

# QED



## Message from the Head

Dear Alumni and Friends of the QED. It has been another busy year at the QED, with ongoing activity on the teaching, research and policy fronts. Here are some highlights:

- As usual there has been strong growth in both our core ECON and APEC degree programs. Our undergraduate chair, Dr. Ian Keay, has been busy putting the finishing touches on a new undergraduate specialization in **Politics, Philosophy and Economics (PPE)**. This joint program, which has accepted its first cohort for September 2017, allows students to specialize in one of the three areas, while also taking a wide variety of courses from the other two. The intent is to offer them a broad perspective on different approaches to key issues and allow them to develop strong analytical, quantitative and writing skills. We expect graduates from the PPE program will be in a strong position to pursue a variety of careers, including those related to law, international development and finance.

- **The John Deutsch Institute for the Study of Economic Policy (JDI)** continues to play a key role in the department. The Director, Dr. Chris Cotton (Jarislowsky-Deutsch Chair in Economic and Financial Policy), has been busy orienting the JDI to help support and highlight policy-related research and organizing several conferences. If you have not already visited the JDI website recently, you can do so at (<http://jdi.queensu.ca>) where you will be able to find out about upcoming activities and access the Economics and Policy blog (<https://economicsandpolicy.ca>).

## Dual Degree Student slays Dragons

By **David Tao** (BA '15), Founder of TappLock: the world's first smart fingerprint padlock

I graduated in 2015 with a dual degree in engineering and economics. I would say that after two years out of school, I have little memory of the equations I used or academic papers I read during my degrees. However, I have started to realize that many aspects of my business, such as R&D, marketing, supply chain, fundraising and even managing employees, share more or less the same approach that we used to tackle engineering and economic problems. They all use skills of modeling, strategizing, and testing. In the real world, businesses have less information to work with, most of the time, so we need to make our own assumptions. I would be much less prepared to start this company without my 5-year dual degree experience.

We did a very successful crowd funding campaign back in early 2016. It attracted enormous attention globally because of the uniqueness of the product. It also got us the attention of a producer at Dragon's Den. The shooting of our Dragon's Den episode was actually more than a year ago, so it has been a very long time since we got the offer on the Den. Michele Romanow and her partner have made the investment in us and we have perfected the product. Now TappLock is out on the market and is shipping on a global scale. We are now working on other series products with the same aim of TappLock, which is to simplify people's lives with the power of touch.

- We have recruited several outstanding new faculty members over the last few years and 2016-17 was no exception. After an intensive search process, we are pleased to have hired **Dr. Brent Hickman** as the first J. William and Marion E. MacKinnon Junior Fellow. Dr. Hickman joined the QED faculty as of July 1, 2017 from the University of Chicago. He has research interests in a variety of areas including empirical industrial organization, health and education. We also celebrated the careers of two faculty members who retired this year. Both **Dr. Lorne Carmichael** and **Dr. Frank Lewis** were promoted to Emeritus Professor during 2016-17 after several decades of valuable service to the economics department and Queen's.

- In addition to our regular workshops in microeconomics, macroeconomics, econometrics and history, the QED hosted several conferences. The annual meeting of the Canadian Macroeconomics Study Group was held here in November 2016 and, in May 2017, we held the Frontiers of Macroeconomics conference and the Financial Intermediation and Regulation Workshop (co-organized with the Bank of Canada). We also have a very active visiting scholars program and have been lucky to have visits from distinguished academics including John List, Victor Rios-Rull and Kevin J. Murphy.

These and related activities are crucial for stimulating research activity, for learning about new ideas and for providing a forum for interaction between students and faculty. Thank you for your continued support of the Queen's Economics Department.

## Faculty News

**Thor Koepl** was promoted to the rank of Professor effective July 1, 2017. Thor also began his term as Coordinator of Graduate Studies.

**Taylor Jaworski** has accepted a new position at the University of Colorado, Boulder. We wish him luck in his new position.

**Frank Lewis** received the Jonathan Hughes Prize for excellence in the teaching of Economic History by the Economic History Association during

their annual meetings in Colorado on September 17, 2016. The nomination for this international prize came from Frank's students and colleagues at Queen's and other Canadian and international universities. It is one of the most distinguished awards granted by the Economic History Association.

