



The Department of

Business Economics & Public Policy

Jeff Prince

CHAIR OF THE DEPARTMENT OF BUSINESS
ECONOMICS & PUBLIC POLICY

Dear BEPP Community,

I am thrilled to write to you again as a kick-off to our second annual department newsletter!

The BEPP department consists of high-caliber economists working within a top business school. As such, our primary purpose is to bring the rigor and critical thinking inherent in economic modeling and econometric analysis to important business questions and challenges. Recognizing our role, the purpose of this newsletter is to highlight how BEPP faculty, students and alumni have served this purpose over the past year.

In what follows, you'll find: an in-depth look at select faculty, a detailed discussion of one of our popular analytics courses (Predictive Analytics for Business Strategy), summaries of faculty activities and research in the news, program highlights, BEPP Club activities and engagements, graduate student placement, and several updates from – and spotlights on – BEPP alums.

Of course, there is much more to BEPP than what we can summarize in a newsletter. So, if you haven't already, please join the hundreds of BEPP friends who now follow us on Facebook (<https://www.facebook.com/KelleyBEPP/>), and if you're a BEPP alum, please join our LinkedIn group (<https://www.linkedin.com/groups/4347267>) to not only learn about the department but also stay connected with fellow BEPP grads.

I like to conclude these newsletters with a thought that highlights general BEPP skills within a current context. Lately, I've seen a good deal of emphasis placed on the value of "telling a story" with data. To the extent that such a practice reduces dependence on cluttered slides and fosters the practice of building structured arguments, this is a step in the right direction. However, anyone with good BEPP training knows that not all stories have equal merit. Some have lots of style, but little substance; some start with a conclusion, and just spin the data to align with it. Such storytelling approaches don't pass muster here. Rather, we understand that a strong, data-driven argument clearly delineates the theory and evidence that leads to its conclusions, with an open mind toward alternative possibilities, and a careful approach in assessing such alternatives. It is the combination of training in economic theory, statistics, and econometrics that allows our faculty, students, and alums to not just tell stories, but make well-reasoned and scrutinized arguments rooted in sound economic rationale and supported by expert empirical analysis.

Please enjoy this second installment of our newsletter, and as friends of BEPP, please don't hesitate to stay in touch and stop by any time you're back in B-town – we'd love to see you!

Sincerely,

Jeff Prince

Harold A. Poling Chair in Strategic Management



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New Faculty



Marilyn Pease

Marilyn Pease grew up in Colorado Springs, Colorado, and received her Bachelor's degree in Mathematical Economics from Colorado College in 2010. After graduation, she lived in Kagoshima, Japan, teaching English at a high school and traveling for a year.

"After becoming just fluent enough to ask for directions and order food, I moved back to the United States to attend graduate school at the University of Iowa," says Pease. She graduated with a Ph.D. in Economics in May 2017. Her research interests are in economic theory, industrial organization, search theory, labor economics, and dynamic games, with her dissertation focusing on information and learning.

Here at Kelley, Pease teaches Managerial Economics to undergraduates and Game Theory and Information Economics to Ph.D. students.

"I'm excited to be at IU because of the amazing colleagues and top-notch students I'm able to work with," says Pease. "Plus, Bloomington's campus is beautiful, and it's a lot warmer here than in Iowa, so that certainly doesn't hurt!"

Though she doesn't yet have children, she recently rescued a gray short-haired cat named Minerva from the local shelter. An avid gym-goer, Pease enjoys high-intensity interval training and dancing. In fact, she's a former competitive Irish dancer!

She also loves traveling and recently went to Croatia. With upcoming trips planned to both Mexico and South Africa, Pease is eager to make new memories. She's thrilled, however, to call Bloomington home.

"During my time at IU, I hope to develop my research and teaching skills and, of course, see some good IU basketball!"



Juliana Rogo

Growing up in the capital of Brazil, daughter of a biologist Syrian immigrant and a Brazilian engineer, Juliana Rogo was inspired to become an economist after experiencing the "lost decade" in Brazil where the country experimented with six different

economic stabilization plans.

After graduation, she joined the Central Bank of Brazil in the Investor Relations Group and later the economic advisory team to the Governor. After pursuing her graduate studies in the U.S., Rogo got her MS in Managerial Economics and Decision Sciences at Kellogg School of Management, then a Ph.D. in Economics from the University of Illinois at Chicago. Her dissertation focuses on the role of physicians' incentives and health outcomes.

"The power of incentives is an overarching theme in economics," says Rogo. "CEOs respond to incentives, firms respond to incentives, but I think it is also fascinating to see other economics agents react and make choices motivated by financial interests."

Rogo has taught a variety of courses in economics, including Managerial Economics, Industrial Organization, Game Theory, Econometrics and Macroeconomics and Global Issues. She's married to Assistant Professor Rafael Rogo (Accounting Dept.) and they have a 9-year-old daughter named Anna Julia who is looking forward to having a dog here in Bloomington. The family likes to grill Brazilian barbecue and enjoy time with friends.

Grateful to belong to the IU family, Rogo is fascinated by the campus' flourishing community spirit.

"During my first year here, one of the things that caught my attention when walking through the corridors of Kelley are all of the inviting slides, energetic hands, engaging lectures, and passionate students," says Rogo. "The recent challenges posed to the global economy require creative thinking. The trade-offs in developing countries are different than in North America, which, for our business graduates, can represent fresh insights and new opportunities."

Faculty Spotlight: Eric Rasmusen

Dan R. and Catherine M. Dalton Professor of Business Economics and Public Policy

by Christy Heitger-Ewing

"Economics is a way to see things 'behind the scenes' in news events that nobody can see without it," says Eric Rasmusen, who joined Kelley's BEPP department in 1992. Prior to coming to Bloomington, Rasmusen was a Visitor at U of Chicago Booth and Yale Law. He's also had sabbaticals at Harvard Law/Econ (appointments in both), Tokyo Econ, and Oxford Nuffield College.

