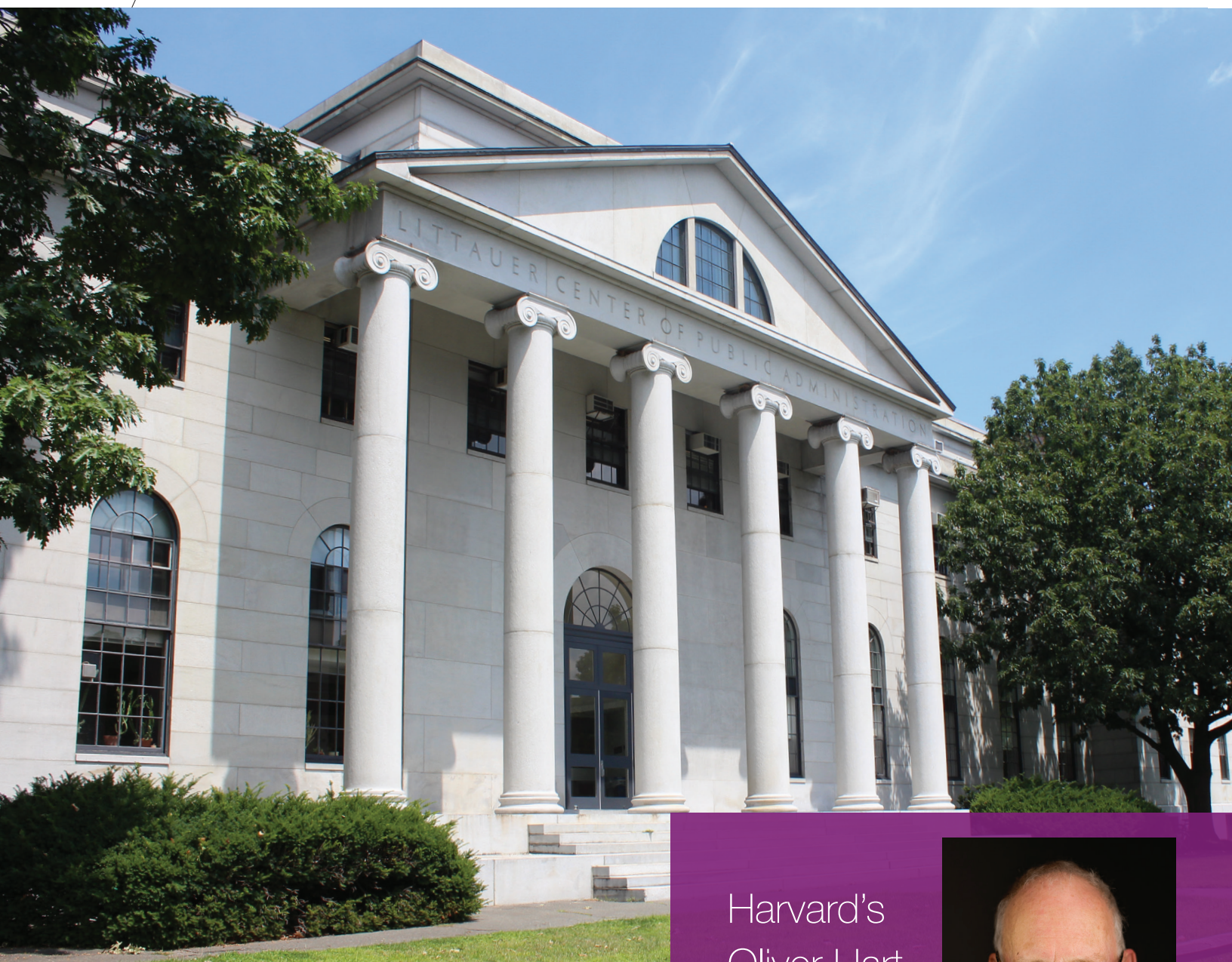


THE LITTAUER LETTER

The Annual Harvard Economics
Alumni Newsletter

Fall 2017 / Issue 3



Harvard's
Oliver Hart
Wins 2016
Nobel in
Economics



About Harvard Economics

The Harvard University Department of Economics was established in 1897 under the division of History, Government, and Economics. Built in 1931, the Littauer Center for Public Administration proudly houses the Department.

