

Economics

Department Alumni Newsletter

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Nicknames, Mascots and Other Creatures

The *Great Mascot/Nickname Fracas* has ended. For now.

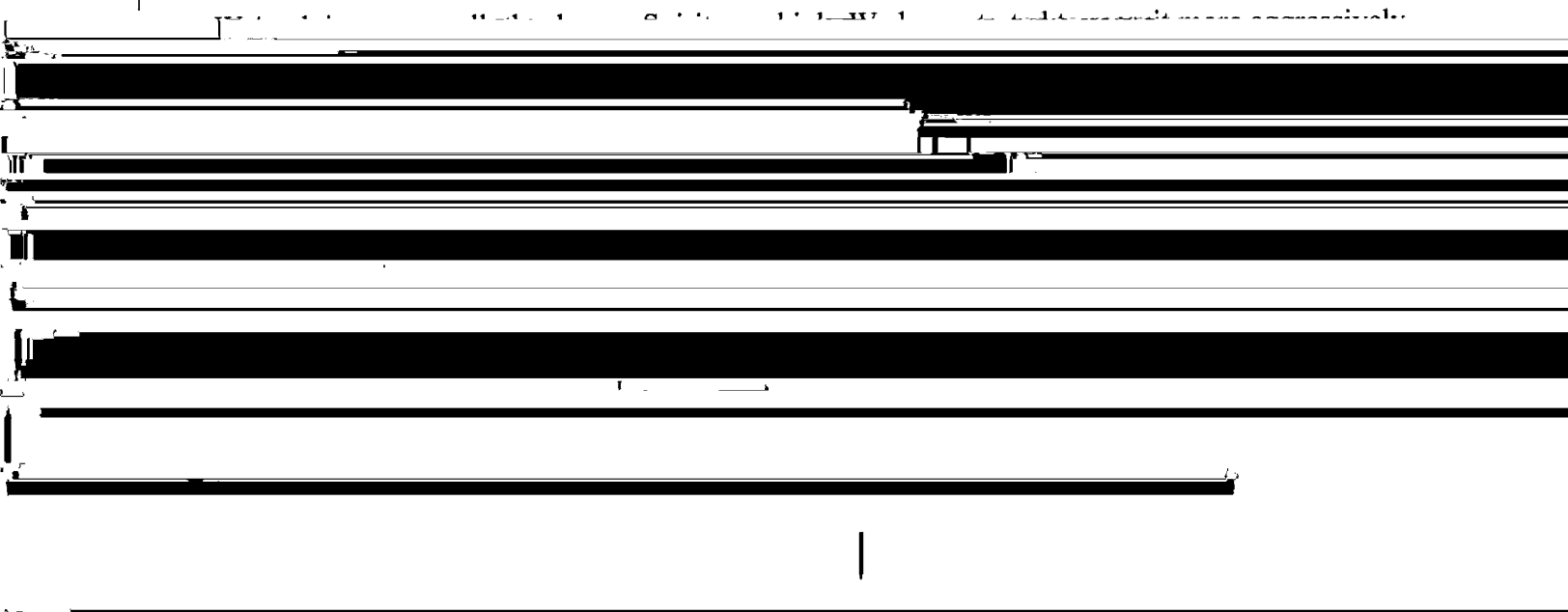
It was a classic struggle. The forces of political correctness arrayed in battle against the *Good Old Boys*. Luckily, with weaponry limited to righteous indignation, bluster and heavy breathing, casualties were contained. Minor mutilations, but no fatalities.

And, with the dust settled, we're still the Indians. No Crimson Thunder or Crimson Hawks or my personal favorite, Crimson Scholars. Just plain old Indians. Status quo. Ah. But, we do have a new mascot. A bear.

A bear? Huh? Well..... Bears *are* prominent in many Native American legends. And, bears *are* indigenous to the Indiana area. And, no recognized organization stepped forward to object to or to decry ursine defamation. So, a bear it is.