At IU, Rasmusen designed the current G406, Business and Government, an advanced form of Professor Steve Kreft's sophomore course that all business students take.

"I require students to write a comment on an actual proposed federal regulation and submit it during the comment period to the appropriate agency," says Rasmusen, who also taught this course at Harvard. While he noticed that Harvard economics undergraduates asked more questions about the policy underpinnings, he maintains that they weren't as well prepared in finance and business law as IU students.

In 2006, Rasmusen authored a book titled *Games and Information: An Introduction to Game Theory*. Now in its fourth edition, it's been translated into Japanese, Chinese (mainland), Chinese (Taiwan), French, Italian, and Spanish. His 1989 paper titled "Naked Exclusion" was published in the *American Economic Review* and was about possible anti-competitive effects of

GO FROM MOMENT TO MOMENTUM
kelley.iu.edu

exclusive dealing, which has become a standard cite for when exclusive dealing contracts do or do not have nefarious effects.

Currently, Rasmusen is working with Professor Rick Harbaugh on a paper called "Coarse Grades" that will be published in the *American Economic Journal: Microeconomics*.

"Certifiers of quality often report



only coarse grades to the public despite having measured quality more finely. For example, 'A' instead of '98.' Why is that?" asks Rasmusen. "We show that using coarse grades can actually result in more information reaching the public because it encourages low-quality individuals or firms to become certified."

In their model, the certifier aims to minimize public uncertainty over quality subject to the feasibility constraint of voluntary certification at a fixed cost. Moving from the

best exact grading scheme to the best coarse grading scheme both induces greater participation and reduces public uncertainty.

Another forthcoming paper to be published in *The Journal of Empirical Legal Studies* is titled, "Identity Politics and Organized Crime in Japan: The Impact of Targeted Subsidies on Burakumin Communities" (with J. Mark Ramseyer). Working papers include "Getting around the State and Local Tax Deduction Limit" and "Voter Ideology: Regression Measurement of Position on the Left-Right Spectrum," (also with Ramseyer).

"Publishing in economics requires competing with a lot of smart people, and the constant rejections require a lot of persistence, even for senior scholars like me," says Rasmusen. Even so, Rasmusen takes great pride in the impact he's had on students through the years. He recently received a note from a former student who interned for Newt Gingrich at the American Enterprise Institute in DC. He wrote, "A lot of my research revolves around CBO and OMB data, as well as the economic effects of policy, and your class couldn't have prepared me better. I feel more experienced than my counterparts from John Hopkins and Yale."

Rasmusen's wife, Helen, has a Doctor of Music degree from IU in piano performance, but thoroughly enjoyed being a housewife and raising their five children: Amelia,

continued, Rasmusen

BEPP Faculty in the News

In the last year, BEPP doctoral students' research on healthcare is getting widespread attention.

In October 2017, BEPP doctoral candidate, Aparna Soni, had her research included in Reuters discussing data on more than

858,000 adults, aged 19 to 64, in 13 states. Her research into uninsured cancer patients showed a decrease to 3.8% from 5.7% over the preceding

three years, a decrease of approximately 16,500 people, or 33%. (<https://www.reuters.com/article/us-cancer-insurance-aca/large-decrease-in-uninsured-new-cancer-patients-linked-to-affordable-care-act-idUSKBN1CW302>)

In addition, regarding Medicaid expansions in 2014, Aparna Soni's research was included in an article in Doctors Lounge, featuring her research on increased early cancer detection since the expansion of the Affordable Care Act over the last three years. (<https://www.doctorslounge.com/index.php/news/pb/77360>)

In November 2017, Ellie Mafi-Kreft, clinical associate professor of BEPP, was quoted in a *Northwest Indiana Times* article on a positive economic forecast with a good stock market in 2018 saying, "virtually no country is expected to experience a recession. The growth is generalized to advanced, emerging and developing economies." ([http://www.nwitimes.com/business/local/iu-economists-](http://www.nwitimes.com/business/local/iu-economists-forecast-moderate-growth-good-stock-market-in/article_be00b2d2-7f15-5ca0-a572-6140c577d2b0.html)

[forecast-moderate-growth-good-stock-market-in/article_be00b2d2-7f15-5ca0-a572-6140c577d2b0.html](http://www.nwitimes.com/business/local/iu-economists-forecast-moderate-growth-good-stock-market-in/article_be00b2d2-7f15-5ca0-a572-6140c577d2b0.html))

Dan Sack was quoted in an article for Quartz in February 2018 on a study

on the correlation between happiness and income. He expressed that the newest study was compelling, but not definitive and that he was concerned that the research relied

on flawed survey questions, saying "I'm not convinced that people who actually have income of \$150,000 are no happier than people who have income of \$100,000. (<https://qz.com/1211957/how-much-money-do-people-need-to-be-happy/>)

Dan Sacks was also quoted in *Insider Louisville* in March 2018 in an article on the merger discussions between Humana and Walmart, calling the vertical merger the "next natural step." (<https://insiderlouisville.com/business/report-humana-in-merger-talks-with-walmart/>)

Andreas Hauskrecht was quoted in April 2018 in Indiana Public Media on the direct benefits to the United States joining the Trans-Pacific Partnership to the state of Indiana, saying "TPP would address so many issues, such as environmental, worker rights, public procurement, trade unions. So, the United States would have the ability to influence this important alliance." (<https://indianapublicmedia.org/news/>



photo courtesy of nwi.com

continued, Rasmusen

Elizabeth, Benjamin, Lillian, and Faith.