**Chris Cotton** was awarded a new Insight Grant by the Social Sciences and Research Council of Canada starting in March 2017. His research project is entitled "Understanding project selection and coordination problems in charitable

giving and crowdfunding".

**Morten Nielsen** was awarded a new Insight Grant by the Social Sciences and Research Council of Canada starting in March 2017. His research project is entitled "Improved econometric methods for heteroskedastic time series". Morten was also renewed as a Canada Research Chair recipient from 2017 until 2022.

We are pleased to welcome **Brent Hickman** who joined the QED faculty from the University of Chicago in July 2017.

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## Spotlight on Research: The Problem with Clustered Data

By **James G. MacKinnon**, Sir Edward Peacock Professor of Econometrics

I am primarily a theoretical econometrician, but most of my research in recent years has dealt with an important topic that is directly relevant for the type of empirical work that is used to evaluate and inform public policy.

Many of the datasets used in modern empirical studies in fields such as education, health, labour, development, and public economics have a geographical dimension. Each observation is very often associated with a larger unit such as a province, a state, a city, a village, a school, or a hospital. In practice, the observations within each larger unit tend to be correlated. In such cases, the data are said to be clustered.

The problem with clustered data is that conventional statistical methods, which assume the error terms are uncorrelated, can lead to very misleading results. When there are many observations within each cluster, even very small amounts of correlation can lead to severe errors of inference. In such cases, the standard errors that are used to estimate the accuracy of coefficient estimates can be much too small.

My recent research, much of it joint with former PhD student Matthew Webb, who is now a professor at Carleton University, deals with improving the methods used to test hypotheses and form confidence intervals when using clustered data. The bootstrap methods we are working on have already had numerous applications to policy-relevant empirical work. The first of our joint papers was published in March of this year (2017) and already has 86 citations, most of them in empirical studies.

Matt and I are now working with my QED colleague Morten Nielsen on an important extension of this work. In practice, data can often be clustered in more than one dimension. For example, there might be clustering by province and also by year. We find that existing methods for this situation often do not work very well. Our as yet unfinished paper will be the first to study bootstrap methods for clustering in two dimensions. Preliminary results suggest that these can work very well, greatly reducing the chance that public policy will be based on misleading statistical results.

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## Two Queen's PhD students nominated to attend Lindau meetings

PhD candidates Maggie Jones and David Rosé were amongst nine scholarship and fellowship holders in economics selected by SSHRC to have their names submitted to the scientific review panel for the Lindau Meeting on Economic Sciences. These meetings provide a forum for the exchange of knowledge, ideas, and experience between Nobel laureates and young scholars. The student researchers were judged based on academic and research achievements, motivation, and dedication. The selected attendees will have their travel as well as part of their participation costs covered by SSHRC to attend the meetings in Germany during August.

Congratulations to Drs. Feir and Gillezeau, and Maggie Jones (PhD candidate), who were recently presented with the Fred Bateman Award for best paper at the 2017 Economics and Business History Society conference. The winning paper is titled "The Slaughter of the Bison and Reversal of Fortunes on the Great Plains."

## Awards to Graduating Honours Students 2017

The **Department Medal** and the **Chancellor C.A. Dunning Prize** are awarded to the economics graduate with the highest standing in economics courses. There are two recipients for 2017, **Bronwyn Allan** and **Austin Gaghadar**.

**Jane Mantione** received **Honourable Mention Prince of Wales Prize** for the second highest cumulative GPA for a student graduating with a BA Honours degree in the Faculty of Arts and Science.

The **Douglas D. Purvis Prize in Economics** was established by the family, friends and colleagues of Professor Doug Purvis in memory of his outstanding contributions to Canadian economics, to Queen's, and to the Department of Economics. This prize is awarded to the graduating student who has written the best research paper in a seminar. The winner was **Tyson Clark** for his paper entitled, "Stop Horsing Around: A Comparative Economic Analysis of Wild Horse Conservation Programs to Reduce Overpopulation in Western America" (Supervisor: Devon Garvie).

The **James Bocking Prize in Economics** was established by friends and colleagues in memory of James Bocking (BA '69; MA '72) and awarded to the student with the highest standing in ECON 445, Industrial Organization & Public Policy. This year the Bocking prize was awarded to **Jane Mantione**.

