program with your advisor.

An independent study either builds on previous course work or explores a topic not in the curriculum. It is, therefore, expected that students taking independent study will have already taken any existing courses in their area of interest if such a course exists.

An independent study may substitute for a 300-level course as a major requirement. However, this substitution is not automatic. (For example, there may be cases in which a 401 replicates standard course material so closely that it does not constitute a distinct course of study.) Once you and your advisor work out the structure of your 401, you may petition the Department for 300-level credit.

REQUIREMENTS AND PROCEDURES (Revised April 2004)

I. **Goals:** An honors project provides students the opportunity to engage in research with close supervision of a faculty member, and moves the student beyond classroom learning.

II. **Requirements for Honors**

Under present College procedures, the Economics Department can recommend to the Faculty that a degree with Honors, High Honors, or Highest Honors in Economics be awarded to a student who has a distinguished record. Based upon a student's grades in economics courses and the quality of the honors project, the department may award "honors," "high honors," or "highest honors". Except in rare circumstances when the faculty advisor makes a case for special consideration, the criteria for awarding honors are as follows.

HONORS requires:

the number of A grades in economics courses minus the number of Cs (or Ds) is at least one and the honors committee awards the project honors or better.

HIGH HONORS requires:

the number of A grades minus the number of Cs is at least four and the project is awarded high honors.

HIGHEST HONORS is awarded to students who meet the criteria for high honors and also have truly exceptional grades and honors papers.

(Grade calculations include the grade assessed to the independent study and grades in other second semester senior year courses. A includes A-, C includes C+ and C-.)

III. The Honors Project

The Honors Project consists of a written report based on research in some area of economics. The report should discuss the relevance of the topic, relate it to recent scholarly work in the field, use methods of analysis appropriate for an advanced student in economics, and contain some own contribution to the question addressed. The own contribution may consist of testing of a new hypothesis or new data, of a new model, or of an evaluation of existing analyses in a new context. The Honors Project should provide new insights into questions of interest to economists, other social scientists, or policy makers.

IV. Procedures

- A. A candidate for honors must have the number of A grades in economics courses minus the number of Cs (or Ds) exceed one at the end of the junior year. An economics major who expects to meet the grade requirements noted above and who wishes to do research leading to Department Honors should consult the member of the department in whose field the project would be. Ideally, preliminary discussion should take place the semester before undertaking the work. If the faculty member approves the project topic, the student registers for Economics 401.
- B. Some honors quality projects can be completed in one semester, but most require two semesters -- one for thorough review and preparation of background materials and another for the development and/or testing of a hypothesis. In some cases, preparatory work may be done in a regular course, particularly at the 300-level. It is also conceivable that a project could be done outside the formal framework of Economics 401-402.
- C. The College catalogue describes the general rules for independent study. The independent study registration form is available from the Registrar.
- D. During the semester(s) the student is enrolled in Economics 401 or 402, the student and faculty supervisor should meet regularly to discuss the progress of the work. In two-semester projects, the faculty supervisor may require interim papers.
- E. Prospective honors candidates will normally have an opportunity to present their work-in-progress to other Economics 400 students and faculty at an Honors Seminar. Candidates are required to present at least once at the honors seminar during the year, in addition to the final honors project defense.
- F. In one-semester projects, or in the concluding semester of two-semester projects, a typed first draft of the project report should be ready for review by the faculty supervisor at least three weeks before the beginning of the reading period.
- G. Following the faculty advisor's review of the first draft, the student should prepare a second draft taking account of criticisms and recommendations by the faculty supervisor. It is normal to expect substantial revision between the first and second drafts.
- H. The second draft is due by the beginning of the reading period. The grade for Economics 401 and 402 will be based on this draft. This draft should be typed and in good form. A manual, such as A Manual for Writers of Papers, Theses, and Dissertations by Kate Turabian, should be consulted for proper form, documentation of references, and organization.

- I. If the faculty supervisor believes the project to be of Honors caliber, copies of the second draft are circulated to two additional members of the department who comprise the Honors Committee. An oral presentation is scheduled, normally during the examination period. The oral presentation concerns primarily the Honors Project, however, a student may also be asked to explore the connections between the project and the core of economic analysis.
- J. Additional changes in the paper may be required after the oral presentation. These should be incorporated in the third and final draft, three copies of which are to be prepared by the student. The original is placed on file in the Library, the second copy remains in the economics department, and the third is kept by the student.