Harvard's Economics Department is ranked among the top institutions in the world for teaching and research in economics. The Department has 58 faculty members who teach in nearly every field of economics and an additional 30 affiliated faculty, lecturers, and visiting faculty.

The Department offers both a concentration in economics for undergraduate students and a doctoral program for graduate students. The Department is also home to the *Quarterly Journal of Economics*, which was established in 1886 as the first scholarly journal of economics in the English-speaking world.

The Class of 2017 AB Economics graduates celebrate on the Littauer steps



Table of Contents

3	Greetings from the Department
4	The Undergraduate Program
5	The Graduate Program
6	2016 Nobel Prize Winner Oliver Hart
8	Alumni Spotlight
10	Faculty Spotlight
11	Staying Connected
11	Photo Gallery

Greetings from the Department



David Laibson AB '88

Dear Alumni,

It's been a great year for the Department.

Individually, our students, faculty, and staff have received various awards and honors; these are highlighted on our Department web page (economics.harvard.edu/news). We are particularly proud of our colleague, Oliver Hart, who was awarded a Nobel Prize in October 2016 for his groundbreaking work in contract theory. We will tell you more about that honor later in this newsletter.

I am thrilled to announce that Karen Dynan AM '92 PhD '92 has been appointed Professor of the Practice of Economics. From 2014 to 2017 Karen was the Chief Economist at the U.S. Department of the Treasury. I am also extremely pleased to announce the promotion of Nathan Hendren to Full Professor and Stefanie Stantcheva to Associate Professor.

Together, our Department is soaring to new heights. The undergraduate program continues to thrive after the major overhaul we started in 2010. Over the past year, the graduate program has also been completely revamped, including a new, intensive program of faculty-student advising and the creation of the Graduate Economics Association.

I look forward to continuing our exciting work, making progress on a new building, working with our incredible undergraduate and graduate students, and recruiting top-notch talent to join our fantastic faculty. If you're interested in making a gift to support the future of the Economics Department, there are many ways to help (e.g., with funds for students, research, faculty recruitment, or new space). Please reach out to me if you have questions about how to get involved, or you can simply designate your next gift to the Harvard Department of Economics.

Thank you for being part of the Harvard Economics Alumni family.

Warm regards,

David Laibson

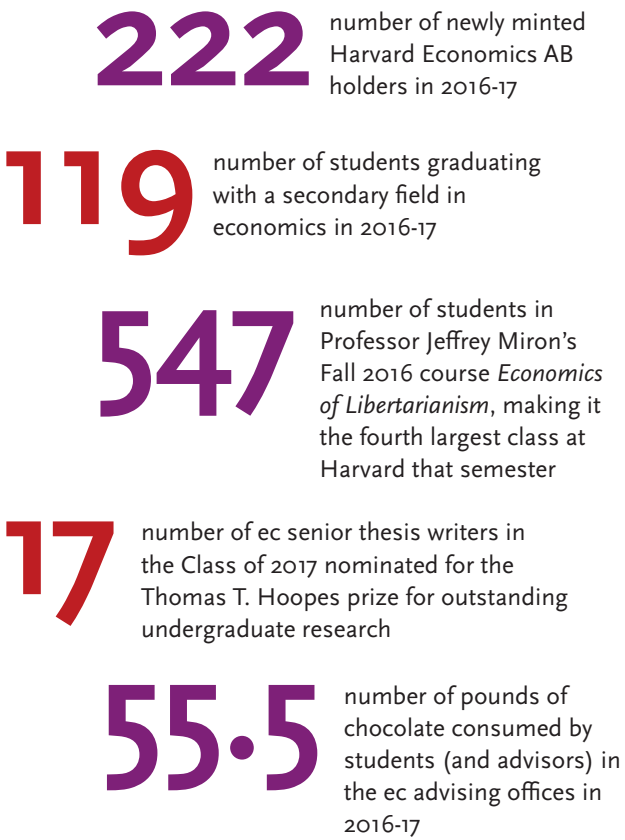
David Laibson AB '88
Department Chair
Robert I. Goldman Professor of Economics
Director of the Foundations of Human Behavior Initiative