"The big tragedy in our life is that in 2009, Elizabeth was killed in a car-train crash, along with both of my parents. The fact that Amelia and Ben survived was miraculous," says Rasmusen. "It taught me and my wife that life is a blessing that we can't take for granted, and we thank God that we were able to have Elizabeth with us for the nine years she lived. We appreciate every moment given to us."

[lawmakers-trump-exploring-rejoining-pacific-trade-talks-145225/](https://www.lawmakers-trump-exploring-rejoining-pacific-trade-talks-145225/))

Jeff Prince's article was featured in the *Harvard Business Review* in April 2018 analyzing the content that draws new viewers to streaming services. His analysis of 2008 to 2009 household data showed a significant increase in cord-cutting in favor of streaming subscriptions. He and Shane Greenstein of Harvard Business School found results that indicated that if a streaming service wished to attract subscribers, offering content from TV channels was not an efficient method. They found that offering original content allowed streaming services to differentiate themselves from competitors. Further, their research provided insight into the balancing game of providing popular television programs with original content that encouraged cord-cutting from traditional television outlets in favor of streaming services. (<https://hbr.org/2018/04/does-original-content-help-streaming-services-attract-more-subscribers>).

Faculty Spotlight: Ellie Mafi-Kreft

Professor of Business Economics & Public Policy

by Christy Heitger-Ewing

Ellie Mafi-Kreft, Clinical Associate Professor, joined Kelley's BEPP department in 2006 after previously teaching economics at Rose-Hulman Institute of Technology.

"I've taught classes with four students sitting around a table, so when one student was missing, a fourth of the class was absent!" says Mafi-Kreft. Things are a little different at IU where she lectures to more than 200 students at a time and in an amphitheater, no less.

"Now when 50 students don't show, I can barely notice," says Mafi-Kreft, who also teaches online to graduate students using virtual live lectures.

"Boy, that's a whole different arena!" she says, noting how difficult it can be to find innovative ways to create a communal sense of learning or assess how well students grasp the material. "It's also hard to promote intelligent debate among students and incentivize discussion between the students and me."

A woman of many talents, Mafi-Kreft has taught macroeconomic principles, international economics, banking, pricing, and corporate social strategy at both the undergraduate and MBA level. She's received two Trustees teaching awards, the Innovative teaching award, and an MBA teaching excellence award.

When she was in graduate school at West Virginia University, Mafi-Kreft's Ph.D. advisor turned her on to public choice theory—a field that explores the relationship between economic self-interest and politics. The whole idea is that voters can influence policy as politicians will do anything for their votes.

"It fits in the BEPP literature because businesses interact with the government and social

activists," explains Mafi-Kreft. "Therefore, it is strategic for businesses to understand how to mitigate the risks that those non-market stakeholders present, but also businesses need to understand the opportunities that those stakeholders represent."

At the moment, Mafi-Kreft is working on strategic sustainability using different statistical approaches to see if firms in a given industry who are building reputation in sustainability have



performance gains over those who are not.

"I'm interested in doing research to be able to actively participate in national economic conferences," says Mafi-Kreft, who also conducts research for the Indiana Business Research Center. She's been writing the annual international economic forecast for the IBRC for over a decade now; it's published in the *Indiana Business Review* every year.

"This forecasting research allows me to be the economist in a panel of Kelley faculty experts that travels the state to inform the business community," she says.

Mafi-Kreft, a French citizen, is a

native of Paris. Her parents, both now retired, live in the French Basque country where she visits three months a year. Her husband, Steven Kreft, whom she met in graduate school, is also a BEPP professor.

"He's the optimistic and fun half of this couple," says Mafi-Kreft with a grin. "My 12-year-old son, Vincent is a hockey hero/piano player who dreams of becoming an astronaut so we can all move to Mars."

Vincent will be hard-pressed to persuade his mother to pack for the stars as she is obsessed with Alpine skiing and is happiest when she's atop a glacier.

Mafi-Kreft loves how at Indiana University she regularly sees a variety of personalities on campus, including the competitive and forceful business student, the creative and optimistic music student, and the passionate and contemplative philosophy student.

"As a university we should continue to strive for greater diversity at all levels, including gender, race, and political opinions," says Mafi-Kreft. "I feel like IU shares those same values and is trying to improve diversity and inclusivity."

She, herself, mentors for several women and diversity initiatives. Though she has many fond memories of her time in Bloomington, her favorite is when she met her childhood crush, George Chakiris, a dancer and actor who won the Oscar for his role as Bernardo in *West Side Story*.

"He was giving a lecture for IU cinema students and I wasn't teaching that day so I went and talked to him and learned he's a Francophile!" says Mafi-Kreft. "Now if only IU could invite Stevie Wonder to campus, then two things would be scratched off my bucket list!"

Course Spotlight

Predictive Analytics for Business Strategy

by Christy Heitger-Ewing



Predictive Analytics for Business Strategy, formerly named Data Analysis with Economic Modeling, serves as a capstone data analytics course for Kelley undergraduate students who major in either business analytics or economic consulting. Andrew Butters, an assistant professor who has

taught the class for the past three years, notes that the piece that transcends all content throughout the course is, How do we think carefully about how we get and measure empirically causal effects?

"The euphemism that gets thrown around is, 'We're looking for causation, not just correlation,'" says Butters. "And the converse being that correlation doesn't always equal causation." Every semester he generates a chuckle from students when he presents a power point slide that shows the number of movies Nicolas Cage has starred in and then plots that over the annual number of reported deaths in swimming pools.

"Though it looks like there's a strong correlation, I would argue that there's no causation there and therefore

no need to ban the production of future Nicolas Cage films in order to save lives," says Butters. The example demonstrates the importance of businesses and public policy institutions not getting caught in the pitfalls of assessing correlation as potential causation. And that's the key theme in this class.