**Honourable Mentions in Economics** are awarded to those students whose overall achievement in Economics has been outstanding. Recipients were **Bryan Waldman, Jane Mantione, Lauren Craik, and Matthew Edwards**.

**Amelia Espey** was a medal recipient for achieving the highest standing in a Medial Honours Degree (Economics and Political Studies).



From left to right: Bryan Waldman, Tyson Clark, Bronwyn Allan, Austin Gaghadar, Lauren Craik, and Jane Mantione.



Father and son QED alumni, Rohan Gaghadar (MA '91) and Austin Gaghadar (BAH '17) with family.

## Conferences and Workshops

The QED Frontiers of Macroeconomics Workshop was held May 6, 2016 at Queen's University. It was organized by Brant Abbott, Allen Head, Thor Koepl, Beverly Lapham, Huw Lloyd-Ellis, Gregor Smith and Hongfei (Amy) Sun. Speakers were Costas Arkolakis (Yale University), Guido Menzio (University of Pennsylvania), Valerie Ramey (University of California, San Diego), Stephanie Schmitt-Grohé (Columbia University), and Tony Smith (Yale University).

The Queen's Applied Micro Conference was held May 26-27, 2016. It was organized by Taylor Jaworski. Guest speakers were Mary Ann Bronson (Georgetown University), José Espin-Sánchez (Yale University), Martin Hackmann (Pennsylvania State University), Jean-François Houde (The Wharton School, University of Pennsylvania), Fabian Lange (McGill University), Vincent Pohl (University of Georgia), and Laura Salisbury (York University).

The Canadian Macroeconomics Study Group (CMSG)/Groupe Canadien d'Études en Macroéconomie (GCÉM) was

held November 11-12, 2016 in Kingston. It was organized by Brant Abbott, Allen Head, Thor Koepl, Beverly Lapham, Huw Lloyd-Ellis, Gregor Smith, and Amy Sun.

The QED Frontiers of Macroeconomics Workshop was held on May 5, 2017. It was organized by Brant Abbott, Allen Head, Thor Koepl, Beverly Lapham, Huw Lloyd-Ellis, Gregor Smith and Hongfei (Amy) Sun. Speakers were Brant Abbott (Queen's University), Mariacristina De Nardi (University College London and FRB Chicago), Mark Huggett (Georgetown University), Greg Kaplan (University of Chicago), and Narayana Kocherlakota (University of Rochester).

The Financial Intermediation and Regulation Workshop was held May 10, 2017 at Queen's University. It was organized by Jason Allen (Bank of Canada) and Robert Clark (Queen's University) and sponsored by the John Deutsch Institute and the Bank of Canada.

## Limestone Analytics: A new start-up on campus

Limestone Analytics, a local firm, is providing the department's graduate students and faculty a unique opportunity to take part in research projects in developing countries around the world. Limestone is a start-up company at Queen's Innovation Park that conducts rigorous analysis of social programs and economic development projects. Over the last year, the firm has hired three recent graduates as full time economists and employs three current MA students as interns through the Mitacs program. The internship path enables the students to write their MA essays on the analysis of an actual policy or international development project. In the past year, Queen's students have worked on projects in Zimbabwe, Pakistan, Cameroon, Honduras, El Salvador, and Haiti.

## The QED Research Prize

Thor Koepl is the winner of the 2017 QED Research Prize for his work on financial market microstructure. The Prize was established by an anonymous donor to reward and recognize the research achievements of QED faculty members. He is the sixteenth recipient of this illustrious award.

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## Queen's introduces new inter-disciplinary PPE program

Society faces challenges that are complex and multi-dimensional, and our efforts to tackle these challenges require us to bring complementary intellectual skills together in analytical and critical ways. The new, undergraduate program in **Politics, Philosophy and Economics** is designed to prepare students for a wide range of professional career paths. Students completing the program will be ready to enter graduate studies in their area of specialization or pursue careers that call for strong analytical and communication skills, including law, public service, international development, policy design and analysis. With over 50 courses to choose from to complete the program, students will have flexibility in their degree to create a path that works for them, yet with a focus that will stand out in the marketplace.