The Undergraduate Program

The undergraduate economics program continues to thrive after the major revamping that began in 2010. Our team of five Lecturer/Advisors works closely with **Jeffrey Miron**, Director of Undergraduate Studies, in all aspects of the undergraduate program. Since 2010, we have seen a large improvement in student ratings of their experiences with the Department, academic advising, and the senior thesis process. The undergraduate advising team has also launched and led our Department alumni initiatives and has begun working with Professor **Gregory Mankiw** in the Ec 10 *Principles of Economics* courses. Recently, we have added several new classes to the curriculum, such as *From Gorbachev to Putin: The Economics and Politics of the Russian Transition* with Professor **Maxim Boycko**, *Households, Firms, and Communities in Developing Countries* with Professor **Emily Breza**, and *The Economics of Cities* with Professor **Edward Glaeser**.

As the largest concentration on campus, our undergraduate students are a diverse and talented bunch. In November 2016, 208 sophomores joined the Littauer family, declaring economics as their concentration. And of the 222 new Economics AB holders who headed off into the world this past May, 81% joined the workforce, 6% are pursuing full-time graduate study, and 2% are engaged in public service or volunteer work. Other post-graduate plans included travel and professional sports, and more than 75% of economics graduates say they plan to pursue graduate study in the future.

The Undergrad Program, by the Numbers



It's a bird...
it's a plane...
it's SuperMankiw!

Professor Greg Mankiw sports the new Ec 10 t-shirt, given to all students after completing the *Principles of Economics* courses.



The Graduate Program

The Economics, Business-Economics, and Political Economy & Government programs bestowed 28 doctoral degrees in 2016-17, with graduates engaging in a variety of work in academia, industry, and government. About 60 percent of graduates joined academic positions at universities in the US and abroad.

This past August, we welcomed an incoming class of 33 doctoral students. They hail from across the US and around the world, with two-thirds coming from various work experiences in industry, government, and research.

These new students are the first to be welcomed by the new Graduate Economics Association (GEA). The doctoral students elected **Libby Mishkin** (G5) as President and **Brian Wheaton** (G3) as Vice President. The GEA is one of several recent innovations in the economics graduate program.

For the second year in a row, Harvard won the *Econometric Game*, held annually at the University of Amsterdam. Teams of four students from each university participate in the three-day event, featuring surprise case studies and rigorous data analyses. Harvard's winning 2017 team featured graduate students **Kirsten Clinton**, **Sanjay Misra** AB '12, **Gregor Schubert**, and **Chenzi Xu** AB '11.

Four graduates received dissertation prizes over the last year. **James Feigenbaum** AM '16 PhD '16 was awarded the 2016 Economic History Association's Allan Nevins Prize for best dissertation in American economic history. He is now Assistant Professor of Economics at Boston University. **Simon Jäger** AM '13 PhD '16 and **Alexandra Roulet** AM '17 PhD '17 were successive recipients of the 2016 and 2017 Upjohn Institute prizes for best dissertation in employment research. Simon joined the MIT faculty as Assistant Professor of Economics and Alexandra is Assistant Professor of Economics at the INSEAD Europe campus. **Jack Willis** PhD '17 was the inaugural recipient of the Padma Desai Prize in Economic

Science for exemplary graduate student research for his dissertation work in development economics. Starting this January, Jack will be Assistant Professor of Economics at Columbia University.



Celebrating Harvard's win at the Econometric Game



The Class of 2017 PhD graduates with Professor David Laibson AB '88

2016 Nobel Prize Winner Oliver Hart

Shortly after 5am on October 10, 2016, Oliver Hart learned he was the 2016 co-recipient of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel—more commonly known as the Nobel Prize in Economic Sciences. Hart shared the prize with his colleague and close friend, Bengt Holmström, of the Massachusetts Institute of Technology.

Oliver Hart, Andrew E. Furer Professor of Economics, has been a vibrant member of the Harvard University economics community since joining the Department in 1993. Born in London, Hart studied mathematics at Cambridge University and economics at the University of Warwick. He received his PhD in Economics from Princeton

University in 1974. His post-baccalaureate pursuit of economics was partially motivated by his love of debating politics. “[M]y fellow-debaters at some stage raised an issue like the balance of payments and at this point I lost the argument. I decided that I had to learn something about this subject,” said Hart in his Nobel acceptance speech.