Professor Jeff Prince, Chair of BEPP, has written a textbook for the course that introduces applications and makes clear how these methods can be immediately useful in a business setting. Butters uses Prince's textbook but also engages students by introducing focused applications and real-world examples.

"Almost every week, if not every lecture, I make sure students download a new data set so that they're trying to figure out a different answer to a particular business question," explains Butters. "I might ask different pricing decisions for particular characteristics of the latest iPhone. Those sorts of things help a course that, by and large, is pretty much about p-values."

The key, says Butters, is always determining, "How does this help us understand causality in this empirical setting?"

Butters gives student groups an incredibly messy data set—one that he says he wouldn't wish on his worst enemy. They have to clean it up, answer questions, create a written report, and present to a client.

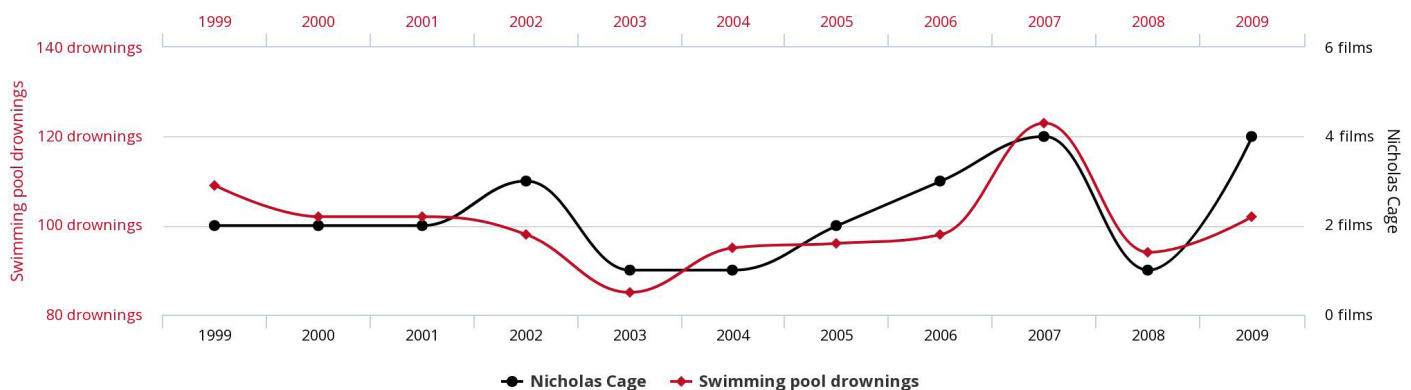
"This is our best attempt at giving students an

continued, Course Spotlight

Number of people who drowned by falling into a pool

correlates with

Films Nicolas Cage appeared in



tylervigen.com

Ph.D. Placement: Yu-Hsin Liu



Yu-Hsin Liu grew up in Taiwan and completed his undergraduate degree in Operations Management at National Taiwan University. He earned his M.S. in Management and Economics from the London School of Economics before receiving his M. Bus. in Business Economics, his Ph.D. in Business Economics, and his M.S. in Applied Statistics at Kelley School of Business.

"I switched from operations to economics because it carries a broader perspective on society," says Liu. "It also stimulates both my research and personal interests in terms of my career goals."

Liu chose to pursue a career in digital economy because he was interested in business start-ups and their impacts on society.

Liu weighed several job prospects and had it narrowed down to two: a professor position at the National University of Singapore or a data scientist in Green Dot Corp in Pasadena, California. Though the university position matched well with Liu's research interests in terms of digital economy, platforms, and data analytics skills, he accepted the offer at Green Dot so that he could focus on financial services.

"I'll be able to use their data to contact some of the projects I initiated myself. That's very exciting," says Liu. "In academia, you don't get that chance to play with real big data and implement your research ideas into the real world. In the end, that's what convinced me to choose industry over academia."

Liu and his wife, Amy, are also eager to remain in the United States, at least for now.

"I'd rather spend my early career life still in the U.S. Perhaps I'll go back to Asia in ten years or so," says Liu, who loves to shoot hoops, play tennis, and drum. Liu looks forward to starting this next chapter in his life in August. Children may be next. But first, data!

continued, Course Spotlight

opportunity to go from conception to deliverable of a project that had a lot of data work involved in it," explains Butters. "They have to come up with a compelling argument for why what they have estimated as an effect is a causal effect."

The semester-long project is a blend of outside research and empirical analysis. What's great about this particular course is that the data analytic skills it provides open up all sorts of career options. For example, some students go on to work as research assistants for institutions or academia. Others work at public policy institutions like the Federal Reserve of Chicago. Butters has also seen finance and accounting majors supplement that with a business analytics co-major.

"While those students might take a more traditional finance and accounting track, they clearly see the value in being able to be a contributing member to any sort of empirical analysis," says Butters. "These are not your run-of-the-mill students. They have a diverse set of potential career arcs."

In recent years, Butters has witnessed an increased

demand in the business analytics co-major. Therefore, two sections of this course are now offered in the fall and an additional three in the spring. And it's a nice sized class—not too big or too small.

"It's not a grad survey course of five people sitting Indian style on the floor, but it's also not a 110-person lecture hall where it's difficult to know everybody on a first-name basis," says Butters, a young prof who likes to poke fun at the fact that he's got a baby face.

"When I walk into class on the first day, there's a bit of shock and awe as students wonder if the wrong person was sent to teach," says Butters with a chuckle. "Though I always wear a suit and tie to ensure there's no ambiguity as to who should be in front of the lecture hall, inevitably some students get concerned about whether they need to dress up for class."

Butters, and his wife, Rebecca, a lecturer in IU's Communications Department, welcomed their first child, Alden, last December. So, now there truly is a baby face in the Butters family. And boy, does he look adorable in a tiny suit and tie!

Alumni Updates

MATTHEW LIZZIO

Cash Management Sales Associate
Santander Bank - Boston, MA
2013 Graduate

Favorite IU Memory

Watford for the win!