RECENT HONORS PROJECTS

- Caras, Scott C.**, (2008) *“Business Cycles: An Analysis of Leading Economic Indices”*
- Twombly, Kerry A.**, (2008) *“The Impact of Deflation and Disinflation on Growth: An Empirical Analysis”*
- Carlson, Stephen B.**, (2007) *“Capital Market Development in Antebellum Maine: A Quantitative Analysis of Balanced Equity Market Growth”*
- Dhilla, Arif Hakim**, (2007) *“Do You Really Need Three C-Span and Four Shopping Networks? A Study of Bundling in the Cable Television Industry”*
- Hight, Samuel J.**, (2007) *“Hedge Funds, Systemic Risk and Credit Derivatives: An Overview and a Model on How Credit Default Swaps May Increase Systematic Risk in the Financial System”*
- Mullis, Jody Brent**, (2007) *“An Analysis of Russian-OPEC Crude Oil Competition”*
- Plant, Suzanne K.**, (2007) *“Development Denied: The Effects of Developed Countries’ Subsidies on West African Cotton Farmers”*
- Wieler, Matthew E.**, (2007) *“Determinants of Welfare Participation: 1992-2003”*
- Xie, Chengsi**, (2007) *“The Sustainability of China’s Investment Rate”*
- Bradford, Elizabeth H.**, (2006) *“What factors motivate offshoring? : using trade models to evaluate cultures impact”*
- Roseman, Matthew**, (2006) *Welcome to Hollywood! : a study in the profit-generating mechanisms of a multi-billion dollar industry where “nobody knows anything”*
- Alepin, Phillippe S.**, (2005) *“The National Hockey League Lockout: A Model for Inefficient Labor Negotiations”*
- Doore, Micheal P.**, (2005) *“The Viability of Maine’s Forest Products Industry”*
- Kelsey, Gregory A.**, (2005) *“Muddy Children, Temporary Deafness, and the 10,000th Digit of $\sqrt{2}$: Modeling Knowledge”*
- Partridge, Mara J.**, (2005) *“Theories of Voluntary Environment Over—Compliance: Can Firms Profit by Protecting the Environment?”*
- Schmitz, Roger W.**, (2005) *“Assessing the Viability of Economic Solutions to Urban Water Scarcity in Developing Countries”*
- Walker, Whitney, J.**, (2005) *“The Impact of Financial Aid on Savings: An Empirical Analysis of Single Parent Families”*
- Blanchette, Brittany L.**, (2004) *“Aboriginal Art Sells”*
- Chiewcharnipat, Somboon**, (2004) *“Extreme Value Theory and a Better Value-at-Risk”*
- Eichleay, Peter**, (2004) *“Optimal Airline Route Networks: An Economic Analysis”*
- Hayes, Douglas F.**, (2004) *“Competing Supply Chains: Explaining the Automotive Parts Retail Industry”*
- Penfield, Heather**, (2004) *“The Economics of Dance: Copyright and Ownership of Choreography”*
- Salony, Jason**, (2004) *“Highways and the New Economic Geography in Brazil”*
- Sullivan, Kathryn K.**, (2004) *“Vertical Product Differentiation to Deter Luxury Goods Counterfeiting”*

STUDY ABROAD OPPORTUNITIES

Many study away programs offer courses that will count towards the economics major. Students who desire credit for an economics course(s) taken away should obtain written approval from the Chair or economics advisor prior to leaving Bowdoin. Generally we encourage students to take 200-level electives abroad. The normal expectation is that students will take the three intermediate core courses (255, 256, 257) and the two required advanced-topics courses (300-level) at Bowdoin. Students are urged to have completed Economics 255, 256, and 257 before their senior year. Most students who plan to study away should try to take the intermediate micro (255) and macro (256) courses before they leave.

One or two credits are typically granted for elective courses taken in European programs; no more than one intermediate core course and no more than two courses at U.S. institutions will normally be considered for credit toward the Economics major. One intermediate core course can be taken at the London School of Economics (LSE) and exceptions are made to grant 300-level credit for one 300-level course at LSE. **No more than two course credits in total for courses taken elsewhere can be counted towards the major.**

Accounting, business management, marketing, and other business-related courses are not accepted for credit.

The Off-Campus Study Office can provide you with more information about study abroad opportunities as well as a list of Bowdoin-approved programs.

CAREER OPPORTUNITIES FOR ECONOMICS

"What can I do with an economics major (or minor)?"

Just about anything, thanks to the systematic approach it brings toward analyzing a wide variety of situations. Economics is one of the most versatile and useful majors because it hones your analytic and critical thinking abilities while you learn about the global economy – an international system which results from the aggregation of practical decisions made by households, firms and governments in our nation and abroad.

Arguably the most practical of the liberal arts, economics enables you to logically structure problems of choice – including choice under uncertainty – and to acknowledge the various financial, legal, social and transitory considerations which constrain us. You will learn analytic tools to enable you to solve puzzles and see through common myths while applying these tools to real world, current events found in the newspapers and other media. Your subsequent understanding of the interactions of laws and government policies with personal and business decisions provides a solid foundation for either finding a job or graduate study.

Unlike many disciplines, which require advanced study to land a job in the field, economics prepares you to step into entry positions upon graduation, as well as enabling you to apply for jobs which require either a liberal arts degree or a business-related degree. Economics graduates typically work in one of four areas: business (private sector), government, international or academic/research.

In the private sector, economists prepare forecasts and analyze a variety of economic relationships for their employers in industries such as financial services, insurance, health care and manufacturing, as well as for trade associations, labor unions and non-profit organizations. Economics majors often go into investment banking or consulting for business and government in a variety of areas including management, antitrust, the environment, etc.