In the 48 years since Hart first began studying economics, he has been highly influential in the fields of contract theory, the theory of the firm, corporate finance, and law and economics. His research centers on the roles that ownership structure and contractual arrangements play in the governance and boundaries of corporations.

In a press release, the Royal Swedish Academy of Sciences applauded Hart for his “fundamental contributions to a new branch of contract theory that deals with the important case of incomplete contracts.” Hart’s insight was noting the challenge of creating a contract between parties that covers all potential outcomes; this raised the question of which party has control in uncontracted circumstances. Hart’s research in this area has influenced many areas of economics, political science, and law. Along with Holmström’s work on designing contracts between “principals” and “agents,” the Royal Swedish Academy of Sciences recognized that their work “lays an intellectual foundation for designing policies and institutions in many areas, from bankruptcy legislation to political constitutions.”

Hart has been affiliated with several other universities, including the University of Cambridge, the London School of Economics, and MIT. He is a Fellow of the Econometric Society, the American Academy of Arts and Sciences, the British Academy, and the American Finance Association. He is also a member of the National Academy of Sciences and has several honorary degrees. Hart has served as President of the American Law and Economics Association and as Vice President of the American Economic Association. He is married to Rita Goldberg, a lecturer in comparative literature, and they have two children.

Oliver Hart receiving his Prize from
H.M. King Carl XVI Gustaf of Sweden



Alumni Spotlight

Our more than 12,000 economics alumni are engaged in an impressive variety of professional and personal pursuits, making their mark in the world. In this issue, we honor four of our many amazing alums.



Richard W. Fisher AB '71 is Senior Adviser to Barclays PLC and a Director of ATT and PepsiCo. Richard's impressive career began in 1975 at the private bank of Brown Brothers Harriman & Co.

In 1987, he created Fisher Capital Management and a separate hedge funds management firm, Fisher Ewing Partners. He served as Deputy U.S. Trade Representative from 1997 to 2001. From 2001 to 2005, he was Vice Chairman of Kissinger McLarty Associates, a strategic advisory firm chaired by former Secretary of State Henry Kissinger. In April 2005, Richard began his 10-year service as President and CEO of the Federal Reserve Bank of Dallas. Richard was a member of the Federal Open Market Committee and Chairman of the Conference of Federal Reserve Bank Presidents from 2010-12, which is the oversight committee for the operations of the twelve Federal Reserve Banks.

Richard is a fellow of the American Academy of Arts and Sciences and an honorary fellow of Hertford College at Oxford University. Earlier this year, he completed service on Harvard University's Board of Overseers where he chaired the Social Sciences Committee and was a member of the University's Inspections Committee. In 2006, Richard received the Service to Democracy Award and Dwight D. Eisenhower Medal for Public Service from the American Assembly. He was inducted into the Dallas Business Hall of Fame in 2009 and received the 2014 Woodrow Wilson Award for Public Service. In 2015, Richard was given the Order of the Aztec Eagle award, the highest honor given by the Mexican government to foreigners. That same year, he received the Neil Mallon Award, one of Dallas' highest honors.

Richard was educated at the US Naval Academy, Harvard, Oxford, and Stanford Business School. He is the father of four children—Anders, Alison, Miles and Texana (deceased)—and is very proud that they all did their undergraduate work with distinction at Harvard.



Tracy Palandjian AB '93, MBA '97 is Co-Founder and Chief Executive Officer of Social Finance, a nonprofit organization which is leading the development of pay-for-success financing and

social impact bonds, an innovative public-private partnership that mobilizes private investment for use in nonprofit social service projects.

For more than a decade, Tracy has been committed to building a more impactful nonprofit sector by reimagining the role of capital markets in enabling social progress. Inspired by Social Finance UK, Tracy co-founded Social Finance US in 2011 to develop the pay-for-success model in the United States. Prior to Social Finance, she was a managing director for 11 years at The Parthenon Group where she established and led the Nonprofit Practice and worked with foundations and non-governmental organizations to accomplish their missions in the US and globally. Tracy also worked at Wellington Management Co. and McKinsey & Co.

Tracy is co-author of *Investing for Impact: Case Studies Across Asset Classes*. She is Vice Chair of the US Impact Investing Alliance to the Global Impact Investment Steering Group (previously the G8 Taskforce), Vice Chair of the Board of Overseers at Harvard University, and serves on the boards of Facing History & Ourselves and the Surdna Foundation (where she chairs the Investment Committee). She is also on the Board of Directors of Affiliated Managers Group.