Most Valuable BEPP Course

G345 Money, Banking and
Capital Markets.

In general: BEPP taught me how to think about business in a completely different light compared to the undergrad Finance courses. It gave me an appreciation for capital markets, decisions a firm makes, and the influence governments or other economic factors can cause. I feel focusing in the BEPP curriculum really rounded out the pre-ICORE foundation of fundamental formulas and theories with real-world application. BEPP gave me a big picture understanding of business that has shaped my time after college and my career.

Career Highlights/Future Plans

Today I work in commercial banking treasury management sales, providing mid-market CFO's and Treasurers banking solutions. In a highly commoditized business with a lot of competition, differentiation comes from relationship management and providing consultative interest in prospective clients, bringing innovation to decision makers to solve the obstacles their businesses face. I moved to Boston from NYC in late 2017.



JAKE KINTZEL

Content Partnerships
T-Mobile - Denver, CO
2014 Graduate

Favorite IU Memory

My favorite memory has to be the 36 hours at my first Dance Marathon and listening to the stories of those affected by IUDM.

Most Valuable BEPP Course

The most valuable course was Non-Market Risk Factors with professors Steven Kreft and John Maxwell. The class taught us to explore business problems holistically, make a decision on how to move forward, and defend that decision against strong (peer) opposition. It was the closest replication of how real-world decisions are made and has been invaluable in my roles at Layer3 TV and T-Mobile.

Career Highlights/Future Plans

I joined a startup, Layer3 TV, in July 2015 as a Coordinator (planning meetings, getting coffee, and generally helping where I could) and worked my way into a supervisory role running Content Operations and Analytics. In January 2018, Layer3 TV was acquired by T-Mobile and I've since been promoted to a Project Manager, working on the long-term content strategy and negotiating carriage agreements for TV networks and apps.



MAXWELL CABELLO

MBA Student
Pratt Institute - New York City, NY
2012 Graduate

Favorite IU Memory

While I didn't attend the game, I still vividly remember both the week leading up to and moments

after we upset Kentucky with the Wat Shot the fall of my senior year. The low, sustained roar that could be heard on and around campus that evening was amazing to experience as a student.

Most Valuable BEPP Course

Money, Banking, & Capital Markets was a really good foundation of knowledge of the financial sector and the

role of central banking/governments in the marketplace. Even though I am now pursuing a new career path, I find this knowledge and ability to reason through similar information that was presented in that course to be very useful in my current, public-oriented career.

Career Highlights/Future Plans

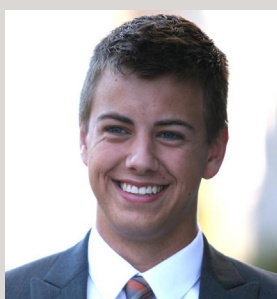
No key career highlight, but I will say I feel like the skills I have learned at Kelley, and BEPP in particular, have put me in a good place to succeed at a variety of jobs and companies/organizations. I've worked for a company with over 10,000 employees and also been hired on as the 10th employee at a company, but I have always been comfortable knowing that I have the skills needed to succeed wherever I've worked and whatever I have been working on.

Pass, Fail, or Something in Between: Approval Rating Evolution

Press Release

BLOOMINGTON, Ind. -- Certifiers often use simple pass-fail indications of quality rather than provide more exact information. Eco-labels from environmental groups usually just indicate that a product is not too harmful, and seals of approval from safety organizations often do not reveal whether the product passed tests just barely or by a wide margin. If the certifier wants to provide information to consumers, why not provide more exact information? One explanation is that consumers have trouble processing more detailed information, so simple pass-fail grades are easier to understand. But if consumers prefer simple pass-fail information, why do Amazon and other online retailers provide detailed user-provided information about product quality?

Rick Harbaugh and Eric Rasmusen, from the Kelley School of Business, show that when certification requires costly cooperation from firms, pass-fail grades and other coarse grading schemes give more incentive to firms to participate. Just as a student would be reluctant to attend a medical school that would publicly certify him as the worst in his class, a firm would not be eager to be stamped with a seal of approval that tells the world it barely passed. If the certification grade is coarse, a mediocre firm is mixed in with better firms, so the expected quality given certification is higher than the true quality. Therefore the firm/person considering certification has more incentive to bear the costs of certification, and participation in the certification scheme rises. Professors Harbaugh and Rasmusen show conditions under which this gain in information from more participation in the certification scheme exceeds the loss from hiding exact information, so that paradoxically the consumer learns more from coarse indications of quality than from more exact measures. These results can explain why certification schemes requiring voluntary participation typically use coarser grading than certification schemes that are mandatory or unavoidable by firms.



CONNOR REED

*MS Student
UNT - Denton, TX
2017 Graduate*

Favorite IU Memory

One of my favorite memories from IU was getting to perform at The Bluebird downtown with my band.

The entire music culture of Bloomington is unlike any city in the country.

Most Valuable BEPP Course

I use the skills I learned in Business Econometrics and Predictive Analytics every day. I'm taking econometrics courses at the graduate level, and also building regression models with eSite Analytics. I took the Probit model we learned in BUS-G 350 and turned it into my Masters thesis. I'm modeling 2017 department store closures in the United States against the demographic and site-specific variables that may be associated with those closures- income, density, distance to competitors, cannibalization, etc. The entire thesis was inspired by work I did with Professor Butters in the BEPP department. I couldn't be doing this without him!

Career Highlights/Future Plans

I imagine I am one of only a few BEPP graduates to go into

the location analytics space, and surely, the only BEPP graduate who has ever gone on to get a graduate degree in geography. My career will be in real estate, either with a commercial firm, or with a large-scale retailer. Much of what I do takes the analytical skills we learned in BEPP and applies them to geographic problems. Where do we put a new store? Where are our customers located? These are questions that can be answered using geospatial methods and econometric modelling in concert, and that is because of the skills I learned in our program!



