

UCLA ECONOMICS

Undergraduate Economics Newsletter

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An Economic Newsletter by Undergrads for Undergrads



The Economics Roundtable is proud to present the Spring 2012 issue of the Undergraduate Economics Department Newsletter. Last quarter, we brought you information on the UCL economics exchange program, interviews with new professors, and a career spotlight on investment banking. This quarter, we hope to shed light on graduate study in economics. We interviewed a former UCLA Econ student who is completing his Ph.D. in economics at MIT. Also, three current UCLA grad students share graduate school advice and talk about their research interests. Finally, for those not interested in graduate study, we spotlight a career in economic consulting. We hope you've enjoyed this year's issues of the Undergraduate Economics Department Newsletter.

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Did you know?

The Burkle Center for International Relations at UCLA hosts numerous events spotlighting economic issues. Prior speakers include Joseph Stiglitz, Paul Volker, and Robert Mundell.

www.international.ucla.edu/burkle/

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UCLA Alumnus and Departmental Scholar Excels as Graduate Student at MIT



Michael Powell

“UCLA was a great place where people thought seriously about things I hadn’t thought about before. I took several classes with Professor Earl Thompson. During class, I got to see the way he thought through problems. It was a completely different experience from someone lecturing out of a textbook.”

-Michael Powell on his experience at UCLA

Want to learn more about Michael Powell’s research?

Visit his graduate student webpage at:
<http://economics.mit.edu/grad/mlp>

To learn more about the Departmental Scholars Program for Economics including eligibility requirements, course work, and length of study, visit the information page found [here](#) or visit the counselors on the second floor of Bunche Hall.

Michael Powell began his rigorous training in economics at UCLA. Here, he gained strong analytical tools that he used throughout his graduate studies at MIT. Next year, he will join the Kellogg School of Management at Northwestern University as an assistant professor.

Powell transferred to UCLA in 2003 from West Valley College. During his first year, he took Professor McDevitt’s Econ 11 course, which motivated him to pursue his interests in economics. “I was really nervous about the first midterm,” retells Powell, “But I studied a lot and did really well. After Professor McDevitt returned the tests, he went up to me and said, ‘Good Job.’ Coming from a community college, I felt really good knowing I could compete with the UCLA students who were admitted as freshman. It made me start thinking about econ seriously.”

Driven by Professor McDevitt’s words of encouragement, Powell took many economics and mathematics courses at UCLA. In addition, he participated in the Departmental Scholars Program (DSP), a dual-track program that allows undergraduates to earn a bachelor’s and master’s degree in economics. DSP exposes undergraduates to the rigor of graduate courses but at a manageable and slower pace. Powell took the graduate micro sequence during his fourth year, the econometrics sequence during his fifth year, and sat in on the macro sequence. These courses provided valuable preparation for his Ph.D. work. “Professor Joseph Ostroy’s general equilibrium class was totally awesome. I learned tools that I constantly use to address any economics problem,” says Powell.

After earning his B.A. and M.A. in Economics from UCLA in 2006, Powell joined the Ph.D. program at MIT. Because he took graduate classes at UCLA, he was able to pass out of many first year courses and begin his research. “Graduate school has the potential to be a lot of fun, but you can also get easily lost. When starting your own research, no one tells you what to do. You have to find an unanswered question and analyze it well. The graduate requirements are more ambiguous and challenging,” describes Powell. Currently, he studies how firms organize their production and how their organization interacts with market equilibrium.

When asked about advice for students considering graduate study in economics, Powell replied, “Do the Departmental Scholars Program. It’s the best preparation for graduate school.” Coming from a UCLA Economics alumnus, current MIT graduate student, and future Kellogg professor, his advice is valuable for any undergraduate curious in economics graduate study.

Graduate Students Weigh in on Ph.D. Program



Diego Ubfal

Diego Ubfal is a fifth-year graduate student in economics at UCLA. A cherished instructor, he has won many departmental teaching awards along with the Charles E. and Sue K. Young Graduate Student Award. Before starting the Ph.D. program, he earned a master's degree in Argentina and worked at the Inter-American Development Bank in Washington D.C.

Diego studies developmental economics with an applied micro approach. He gained this interest through observing real-world phenomena. "My motivation to study economics was, and still is, to understand how the world works, in order to help improve it," states Diego. His areas of research include time-preferences and self-control problems. He is currently working on a savings account project in Uganda to analyze savings habits and agricultural investments.

For undergrads interested in econ graduate programs, Diego advises students to be proactive. "First and foremost, don't be timid: participate in class and ask questions. Second don't just stick to the coursework you receive, ask for more," says Diego. Additionally, he recommends considering a master's program or having research experience before entering the Ph.D.

Diego describes Ph.D. programs as arduous yet worthwhile. "There is a famous chart showing the level of happiness of a graduate student as a function of years in a Ph.D.: it is very negative in the first year, increases until reaching a peak in the third year, just to go down until it reaches another bottom in the last year when you go to the job market! I think it is quite accurate, but at the same time I believe we can enjoy the process, after all, it is five years of our life."



Kyle Herkenhoff

Kyle Herkenhoff, a current teaching assistant and graduate student in the UCLA Economics Department, knows first-handedly the requirements in transitioning into life as a grad student. Kyle started as an undergraduate economics student at UCLA and is now a UCLA graduate student in economics.