Tracy is a frequent speaker and writer on impact investing, social innovation and results-oriented policy making, having been covered in *The Wall Street Journal*, *The Atlantic*, *The Economist*, *TIME*, *Forbes*, and *The New York Times*. A native of Hong Kong, Tracy is fluent in Cantonese and Mandarin. She graduated *magna cum laude* from Harvard College and wrote her senior thesis with Professor Richard Caves. She also holds an MBA with high distinction from Harvard Business School, where she was a Baker Scholar.



Cecilia Elena Rouse AB '86, AM '91, PhD '92 is Dean of the Woodrow Wilson School of Public and International Affairs, the Katzman-Ernst Professor in Economics and Education,

and Professor of Economics and Public Affairs at Princeton University. An eminent labor economist with a focus on the economics of education, Cecilia is the founding director of the Princeton Education Research Section and a member of the National Academy of Education. She is a senior editor of *The Future of Children*, a policy journal published by the Wilson School and the Brookings Institution, and she serves on the editorial board of the *American Economic Journal: Economic Policy*. She also serves on the boards of MDRC and the National Bureau of Economic Research, and is an independent director of the T. Rowe Price Funds.

From 2009 to 2011, Cecilia served on President Barack Obama's Council of Economic Advisers, a three-member panel that provided the president with analysis and advice on a wide range of domestic and international economic policy issues. She worked at the National Economic Council as a Special Assistant to President Clinton from 1998 to 1999.

Cecilia is the author of many prominent papers on topics including the economic benefit of community college attendance, the existence of sex discrimination in symphony orchestras, the consequences of Milwaukee's private school voucher program on student achievement, the effect of student loan debt on college graduates' career choices, the impact of computer-assisted instruction on students' performance in reading and mathematics, and the impact of Florida's school accountability and voucher programs on student achievement and the decision-making of school administrators.

After completing her undergraduate degree at Harvard in 1986, Cecilia studied at L'Université de Cheikh Anta Diop in Senegal. She returned to Harvard to earn her PhD in 1992.



Robert E. "Bob" Rubin AB '60 began his distinguished career at Goldman, Sachs & Company in 1966, serving as Vice Chairman and Co-Chief Operating Officer and then as Co-Senior Partner and

Co-Chairman. He joined the Clinton Administration in 1993 as Assistant to the President for Economic Policy and as Director of the newly created National Economic Council. In 1995, Bob was appointed as the 70th Secretary of the US Treasury, a position he held for four and a half years. During this time, he worked on issues ranging from balancing the federal budget to stemming financial crises in Mexico, Asia and Russia to guiding reforms at the Internal Revenue Service.

From 1999 to 2009, Bob served on the Board of Directors and as a senior advisor for Citigroup. Bob joined Centerview Partners in 2010 as a senior counselor. In June 2014, he completed a 12-year term as a member of the Harvard Corporation and is now a member of its Finance Committee. In June 2017, Bob concluded his 10-year term as Co-Chairman of the Council on Foreign Relations but continues to serve as Co-Chairman Emeritus. He is a member of the Boards of Trustees at the Mount Sinai Health System and Chairman of the Board of the Local Initiatives Support Corporation.

Bob is a co-founder of The Hamilton Project, an economic policy project at the Brookings Institution that offers innovative policy proposals on creating a growing economy that benefits more Americans. He is also the author of *In an Uncertain World: Tough Choices from Wall Street to Washington*, which was a New York Times bestseller and one of Business Week's 10 best business books of the year.

Bob graduated *summa cum laude* from Harvard College in 1960. He received a L.L.B. from Yale Law School in 1964, attended the London School of Economics, and has received honorary degrees from several universities. Bob is married to Judith Oxenberg Rubin, and they have two adult sons, James and Philip.

If you'd like to recommend an ec alum for a future "Spotlight," please let us know at ecalums@fas.harvard.edu.

Faculty Spotlight

The Harvard Economics Department is the proud home to many of the brightest minds in economics. We are thrilled to welcome **Karen Dynan** AM '92 PhD '92 as Professor of the Practice of Economics, and we are proud to announce **Nathan Hendren's** promotion to Full Professor and **Stefanie Stantcheva's** promotion to Associate Professor.