The government hires economists to use economics models and national and international economic data to guide current policy at a wide variety of agencies including the Department of Justice (antitrust division), the Federal Trade Commission, the State Department, the Bureau of Labor Statistics, the Department of the Interior, the Environmental Protection Agency, the Food and Drug Administration, the Department of Agriculture, the Department of Commerce (including NOAA, NMFS and the Bureau of the Census), the Federal Reserve System and the Treasury.

International organizations such as the International Monetary Fund, World Bank, European Union, and Organization for Economic Co-Operation and Development employ economists to gather and analyze international data.

Finally, academic and research economists (usually those holding a Ph.D.) teach and/or conduct (and publish) research at colleges, universities, and think tanks around the world. They may be called upon to provide expert testimony to courts or Congress. For those interested in graduate study, an economics degree is well-respected by top graduate programs in business, law, medicine, public policy, and of course, economics. To prepare for the rigor of graduate or professional school, students often choose a major or minor in economics to complement concurrent study in mathematics, government, history, psychology or sociology.

Occupations of Bowdoin Economics Alumni

The experiences of our own graduates illustrate the broad range of employment opportunities. A sampling of actual entry-level positions obtained by recent graduates with only an undergraduate degree includes:

Financial Analyst	Goldman Sachs
Underwriter	The Andover Companies
Math Teacher	Hyde School
Assistant Buyer	May Company
Corporate Legal Assistant	Wilkie, Farr, and Gallagher
Environmental Education Teacher	Chewonki Foundation
Mutual Fund Custody Accountant	Investors Bank and Trust
Advertising Consultant	Seneca Advertising
Real Estate Analyst	Boston Capital
Risk Analyst	M&T Bank
Regional Marketing Associates	Putnam Investments
Senior Financial Analyst	Fleet Boston Financial
Convertible Bond Trader	Barclays Capital
Options Trader	TFM Investment Group
Pharmaceutical Research Associate	Newport Strategies, Inc
Vice President	Duquesne Capital Management
Assistant VP Commercial Lending	Enterprise Bank
Consulting Associate	Cambridge Associates
Analyst Associate	Charles River Associates
Research Assistant	Urban Institute
Advertising Consultant	Doyle Associates
Analyst	Morgan Stanley
Investment Associate	Bridgewater Associates
Business Analyst	A.T. Kearney
Consumer Marketing Coordinator	Ziff Davis Media
Consulting Associate	Cambridge Associates
Equity Research Associate	Fidelity Investments
Graduate Student - Graphic Design	Massachusetts College of Art
Business Analyst	Deloitte Consulting
Project Manager	Jan Krukowski and Co.
Management Training Program	Fleet Bank
Consulting Associate	Cambridge Associates
Commercial Real Estate Broker	Newport Strategies, Inc
Research Associate	Federal Reserve Bank of Boston
Research Associate	The John Hopkins School of Public Health

The job search process

Searching for that first job can be frustrating, unless Uncle Harry or Aunt Sally is holding open a position for you in their company. But help is available. Start with the Career Planning Center. They have the latest Career Search software and a career library to identify potential employers. They sponsor workshops on how to write résumés and cover letters. They offer mock interviews to polish your interpersonal skills and individual counseling to handle specific issues. Check their web site at <http://www.bowdoin.edu/cpc> for details.

Talk with your professors, as well. They keep in touch with alumni and might be able to identify contacts in the areas in which you are interested. If nothing else, alumni are often willing to talk with current students about what types of opportunities are available in their fields and how to go about finding them.

Internet sites are also of value. Many sites list available employment opportunities. Do you want to join a firm in telecommunications or transportation or pharmaceuticals? Do a web search, find an industry trade association that lists the sites of member firms and start browsing. Check out the job listings. What is available? What types of people and skills are the firms seeking? Government agencies, both state and federal, list openings as well. Log onto the web and search. And don't forget sites such as monster.com and flipdog.com that allow students to post their résumés electronically.

PRIZES AND DISTINCTIONS

Paul H. Douglas Prize:

This prize, awarded by the Department of Economics each spring in honor of Paul H. Douglas '13, a respected labor economist and United States Senator, recognizes a junior who shows outstanding promise in scholarship in economics. (1999)

2008 Recipient: Archibald Abrams, Crosby Cook, Sarah Landrum, Kerry Persen, Kelsey Read

2007 Recipient: Fei Tan

2006 Recipient: Jonathan Crowley, Samuel Hight, Curtis Isacke, Brandon Malloy, Aaron McCullough, Chengsi Xie

2005 Recipient: Travis Arnold, Ekaterina Bezborodko

2004 Recipient: Eric Bakkensen, Roger Schmitz

2003 Recipient: Stephan Seabrook, Timothy Mathien, Kathryn Sullivan

Noyes Political Economy Prize:

This prize, established by Crosby Stuart Noyes, A.M. H1887, is awarded to the best scholar in political economy. (1897)

2008 Recipient: Scott Caras, Fei Tan, Kerry Twombly

2007 Recipient: Stephen Carlson, Arif Dhilla, Samuel Hight, Suzanne Plant

2006 Recipient: Elizabeth Bradford, Matthew Regele

2005 Recipient: Michael Doore, Greg Kelsey, Roger Schmitz

2004 Recipient: Stephan Seabrook, Kathryn Sullivan

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