ROBBIE FOREST

*MBA Student
Chicago Booth - Chicago, IL
2012 Graduate*

Favorite IU Memory

The Wat-Shot (IU beating Kentucky)

Most Valuable BEPP Course

Professor Prince's Analytics class. Learning VBA and how to clean and organize data to present to someone else was key to my job after IU as a data analytics consultant.

Also, Professor Baye's Anti-Trust class taught me how to deal with an ambiguous problem and work with a team to search for and present answers.

BEPP Club: A Year in Pictures

September 2017: BEPP Club Kickoff

The BEPP Club hosted their first event of the year for all students majoring, or interested in majoring in BEPP. Professor Butter's joined us to lead a discussion on the economics behind the minimum wage laws in the U.S., and students learned more about the BEPP Club and BEPP Department, and the opportunities that are provided for them.



April 2018: Nielsen Analytics Challenge

Our second event with Nielsen was a big success. Over the course of two days, students worked on an optimization strategy for a client's marketing budget, using proprietary Nielsen tools and technology. Our winning team walked away with a set of Amazon gift cards, and all students walked away with a great experience.



March 2018: EC3, sponsored by The Keystone Consulting Group

In teams of four to five, students got to engage in a week-long consulting project tailored around creating a successful growth strategy. Contestants analyzed four different Excel spreadsheets, finding key trends in the data to justify their proposal and recommendations. In the end, our winning team walked away with a cash prize, and everyone got to practice their Excel skills.



Alumni Spotlight: Jeremy Solomon



by Christy Heitger-Ewing

Jeremy Solomon, a 2003 IU graduate and Kelley scholar, recalls the BEPP program as being exactly what he wanted it to be—one that offered a real tie to academia and provided practical applications.

“I was looking for the basis of economic theory, along with

applying that to the real world,” says Solomon. “Not only did the program fit with what I desired academically, but also the faculty was extremely welcoming and engaging.”

Following graduating, Solomon moved to New York City and worked on Wall Street for four years before doing microfinance banking in Uganda. Describing the experience as “one of the most fascinating years of [his] life,” it really opened up his mind to what consumer finance can be.

“The job of this microfinance bank was to lend to people who had never taken a loan before, who had no bank accounts and no financial records and figure out a way to do it successfully in a fair manner to the consumer,” explains Solomon.

After a year in Uganda, in the summer of 2008, Solomon returned to the U.S. to attend business school at Harvard—right as the financial crisis was unfolding.

“Our own consumer finance system was basically collapsing, and I was surprised and perplexed by how fragile our system could be when I saw in Uganda the ability to lend to people with absolutely no history. Meanwhile, in the U.S. all of a sudden no class credit disappeared. There was a total dislocation of consumer finance.”

For the past three years, Solomon has worked at Affirm, a finance organization in San Francisco, California.

“Affirm is a point-of-sale lender so if you go into a store to finance the purchase of, say, a mattress, well, we do the same thing but online in a consumer-friendly manner,” says Solomon. They finance everything from Prada purses to Peloton bikes.

Solomon credits the Kelley school for laying the foundation for his career.

“My finance education and understanding of economic strategy and trends definitely plays into everything I’ve done in my career,” says Solomon.

A Spanish minor, Solomon spent a summer in Argentina. While there, he found that Buenos Aires was one of the most expensive cities he had ever been in, citing it as on-par with New York.

“The currency was tied to the U.S. dollar, which was unsustainable and the Argentine economy was not growing with the U.S. economy. It eventually had to break and when it did, it created a dislocation in the market,” says Solomon, who wrote his thesis on this very specific time of the Argentine Financial Crisis.

Now 15 years post-graduation, Solomon still has vivid memories of the fun times spent on Bloomington’s campus. During his senior year, he participated in the inaugural Little 50 running race.

“My teammates and I were able to somehow take breaks from drinking beer in order to train for this relay race,” says Solomon with a smile. “The race allowed us to relive some of our glory days from high school track.”

On the academic side, he appreciated being a part of both the Kelley scholar program and the business honors program.

“Kelley was smaller back then, which allowed me to get to know the students and faculty incredibly well,” says Solomon. “That group of people from the business honors program has gone on to do great things, which really shows the ability of Kelley students.”

Solomon and his wife, Melanie, have a 3-year-old daughter named Lilly. In addition, by the time this newsletter is printed, he will likely be the father of a newborn as well. In his free time (which he might not have much of in the near future), Solomon likes to bike the Bay area.

“I love to ride over the mountains and near the ocean,” he says.

Alumni Spotlight: June Nam



by Christy Heitger-Ewing

June (Ji eun) Nam graduated from Indiana University in 2013 and this past May graduated from Harvard law school. While in Bloomington, Nam was enrolled in a Dual Degree Program between Sungkyunkwan University (SKKU) in Korea and Indiana University Kelley Business

School. She studied for two years at SKKU and two years at IU.

“My time at IU was very special to me,” says Nam. “I loved the program because it not only conferred me with degrees from both schools, but it also provided me with valuable experiences in the new environment.”

Though she is grateful to all of her caring IU professors for their knowledge and guidance, several of them really stand out, such as Professor Ellie Mafi-Kreft, who provided Nam with tremendous support and encouragement throughout her time at IU.

“I also truly appreciate Professor Joel Rubin, Director of the Consulting Workshop, for introducing me to the critical skillsets such as analytical thinking, teamwork, and networking professionally,” says Nam. “I also want to express my sincere gratitude to Professor Michael Ing, who taught Religions of Asia, one of the most interesting and engaging classes of my life. It broadened my horizon by teaching me diverse perspectives shared by people in different parts of the world.”

