Who am I?

Vice-Chair for Undergraduate Education in Economics

Started in Fall 2004. I came from the University of Texas-Austin.

I teach intermediate microeconomics, economics of health and the senior honors thesis.

UCSD
Department of Economics

WWW.ECON.UCSD.EDU

TRITON DAY 2013
BY
DR. MELISSA FAMULARI
Some of you are deciding whether to be an Econ, Management Science, or Joint Math-Econ Major.

Some of you are deciding whether or not to attend UC San Diego.

So let me tell you

1. Why I chose economics and what economics is
2. Why you should learn economics at UCSD
Why did I choose Economics?

- Started in communications but soon realized not for me.
  - At UCSD: Nearly 2/3 of freshman class of 2006 changed major!
- I tried introductory classes in philosophy, math, communications, political science. I really enjoyed philosophy and math.
- Then I took my first economics class.
  - Economics had analytical reasoning coupled with mathematical rigor that really appealed to me.
  - The economic way of thinking yielded amazing new insights about big issues such as about the effects of government spending, the money supply, and inflation but also issues such as illegal immigration, discrimination, charitable giving, etc.

So, what is Economics?

- We have LOTS of needs and wants, but the resources available to us are limited.
- So, having more of one thing we want (small classes) usually means having less of another thing we want (low tuition).
- How do we decide?
- Economics is the study of choice in a world of scarcity.

- So what kinds of questions do we address??
Research UCSD faculty are working on...

- Valerie Ramey: Can government purchases stimulate the US economy?
- Julie Cullen: What is the effect of getting to go to a great public school (by winning the Chicago Public Schools Lottery) on the likelihood a student graduates from high school, goes to college, commits a crime, etc.
- Gordon Dahl: Does movie violence increase violent crime?
- Paul Niehaus: Do donors use foreign aid for political change abroad?
- Karthik Muralidharan: What is the effect of paying teachers for good performance? Experimental Evidence from India.

Pay and TEST Scores on GMAT and LSAT High for Economics Majors

- Pay of Econ majors has been high
  - See surveys of pay by major at the American Economic Association: http://www.aeaweb.org/students/Careers.php
- Performance of Economic majors on LSAT and GMAT has been high
  - For LSAT: http://www.aeaweb.org/students/Careers.php
  - For GMAT: See Journal of Economic Education, “GMAT Scores of Undergraduate Economics Majors” by Nelson & Monson
Two important notes!

- First: These data do not establish that being an Economics major CAUSED the high pay and high performance on LSAT/GMAT since very good students major in economics. High pay/test scores may just reflect the high skills of students majoring in Economics.
- Second: These data are all in the past. The future may differ significantly from the past.

OK, so why choose UCSD???
UCSD is a Research University

• Research is the process of discovering and creating NEW knowledge.
• A research university is one whose primary mission is to bring together some of the best minds in the world to do their research.
• These people, the faculty, are promoted largely on the basis of their research skills. However, the faculty must also be able to teach this new knowledge to both graduate students and undergraduate students.

• Why go to a research university?

Valerie Ramey (Chair of the Department) had this to say about teaching introductory macroeconomics

• One of the skills I teach is how to evaluate the current data to see how the economy is doing and where it is expected to go. I am able to do this because of years of research using macroeconomic data.
• Also, since it usually takes years for the latest research findings to make their way to undergraduate textbooks, I keep students up-to-date on the latest research findings.
• I also give them insight into why policy-makers are pursuing particular policies. For example, I have known the Fed Chairman Ben Bernanke since I was a graduate student and am well-acquainted with his research. Thus, I can explain to students why the Fed responds so vigorously to credit problems.
• In a nutshell, the advantage of having active researchers teach undergraduates is that they can take the students far 'beyond the textbook'.
Our faculty are very good at communicating!

- Valerie Ramey and Mark Machina: UCSD Teaching Award
- Joel Watson – wrote undergrad textbook on game theory.
- Jim Rauch- wrote undergrad textbook in development.
- Ross Starr - wrote undergrad textbook on general equilibrium.
- Kate Antonovics- new 3rd author on undergrad textbook written by Fed Chairman Ben Bernanke and Robert Frank of Cornell University.

