

(continued from page 1)

And in that very large apartment building, the two Greek families found themselves next door neighbors. During our first encounter Aki chest bumped and fell on top of me, then bit me on the forehead. We have been great friends ever since.

Rainsville is a small country town in the Appalachians of northeastern Alabama. Needless to say, not many Greek kids pass through Rainsville so Aki was a real hit at Sunday breakfast at the local church. Several grand-mas and grandpas instantly surrounded poor little Aki, welcoming him to Rainsville. Eventually, the locals wanted to learn some Greek words.

is

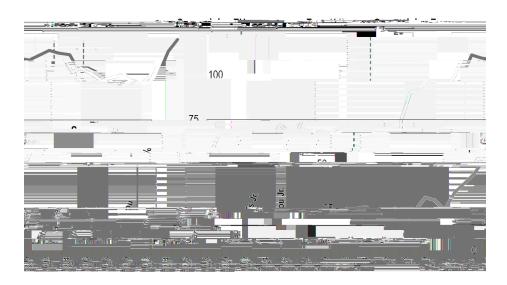
ska-

- responded the locals, visibly trying to pronounce their first Greek word correctly.

Panoeco-

A Real Greek Tragedy (cont.)

(continued from page 3)



On January 25, 2015, Greeks elected Alexis Tsipras of the left-leaning SYRIZA party as Prime Minister. SYRIZA,

an unlikely outcome. Bailouts will have to be repaid with Greece owing more now than ever. As the Greek government begins a painful restructuring process, it is unfortunate that Aki, Taki, Efi, Christos and all Greeks are collateral damage. I, for one, will do my part to help stimulate the Greek economy by eating plenty of gyros on my next visit to Greece.

References

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Malkotzis, N (September 2011), Young Greeks and the Crisis, The Danger of Losing a Generation, Friedrich-Ebert- Stiftung, International Policy Analysis, Berlin, Germany, accessed on 10.31.2014.

Pascual A.G. and Ghezzi, P., 2011. The Greek Crisis: Causes and Consequences. *CESifico Working Papers,* 3663.

INTERESTED IN BEING AN ECONOMICS CLUB SPEAKER?

This Fall semester, the Economics Club hosted the following speakers:

James Thompson of Thompson/McLay Insurance Associates Terry Monteleone, President/Owner of Picasso Lures Simeon Novels, Owner of Core Concept Marketing

If you plan to be in the area (or live in the area) and would be interested in speaking to the Economics Club, please contact Dr. Chris Jeffords at Christopher.Jeffords@iup.edu.

This spring (2014) there was a splash in the media about the positive correlation between STEM (Science, Technology, Engineering and Mathematics) immigration growth and college graduates salary growth. The source of the excitement was a *Wall Street Journal* @3'cg&p\$Â53ã3WOT6p\$W2" 2)Wm3WWC4Wm:3ČN,\$KW&m 首次9C""C'gB8p#c意乐为!a%的意)2' May 22, 2014), i1 0 0 1 570.22 613.18 Tm[()] TJ TJE.y 22,lup.yrelaTEM (TJ570.2ScelaT3(es)4TJETBTicSc In an earlier economics newsletter I discussed some of the cognitive traps associated with comparison of percent-

ate merging of percentages.

percentages were added instead of averaged. To see the mistake, consider some numerical examples.

Suppose tuition is \$10,000 and room and board charges are \$10,000, totaling to a student price of \$20,000. A 2% increase in tuition is \$200 (on a base of \$10,000) and a 3% increase in room and board is \$300 (on a base of \$10,000), yielding an overall increase of \$500 to the student. Dividing \$500 by \$20,000 gives you a percentage change of 2.5% not the 5% featured in the headline.

Now suppose that tuition is \$5,000 and room and board is \$15,000. A 2% increase in tuition is \$100 and a 3% increase in room and board is \$450 for a combined increase of \$550 on a base of \$20,000. That is an increase in the total price to the student of 2.75% which is again far short of the 5% given in the newspaper headline.