But, what bear? Could it at least be an academic bear? An erudite bear? A bear culled from the pages of literature or science? *Winnie-the-Pooh*, of course, won't do. He is, by his own admission, a bear of very little brain and, therefore, inappropriate for an upscale institution of learning like IUP. Yogi Bear appeals to me -- I identify with his fetish for picnic food. But, he and pal Boo-Boo are proprietary, and Hanna Barbera is not likely to cede them to IUP without a fight.

And in the department...



What's a Euro

by
Yaw Asamoah

Multiple choice. Is a *euro* a car? A country? A color? A constellation? Or, a currency?

You're right. It's a ~~currency~~ ~~a currency~~ now shared by the eleven member nations of the European

But, there is another side. The formation of a currency union is not a risk-free venture. Far from it. Indeed, the possible flaws were severe enough to keep several invited countries, most notably Britain, on the sidelines.

Members of the ECU (or the Euro-11, as they are commonly known) have given up their authority to pursue an independent monetary policy to a supra-national central bank, in this case, the European Central Bank (ECB). Why is this a big deal? The possibility of using a monetary stimulus by each

of the member states in the event of a recession is now out of the reach of the national policymakers

opportunities are more numerous. Second, Connecticut residents would qualify for a variety of federal subsidies paid for by taxpayers in states with more robust economies. Increased federal transfers for

Connecticut's distress. Finally, dividend payments to Connecticut households who own stocks in firms located elsewhere in the U.S. would help compensate for the low profits of Connecticut-based companies.

Will it work in Europe?

It is hard to tell. Even if the U.S. is substantially more Democratic, we have not yet taken

the poorest quintile in Japan receives more than eight percent of national income (compared to less than four percent in the U.S.).

Shares of Total U.S. Income

<i>Households</i>	<i>1967</i>	<i>1977</i>	<i>1987</i>	<i>1997</i>
<i>Poorest 20%</i>	4.0%	4.2%	3.8%	3.6%
<i>2nd quintile</i>	10.8%	10.2%	9.6%	8.9%
<i>3rd quintile</i>	17.2%	16.0%	16.1%	16.0%

<i>4th quintile</i>	24.2%	24.7%	24.3%	23.2%
<i>Richest 20%</i>	43.8%	44.0%	46.2%	49.4%
<i>Richest 5%</i>	17.5%	16.8%	18.2%	21.7%

And, the degree of inequality has increased. Over the last two decades, the share of the poorest 20 percent has slid while the share of the richest 20 percent has climbed. In 1977, the richest 20 percent

producing traded manufactured goods. Moreover, unskilled workers in other countries have fared just as poorly as those here at home. Despite our best efforts, we cannot trace any significant part of the blame to international trade.

Technology?

How about technology? Much of the technological change in recent decades has been "skill-biased;" it impacts skilled and unskilled workers differently. For example, the computer revolution has increased the productivity of skilled workers, but blown unskilled ones out of the water. Skilled,

experienced similar increases in wage inequality. Interestingly, other nations have moderated these effects through increased government transfers to low-income families. The U.S. has not. In fact, recent U.S. welfare reforms have cut back on such assistance.

Many U.S. taxpayers favor assistance to low-income families, but resist those that tax the middle

class. This is a difficult position to maintain because the middle class is not. Because most families are

might induce us to take fewer safeguards with our valuables. If we know our losses will be replaced, will we be as zealous in locking our doors? Will we invest as readily in that new home security system?

Similar to government flood insurance, might allow victims to rebuild homes on flood plains.

At least one professional guide blames a change in attitude. Clark and Lee quote him as saying that initially, "there was more of an understanding that people were on their own. They didn't rely on others for help. But, [after] word got out that the National Park Service would pay for rescues, the prevailing attitude seemed to be 'Don't worry. If we get in trouble, the Park Service will rescue us.'"