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## Economics Students form New Society

The **Queen's Economic Affairs Society** is a platform that creates a community for students who are interested in economics. By providing extracurricular opportunities including conferences and alumni guest lectures, the Society will provide learning opportunities for students that were previously unattainable.

The conferences held by the Queen's Economic Affairs Society will fall under the **Queen's Economic Forum**, a platform designed to show-case economic development in different industries world-wide. The Economic Forum is currently planning two conferences in 2017: **Economics in the Digital Age** and the **Economics of Energy**. These events will show students upcoming trends in global and domestic markets through keynote speakers, workshops, case competitions and dynamic simulations.

The guest lectures held by Society will fall under the **Queen's Economic Speaker Summit**, a platform designed by the Society to give alumni an opportunity to share their career experiences with students. Alumni are encouraged to contact the Society if they are interested in participating.

For more information about the Society and to see how you can get involved, please visit their website at [www.econsoc.com](http://www.econsoc.com).

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## The C.A. Curtis Prize

The C.A. Curtis prize is awarded annually to the best doctoral thesis. Graduating PhD students who defended their thesis within the previous two years are eligible for nomination. The 2016 prize was awarded to **Michael Kottelenberg** (MA '09; PhD '15) for his PhD thesis entitled, "Six Essays Evaluating the Impact of Universal Child Care on Developmental Outcomes in Quebec" supervised by Professor Steven Lehrer. Michael is now an Assistant Professor at Huron University College. The prize committee consisted of James MacKinnon (Chair), Chris Ferrall and Chris Cotton.

## Scarthingmoor Prize

The Scarthingmoor Prize is awarded each year to the best MA essay(s). The co-winners of the 2016-17 prize are **Eric Richert** (MA '16) and **Thomas Stringham** (MA '16). Eric's MA paper was entitled "Estimating an Effort Coordination Game Between Parents and their Children" and was written under the supervision of Chris Ferrall. Thomas' MA paper was entitled "Applicability of Control Function Separability as a Condition for Feasible Control Function Estimation of Simultaneous Equations Models" and was supervised by James MacKinnon. The prize committee consisted of Frank Lewis (Chair), Robert Clark, and Amy Sun. Eric is currently a PhD student in the QED and Thomas is entering his first year in the PhD program at the University of Toronto.

## RPRD Program

The RPRD program is a post MA/MFE Diploma that trains students in Financial Risk Management and Regulation. Since the Crisis there have been major changes in Regulation and emphasis in Risk Management modeling. This program is designed to train students for this new environment and was created with financial assistance from the **Global Risk Institute**. The program goes far beyond teaching standard techniques and explaining current regulations: we require the students to understand the theoretical, empirical and institutional strengths and limitations of the field, and explore the latest ideas.

Our 2017 year class graduated earlier this year. They are now working in the private and public sectors. Our RPRD graduates are highly sought after for their skills and knowledge in Risk

Management and Regulation. We calculated from reported salaries, the value added from the program. The premium over MA starting salaries was approximately \$30,000 for the first year. This premium continues in later years, giving a very handsome rate of return on the modest fees.

There are four courses: Financial Risk Management Theory and Applications; Financial Institutions Theory and Practice; Financial Regulation; and Advanced Topics in Risk Management and Regulation. The last course is a weekly workshop with a guest lecture. The guest lecturers are highly experienced senior professionals from the private and public sectors. They discuss contemporary Risk Management and Regulatory issues in depth.

For more information about the program, course content and the guest speakers, see our website: <http://risk.econ.queensu.ca/>.

## Undergraduate Teaching Prize

The QED Undergraduate Teaching Prize is awarded annually to the individual who, through their involvement in the teaching of undergraduate economics at Queen's, has shown that they possess the skills required to excel in their role as instructor, mentor and motivator for their students.

The winner of the prize for 2017 was Professor Ian Cromb (PhD '90).

## QED Receptions

The QED's latest reception for Ottawa-area alumni took place on November 17, 2016 in the Salon Room at the National Arts Centre located in downtown Ottawa. A large number of alumni were present, as well as staff and faculty from the QED. It was great to chat with recent alumni and catch up with folks from the 70's and 80's! Our next reception will take place in Toronto in November 2017. To ensure that you receive an invitation, please make sure that we have your correct contact information. If you are interested in helping to organize or sponsor a QED reception in Ottawa, Toronto, or perhaps somewhere else that has a sufficient number of QED alumni, please get in touch with Juanita Dennie, whose contact information can be found on page 8.