As a student who studied Public Policy Analysis in the business school, Nam was interested to see the growing interaction between public policy and technology.

“There has been a systematic change in how people deal with their own personal data and how businesses handle their customer’s data,” explains Nam. “Regulations and policies have been changing as well, in response to the new technology and new ways of doing business. The intersection between business and public policy has expanded into the interplay among technology, business, and public policy, and this [intrigues] me.”

Ever since Nam was a little girl in Korea, she volunteered regularly at nursing homes helping residents engage in music activities to stimulate their minds and nourish their souls. Therefore, when she came to the United States, during her third year of college, Nam sought out an opportunity to do something similar with the elderly population in Bloomington. When she found the Adopt-A-Grandparent (AAG) student volunteer club, it was the perfect fit.

“Although people speak different languages all over the world, I believe that music has a power to connect people and make everyone happy,” says Nam. Rather than pursuing a one-time volunteer activity, Nam and her peers wanted to establish more sustainable relationships between themselves and their grandparents.

“I learned so much having conversations with my adopted grandmother, the other grandparents, and the nursing home staff,” says Nam. In addition to the regular visits, Nam helped organize special events for the residents, such as a senior prom.

“I learned a lot of jazz from my music class at IU, which was helpful when I was preparing the playlist,” says Nam.

Another great IU memory involves a trip to Chicago in connection with a Consulting Workshop course.

“It was a valuable learning experience visiting consulting firms and meeting IU alumni in Chicago,” says Nam, who credits her parents for being tremendous teachers and mentors. Hard to say whether they instilled her love of salmon (“Sake don is my favorite!” she says). To satisfy her sweet tooth, however, she indulges in ice cream and carrot cake. Then to burn off the calories, she plays her new favorite sport—squash.

“I’ve not been playing long, but I find it to be fun and exciting!” says Nam, who will start her career at a private law firm in New York. She’s interested in careers in business law, commercial litigation, arbitration, intellectual property, privacy, and data protection.

“I hope that my business major and public policy analysis background will be helpful to solve legal matters involving complex commercial transactions,” says Nam.

Alumni Spotlight: Grant Manon



by Christy Heitger-Ewing

After graduating from IU in 2015, Grant Manon moved to Chicago to work with Bain & Company, a strategy and consulting firm. Though he has spent the majority of his time in the windy city, his job has taken him to London, Mexico, Ireland, and New Zealand.

In fact, in 2017 he did a six-month rotation in Melbourne, Australia. In the past few years, he has worked for a number of different clients, each case a bit different from the last. Generally, he works on a team of 4–8 people.

“It can range from solving very tactile performance improvement issues like procurement or supply chain to market strategy questions,” explains Manon, who might ask, “What’s the right market or company to be invested in?” or “How should you allocate capital?”

Going back to his BEPP roots, he also sometimes poses questions that relate to the game theory of business, thinking about the competitive response and data analytics. Manon credits IU’s BEPP faculty for preparing him for the workforce in a number of ways—most notably by teaching him the value of working with others.

“IU has an astoundingly collaborative culture where you’re always working in teams and learning from one another,” says Manon. “As a result, I’m now very comfortable asking peers and clients for suggestions.”

It’s a skill that enables folks to enter any situation and quickly start adding value. He’s also amazed by how often he still references his old class Excel files for formulas and such.

“I’m surprised by how often there’s real-world applicability to the projects I did while at Kelley,” says Manon, who, while grateful to all of his professors, is especially thankful for Professor Andreas Hauskrecht.

“Following the financial crisis in 2009, he described feeling like the world had ended. He talked of going outside with a spear and learning how to hunt for squirrels,” says Manon with a chuckle. “He always

went above and beyond in his lectures to make things memorable and connect material to real-life happenings. It was impossible to ever be bored in his class.”

He has other great memories of his time spent on campus as well. For instance, there’s the time when he and 30 other classmates were working on their final team projects for a consulting workshop. Everyone was in the Kelley library, burning the midnight oil.

“We took photos together and celebrated the fact that we had finished the program,” says Manon. “It was a ‘we’re all in this together’ kind of moment, which was pretty fantastic.”

Also fantastic is Manon’s cooking—something he’s gotten quite good at it since every Sunday night he and his roommate invite 5-15 friends over for a meal.

His love of food extends into volunteer work. While in Bloomington, he ran a cooking group at the Boys & Girls Club, and in Chicago he was involved in a consulting project for a nonprofit organization called Common Threads that provides healthy cooking instruction for low-income and underprivileged area schools.

Manon recently relocated to Boston with his fiancé, Caroline, to take a job as a senior strategy consultant with a private equity firm called Berkshire Partners. He chose to transition jobs because in addition to doing economic consulting and business analytics, while at IU he was also a finance major. Therefore, he was eager to gain more exposure regarding the finance side of things. Moreover, he craved greater autonomy.

“As a consultant, you’re more of an advisor, brought in to solve a specific problem within a business, but you may see a problem that’s a bigger value opportunity in the business. When you weren’t hired to solve that problem, you can’t do anything about it,” says Manon, who compares working in private equity to buying and flipping houses in the real estate market.

“With private equity, you have real ownership stake in everything you’re doing,” says Manon. “That’s motivating to be empowered to go fix something and have that stake in the business.”