Kyle is interested in strategic default which he defines as "the decision to skip payments like student loan payments." He has worked alongside Professor Lee Ohanian and one of their papers, "Labor Market Dysfunction During the Great Recession" has been discussed in *The Economist* and *The Wall Street Journal*. In addition to his graduate studies, Kyle currently interns at the Federal Reserve Bank of St. Louis where he works on default. He is also interested in intellectual property and has worked for the US Patent and Trademark Office on patent reform.

When asked how graduate school at UCLA is different from being an undergrad, Kyle replied, "A math background is essential for a Ph.D. in economics at a top research university. That's okay though because one UCLA math class a quarter will get you better prepared for rigorous analytics. I knew what it took to get an A as an undergrad so I held myself to that standard in graduate school. With that said, I had a hard work ethic as an undergrad and that paid off in the Ph.D. program...The hardest part of the transition was earning respect from professors, but no one can deny creativity, tenacity and motivation."

For undergrads considering graduate school in economics, Kyle shares some borrowed knowledge. "My advice for those considering graduate school is usually attributed to Benjamin Franklin, 'not preparing to fail.'"



Edgar Cortes

Edgar Cortes is a fourth-year economics graduate student. Edgar obtained his B.A. degree at Autonomous Technological Institute of Mexico with a major in Economics. Coming from an emerging developing country, Edgar is interested in development and labor economics.

"In the first two years of the Ph.D. program, you will be taking some core and elective courses and will come up with an idea for your main research project. In the following two or three years, you will be working on your research topic and will report it to your advisor periodically...You will be awarded a master's degree [on route to the Ph.D.] at the end of the second year, if you have passed a series of courses and fulfill some other requirements," described Edgar.

Additionally, Edgar gave some advice for undergrads to better prepare for graduate school. "In economics classes and research, mathematical thinking is very important." More specifically, he strongly recommends students take courses in calculus, linear algebra, real analysis, probability and statistics. He further explains that, "by taking some of these math courses, you don't only know how to calculate a derivative. You also understand its meaning and can use this knowledge to obtain conclusions about functions or other mathematical objects that have an economic meaning. This allows you to make rigorous statements about phenomena we observe in real life which we care about, such as inflation, unemployment, economic growth, and poverty." In order to get into a good Ph.D. program Edgar highlights the importance of the GRE (especially the math component), three or four strong recommendation letters, and possibly some research experience.

Career Spotlight: Economic Consulting

Job Description

Economic consultants develop business models, create economic forecasts, analyze government policy, and provide many other advisory services. Consultants work on a wide variety of interesting topics, from intellectual property to environmental economics and antitrust.

Firms often hire economic consultants to provide expert testimony in court cases. For example, in a patent infringement lawsuit between two technology companies, the incumbent firm may hire a team of economic consultants to value its patent portfolio and calculate appropriate damages resulting from business diversion to the infringing company.

Working at an economic consulting firm is a great way to prepare for grad school. Many analysts go on to attend top law and business schools, and the research skills acquired provide excellent preparation for Ph.D. programs in economics.

Qualifications

Securing an internship or full time position at an economic consulting firm requires a strong background in quantitative subjects and a passion for solving complex business issues. Knowledge of a discipline other than economics, such as finance, accounting, marketing, or computer science is desirable, as cases typically involve multidisciplinary content. Firms recruit analytical students with demonstrated abilities to conduct empirical research and work in teams. Beyond academic performance, it's critical to have an understanding of statistical software programs: Excel, SAS, STATA, etc. Interviews are a good opportunity to discuss your familiarity with these programs, pitch your talents, and talk about those economic theories you thought you would never get to use in your profession.

Recommended courses: Econ 103: Econometrics; Mathematical Economics

Top firms in LA: Analysis Group, Compass Lexecon, Cornerstone Research, Charles River Associates, NERA, Resolution Economics

UCLA Omicron Delta Epsilon Economics Honors Society

The UCLA Chapter of Omicron Delta Epsilon is restarting Spring Quarter 2012.

The objectives of ODE are:

- To strengthen ties between students and faculty
- Promote undergraduate research
- Emphasize the professional aspects of economics as a career field

Eligibility requirements, membership application, and additional information can be found at the UCLA ODE website, found [here](#). If you have any questions, please email the chapter at: ODEatUCLA@gmail.com



A Note From Professor McGarry

I hope you have enjoyed this first year of newsletters from your Economics Roundtable. The Roundtable is a group of economics students who work with the department to help improve your experience within the major. This year they started the newsletter you are now reading, and a mentorship program for transfer students. They hosted graduate / undergraduate student lunches and will soon launch a Facebook page. On tap for next year are a faculty / student lunch and other programs.

If you would enjoy the opportunity to be creative about improving the major and particularly about improving communication between the department and students, please consider joining the Roundtable. Each September we issue a call for applications. We aim to have a wide range of interests represented including economics majors and business economics majors, transfer students and those who came to UCLA as freshmen, and students from all years of the program. If you think you might be interested in serving on the Roundtable next year, please keep an eye out for an Econ-Alert message from me in September.

Before closing, I would like to use this opportunity to offer my congratulations to Scott Kamino. Scott has been one of the leaders of the Roundtable and served on it for two years. He is graduating this June and will enroll in the Ph.D. program in Economics at Stanford University. Perhaps we will be able to lure him back to UCLA as a professor when he finishes his degree. Congratulations Scott!

Best wishes to you all for a wonderful summer.

Professor McGarry
Vice Chair for Undergraduate Studies