## Deaths

**George E. Freeman** passed away on April 2, 2017. After serving in WWII he returned to Canada where he completed his master's degree in Economics at the University of Toronto and began his 35 year career at the Bank of Canada. He was also a commissioner on the Royal Commission on Prices and Incomes, and a professor emeritus in the Department of Economics. Mr. Freeman taught in the QED from 1982-1988 where he then became Emeritus Professor.

**Robert William Stevens** (B.A. LLB QC) died peacefully at home on October 12, 2016 in his 91st year. After serving in the Canadian Infantry Corps at the end of WWII, Mr. Stevens enrolled at Queen's and graduated with a B.A. in 1949. During that time, he captained the Golden Gaels intercollegiate football team. He then went on to study law at Osgoode Hall before joining Blake Cassels & Graydon in 1953, where he practiced corporate commercial law until his retirement in 1994. Mr. Stevens was a dedicated and active leader in the community and in charitable affairs including service on the boards of Ridley College, Princess Margaret Hospital, the Art Gallery of Ontario, the Royal Ontario Museum and a number of corporate entities.

## Births

**Sabrina Gilbert** (MA'14; PhD candidate) and **Frederic Tremblay** (BAH '13; MA'14; PhD candidate) would like to announce the birth of their first child, **Mattéi Tremblay**, born on March 2nd 2017, weighing 7 pounds 4 ounces. Parents and little one are doing great!

## Congratulations!

**Scott Taylor** (PhD '89) was recently elected as Vice-president of the Canadian Economics Association.

**David Rosé** (PhD Candidate) and **Alia Busuttill** were married in Wakefield, Quebec on June 3rd, 2016.

## 4th Year Dinner

The Economics Fourth-Year Dinner was held on November 18, 2016 in the Grandview Room at the Delta Waterfront overlooking Lake Ontario. The guest speaker was **Susan Moellers** (BA '79). Sue is a seasoned executive with an extensive career and a strong record of accomplishments in finance, strategy, risk management, organization effectiveness and human resources. She has had a leadership role in professional associations, as Chair of CMA Ontario and CPA Ontario.



## Public Lectures and Weatherall Visitors

**John A. List**, Kenneth C. Griffin Distinguished Service Professor of Economics, University of Chicago presented the **2017 W.A. Mackintosh Lecture** on March 22, 2017. His lecture was entitled "Using Field Experiments to Make the World a Better Place."

The **John Weatherall Distinguished Fellows and Visiting Scholars program** hosted 18 visitors during 2016: **Yongmin Chen** (University of Colorado), February 29-March 4, **Michael Devereux** (University of British Columbia), April 4-8, **Tony Smith** (Yale University), May 2-6, **Hashem Pesaran** (San Diego, California), May 2-6, **Martin Hackman** (Penn State University), May 24-27, **Vincent Pohl** (University of Georgia), May 24-27, **Laura Salisbury** (York University), May 24-27, **Jonathan Chiu** (Victoria University of Wellington), June 6-7 and 15-16, **Kris Mitchener** (Santa Clara University), Aug. 2-5, **Giuseppe Cavaliere** (University of Bologna, Italy), Aug. 8-12, **Rod Garratt** (University of California, Santa Barbara), Sept. 12-16, **Luca Corazzini** (University of Messina), Sept. 12-Oct. 5, **Charles Kahn** (University of Illinois), Oct. 3-7, **Kevin J. Murphy** (University of Southern California), Oct. 17-21, **Victor Rios-Rull** (University of Pennsylvania), Nov. 7-11, **Giovanni Gallipoli** (University of British Columbia), Nov. 14-18, **Erik Kimbrough** (Simon Fraser University), Dec. 12-16, **Ross McKittrick** (University of Guelph), Sept.-Dec.

## John Deutsch International Executive Programs

Over the past seventeen years, John Deutsch International has been offering its state-of-the-art program on Investment Appraisal and Risk Analysis (PIAR) for professionals working in private and public organizations. This 4-week program covers modern techniques of finance, financial modeling, applied economic analysis, risk analysis and risk management. With the vast network of alumni from 50 countries and more, PIAR continues to be the leading program in its field.