Over the past year, our faculty have also received many national and international honors.

Oliver Hart received the field's highest honor, sharing the 2016 Nobel Prize in Economic Sciences (full story, pages 6-7).

Four junior faculty members received prestigious research awards this past year. **Melissa Dell** AB '05 was chosen as a 2017 Andrew Carnegie Fellow and received the fifth Calvó-Armengol International Prize in Economics, given every two years to an economist or other social scientist under 40 years of age. **Matteo Maggiori** and **Stefanie Stantcheva** each received a CAREER award from the National Science Foundation, and **Amanda Pallais** was awarded a 2017 Sloan Research Fellowship.

Amartya Sen was honored with the 2017 Johan Skytte Prize in Political Science, often considered the political science equivalent of the Nobel Prizes. **Ariel Pakes** AM '76 PhD '78 won the 2017 Jean-Jacques Laffont Prize, **Neil Shephard** was awarded the 2017 Guy Medal in Silver, and **Matteo Maggiori** received the Young Researcher Prize from the AQR Asset Management Institute at London Business School.

Ariel Pakes AM '76 PhD '78 was elected to the National Academy of Sciences and **Marc Melitz** was elected to the American Academy of Arts & Sciences. **Gita Gopinath** received a Distinguished Alumni Award from the University of Washington,



Professor of the Practice Karen Dynan AM '92 PhD '92

Nathan Nunn was awarded Simon Fraser University's 2017 Outstanding Alumni Award, and **Oliver Hart** was named a Great Immigrant by the Carnegie Corporation of New York.

Eric Maskin received honorary doctoral degrees from Babeş-Bolyai University in Romania, Hautes Études Commerciales in Paris, the University of Cambridge, De La Salle University, and the University of Florida. This past June, the European University Institute awarded **Claudia Goldin** an honorary doctoral degree.

You can read more about Department awards and honors at economics.harvard.edu/news.

Staying Connected

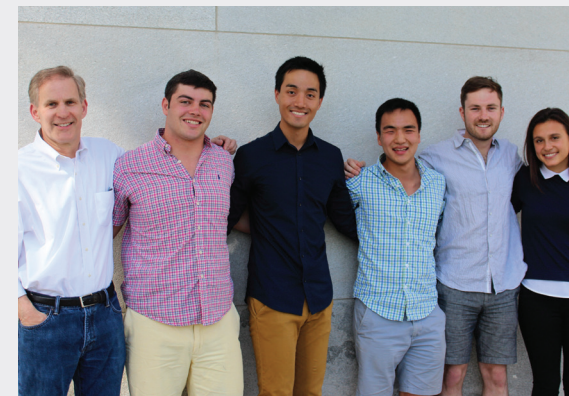
The Department is proud to host three annual events for and about alumni. In October 2016, four outstanding alums joined us for our fourth annual *Ec Beyond Harvard** event, which aims to introduce undergraduates to the variety of work possibilities available to the ec-interested. Students and parents were treated to a discussion with **Shira Liu** AB '05 AM '05, litigator at Boies, Schiller & Flexner; **Daniel Obus** AB '06, Vice President of Finance, Technology, and Administration at Teach for All; **Stephanie Havens Walsh** AB '14, Internal Consultant at the Consumer Financial Protection Bureau; and

Matthew Weissman AB '97, Chief Medical Officer of Community Healthcare Network.

Alumni attending Fall 2016 Reunion weekend heard from Professor **Dale Jorgenson** AM '57 PhD '59 about his views on the future of economic growth across the world. This past May, Professor **Jeffrey Miron** led a fascinating discussion on drug legalization for alumni visiting during the Spring Reunion weekend.

*Ec Beyond Harvard is made possible through the generous support of the Donald M. Blinken Fund.

Photo Gallery



Professor Jeffrey Miron and the Department's Hoopes Prize winners, May 2016



Undergraduates bid farewell to Lecturer/Advisor Jonas Poulsen, May 2016



Department and University colleagues toast Oliver Hart's Nobel Prize, October 2016



Members of the Department enjoy the solar eclipse on Littauer's steps, August 2017

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Snowy Sunset, view from Littauer

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