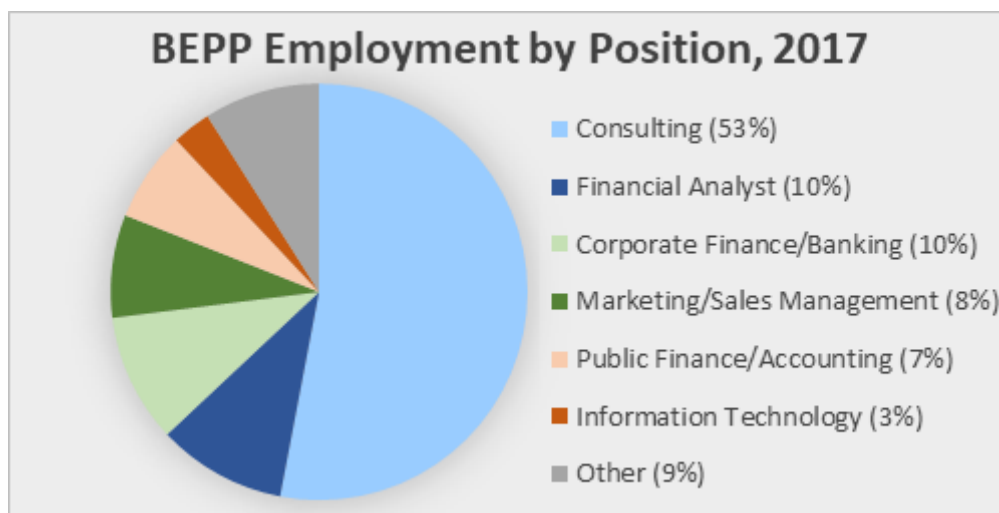
The Kelley School Undergraduate Program and BEPP Continue Their Highly Ranked Reputations

Program Highlights

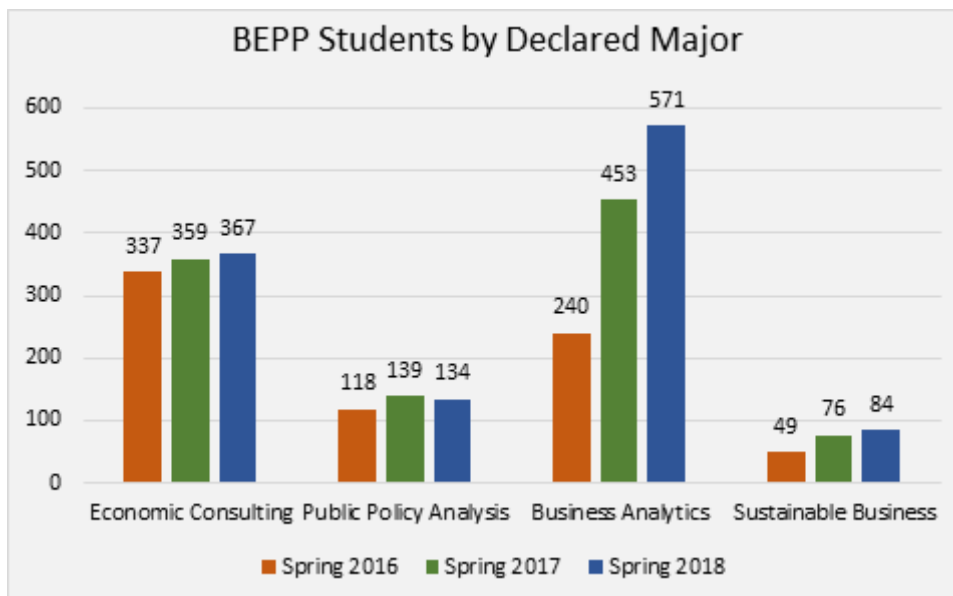
U.S. News & World Report Best Colleges 2017 ranks the Kelley Undergraduate Program #9 Overall; Poets & Quants' Best Undergraduate Business Programs of 2016 ranks Kelley #7 and #1 public university; and Bloomberg Businessweek 2016 Best Undergraduate Business Programs ranks Kelley #4 overall and #1 public university.

Recent investments in facility expansion and renovation, including the new Prebys Career Services Center, as well as the Undergraduate Program's emphasis on talent management, global business strategy, quantitative analysis, and critical thinking are factors that will contribute to its continued success in producing world-class business professionals.

Within the top-ranked Undergraduate Program, BEPP majors are among the most sought after Kelley graduates. In 2017, BEPP majors had the highest average starting salary coming out of Kelley at \$65,645. In 2017, 53% of BEPP majors found employment in the consulting industry, with another 10% in Financial Analyst positions.



The strong market valuation of BEPP skills has made our majors (Economic Consulting and Public Policy Analysis) as well as our co-majors (Business Analytics and Sustainable Business) grow in popularity within the Kelley Undergraduate Program. The fastest growth has been generated from our Business Analytics co-major which currently has over 550 declared majors as of Spring 2018.



2018-2019 Research Seminar Series

The BEPP Seminar Series is typically held on Fridays during the semesters and features invited speakers to meet, present, and discuss recent publications about topics in economics.

DATE	PRESENTER	UNIVERSITY AFFILIATION
August 31	Atul Gupta	University of Pennsylvania
September 28	Francesc Dilme	University of Bonn
October 26	TBD	TBD
November 2	Ryan Kellogg	University of Chicago
November 30	Christopher Roland Knittel	MIT
December 7	Simon Board	UCLA

The 2018-2019 Seminar Series promises an impressive array of guests, including Donna Gilleskie (University of North Carolina), Sarah Moshary (University of Pennsylvania), and Katja Seim (University of Pennsylvania). The complete list of previous presenters and upcoming seminars can be found at <https://kelley.iu.edu/BEPP/Seminar/page14118.html>.

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Department of Business Economics & Public Policy
1309 E. Tenth Street, HH3080
Bloomington, IN 47405

Contact Us

Department of Business Economics &
Public Policy

1309 E. Tenth Street, HH3080

Bloomington, IN 47405

(812) 855-9219

bepp@indiana.edu

Kelley School of Business

1275 E. Tenth Street

Bloomington, IN 47405

(812) 855-8100

kelleyBL@indiana.edu



@kelleyschool



Kelley School of Business



KelleySchool



@iukelleyschool



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