From July 18th to August 12, 2016, John Deutsch International Queen's University hosted the 17th Program on Investment Appraisal and Risk Analysis. We were fortunate to have executives join us from governments and organizations in Swaziland, Ghana, Nigeria, South Africa, Barbados, Uganda, El Salvador, Haiti, Chile, Zimbabwe, Kenya, and Cameroon. Graduate students from Queen's University and Eastern Mediterranean University also participated.

Some of the highlights from 2016 include: seminars conducted by distinguished scholars and guest lecturers, such as:

- Professor Arnold Harberger of UCLA.
- Ms. Hanna Zowall, Lecturer, Health Economics from McGill University.
- Mr. Migara Jayawardena, Senior Energy Specialist at the World Bank.
- Mr. Savvakis C. Savvides, Former Senior Manager and Head of the Structured Finance Division at the Cyprus Development Bank.
- Dr. Baher El-Hifnawi, Lead Transport Economist at The World Bank.

We are pleased to have such a strong network of alumni who form a strong core in the governing body of every country we visit. In Kenya and Haiti, alumni gatherings were organized and potential trainers were identified to take part in the upcoming programs in these countries.

As we approach our 18th year at Queen's University, we would like to extend a thank you to the QED for supporting our initiatives and warmly welcoming our international participants each year. Given the global distinction of PIAR, and growing demand for Cost-Benefit Analysis, we encourage QED alumni, MA and PhD students to consider applying for the 2018 PIAR. For more information, please visit our website: <http://jdintl.econ.queensu.ca/>

## Donations to the QED

The wonderful generosity of many QED alumni has been enormously valuable over the years. Several funds, such as the Doug Purvis Professorship and the Alan Green Fund, commemorate former members of the Department.

The QED Initiatives Fund (previously the Economics Trust) is less constrained than any of our commemorative funds and plays a key role in the life of the Department. Among other things, it provides partial funding for a variety of student and faculty initiatives for which there would otherwise be no money at all. These include the fourth-year dinner and a wide variety of student activities. In recent years, it has also been used to offer a few more courses and sections than could otherwise have been afforded. Donations to the QED Initiatives Fund are always very welcome.

Please remember that all gifts to Queen's University can always be directed to any project of your choice. The net cost of giving cash to Queen's is only 54 cents on the dollar for an Ontario resident in any tax bracket. But it can be as little as 31 cents on the dollar if you give securities on which there are large, unrealized capital gains. Giving securities is surprisingly easy. Just ask Juanita Dennie for the form to give to your stock broker.

You can also make donations to the QED on-line by credit card. Just go to:

<https://www.givetoqueens.ca/economics>

This page also is readily accessible by clicking on "Alumni Focus" and then "Donations" on our home page.

## Planned Gifts to the QED

Throughout the history of the University, bequests, gifts of insurance and the proceeds of trusts and registered retirement accounts have provided a vital lifeline to advance the learning, discovering, creating, exploring and teaching that happens every day at Queen's.

A well-planned gift can reduce, or even eliminate, taxes, and it can substantially increase the donor's after-tax income. If you are interested in making a planned gift to the Queen's Economics Department, please contact Linda Pearson, Executive Director, Gift Planning by calling 1-800-267-7837 or emailing [linda.pearson@queensu.ca](mailto:linda.pearson@queensu.ca). Note that, if you so wish, any communication with her can be entirely in confidence.

## Company Matching Gift Program

Many companies match charitable donations by their employers. Be sure to take advantage of this if yours does. See: <http://giving.queensu.ca/matchinggifts/>.

## Placement/Career Services

If you or your employer hires economists, you want to hire the best. That means you want to interview QED graduates. The best way to get in touch with them is directly through us. If you have a job posting which you would like circulated to our current students and/or recent alumni, please send it to Juanita Dennie.

## We Want to Hear from You!

In each QED Newsletter, we publish a section on the activities of our graduates. If there has been a special event that you wish to share with your friends, or you would just like to let other alumni know what you have been up to, please drop us a line. We will try to include your item in our next issue.

## Juanita Dennie contact information

The person to contact about all matters relating to alumni and placement is Juanita Dennie, whose contact information is:

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