Economics: Theoretical and Empirical

- These are two approaches to studying the behavior of individuals, firms, societies. Each contributes to the development of the other
- Theoretical: use tools of differential calculus to model decision-making.
- Empirical: use statistics and regressions to test the theoretical predictions of our models.
  - Quantitative data analysis tools continue to be in high demand in the market place, see for example this Wall Street Journal Article: [http://online.wsj.com/article/SB10001424127887323478304578332850293360468.html](http://online.wsj.com/article/SB10001424127887323478304578332850293360468.html)
What makes UCSD Economics so good?

- Part of why UCSD has such a strong economics department is that we have many faculty who have made substantial contributions in BOTH the theoretical and the empirical approaches to studying behavior.
- The Department has seen wide recognition for the quality of the research conducted by the faculty.

Department of Economics Faculty

- 41 faculty and two research professors (one Nobel Laureate).
- 7 faculty members are Fellows of the American Academy of Arts and Sciences
- 8 are Fellows of the Econometric Society
- 11 are researchers with the National Bureau of Economic Research.
UCSD and the Department of Economics

- A Public Ivy, UC San Diego is ranked among the top eight public universities for undergraduate education in the United States by *U.S. News & World Report* and it is ranked 38th among all universities in the United States by the same publication (2013 edition).
- According to the most recent (2014) *U.S. News & World Report* rankings of graduate programs, the UC San Diego Department of Economics is ranked as the 15th best Ph.D. program in the field (tied with UCLA and California Institute of Technology).

Economics majors are large and thriving part of the UCSD undergraduate student body!

- Approximately 10% of UC San Diego seniors graduate in one of the Department's three undergraduate majors: *Economics*, *Management Science*, and *Joint Mathematics-Economics*. 
We have 3 majors

- **Economics (B.A.):** Broad understanding of microeconomics and macroeconomics—both theoretical and empirical approaches. Compared to economics degrees offered elsewhere, our major places a greater emphasis on micro theory and econometrics (data analysis).

- **Joint Math-Economics (B.S.)** For students very strong in math. Graduate school in economics highly mathematical and so this degree is best preparation for graduate school in economics.

Management Science (B.S.)

- Similar to the Management Science degree offered by MIT’s Sloan School. Compared to MIT, our degree has a greater emphasis on data analysis, a strength of our faculty.
- Businesses and government decision makers must solve complex problems involving uncertainty and risk.
- Management science provides a systematic approach to such problems using quantitative tools and qualitative methods of mathematics and economics.
Typical Management Science problems:

- What portfolio of investments has the highest return for a given level of risk?
- What is the relation between option prices and stock prices?
- When choosing where to place a new facility, which location maximizes the firm’s profits?
- What pricing policy maximizes the firm’s profits?
- What ticket price structure, overbooking, and coordinating of flights will maximize an airline’s profits?

Compared to a Business Administration Degree

- Management Science focuses on quantitative methods to approach decision-making (statistics, math, economics)

- Business Administration focuses more on a qualitative approach to decision-making (psychology, sociology, philosophy)

- Of course, there are overlaps!
What do our graduates do?

- Careers in business, finance, government, law, public policy, non-profit institutions, etc.
- Some go on to pursue graduate degrees in economics (PhD), business (MBA), law (JD), public policy (PhD), etc.
- Our undergraduate blog lists all job and internship announcements from employers who have contacted our faculty directly about our undergraduates: [http://econugblog.wordpress.com](http://econugblog.wordpress.com)
- Blog also reports the results from our Senior Exit Survey where we ask graduating seniors in the 9th week of their last quarter at UCSD what their plans are. For those who have jobs, we report the names of the companies and job titles: [http://econugblog.wordpress.com/category/senior-exit-survey/](http://econugblog.wordpress.com/category/senior-exit-survey/)

Undergraduate website [www.econ.ucsd.edu](http://www.econ.ucsd.edu)

- Website does not answer your questions? Contact our undergraduate advisors:
  - Jennifer Beauchamp
  - Kelly Escobedo
  - Betty Gunderson
  - Katie Magallanes
  - Sequoyah Hall, Rm. 245
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