Given all the possible mixes between tuition and room and board, the overall percentage price increase at Megalopolis University for room and board and tuition will be somewhere between 2 and 3% That s quite a different story than is told by the nonsense headline. Beware of inappropriate summation of component percentage changes! nous college graduates. Rather, higher salaries for college graduates are causing STEM immigration. Beyond

The Peri study is being hyped as proof that foreign STEM immigration causes higher wages for college graduates in metropolitan areas and that H1-B visas should be more liberally granted. Although that conclusion is not supported by careful analysis, the Peri, *et al.*, study <u>does show that compensation of indigenous college educated workers does not decrease with more foreign STEM immigration</u>

Star Wars As My Model for Teaching Economics By Dr. Brandon C. Vick

below) unending thirst to know more about Star Wars and desire to ambush me with his light saber. The second is

this story has had on my adult life.

Star Wars through the eyes of my son has made me realize the great effect

To combat negative beliefs my students have coming into my principles of microeconomics class, I try to create the sense of *A New Hope.*[†] I design lectures with as much intent on linking to student experiences as delivering content. Economic analysis of *The Walking Dead* and *The Hunger Games* links newly learned knowledge of production possibilities and economic development to interests in other parts of their lives. I deliver content in a stepwise manner that builds toward understanding over time. The main feedback I get from students, especially early on, is that they come out of lectures feeling like they understand what is going on.





Such overconfidence in students is typically squashed by the first midterm, a setback that may feel to many students what Luke felt having his hand cut off by Darth Vader at the end of *The Empire Strikes Back*. Luke falls through the air in despair only to be caught by Leia. Our heroes, escaping a great defeat, regroup, and plan their next steps.

I follow up the midterm by giving students a clear plan to achieve their goals in the course, now that they have a true understanding of the challenges. Students must complete several projects designed to help them engage the material in different ways. A policy memo requires that they argue for or against a soda tax to be implemented in PA. A one- on- one presentation requires that they discuss economic aspects of something that is particularly interesting to them. I utilize Pinterest.com to bombard students with articles on the eco-

nomics of everyday life.² Students that have successfully re-engaged with the course are seeing a momentum that leads to the second midterm.³ Now it is time to perform.

have actively engaged in the course have at least one successful presentation, memo, or exam grade. Many are in position to earn the grade they set as a goal. Most have met with me face- to- face, where I advise on plans to prepare for and perform well on the remaining exams. The story is familiar: a hero begins with a great hope, meets a difficult challenge and fails, but gets up and succeeds in the end. Whether this pedagogy is effective or not, I know not. I do know that I create an interesting way for students to experience their first economics course (for most) and that most students stop thinking that economics is *the path to dark side*.

³I track how students are following along with lectures using Clicker, track course website hits, and who comes to office hours.

¹Star Wars: Episode IV A New Hope (1977) is the first part of the original trilogy.

² I link to articles on the game theory of *The Price is Right*, robot armies, innovations in hamburger advertising, and the economics of dating.

Greetings, Alumni:

I am sad to report that Dr. Clarence Alexander Garvin, Jr. passed away on December 4, 2014. Dr. Garvin was a member of the Department of Economics from 1969 to his retirement in 1998. Dr. Garvin taught a wide variety of economics courses including monetary policy, econometrics, and intermediate macro- and microeconomic theory. As a long-time friend and colleague, Alex will be greatly missed by the department. Prior to teaching at IUP, Dr. Garvin served in the Navy and was partner and general manager of the Garvin Furniture Store. Many of

summer,

in Albuquerque, NM. We appreciate his willingness to share his experience with us.

mer Training Program which was held at the University of New Mexico. I found out about this program through Drs. James and Stephanie Jozefowicz. This was a 6- week program in Albuquerque, New Mexico, that consisted of three five- week courses and culminated in a one- week research project that was then presented at the Ameri-

The three courses consisted of a Microeconomics course, an Econometrics course, and a Math Economics course. The Micro course was mostly focused on game theory and industrial organization and was taught by Dr. Brady Horn. The Econometrics course took us through the statistical derivations of how econometrics works and some real- world

Facul ty Notes

Dr. Stephanie M. Brewer Jozefowicz was reelected Secretary of the Pennsylvania Economic Association at the Annual Conference held at Edinboro University of Pennsylvania in May 2014.

Drs. Stephanie M. Brewer Jbzefowicz, James J Jbzefowicz, and Yaya Sissoko attended the Spring Pennsylvania Economic Association Board of Directors meeting held at Edinboro University of Pennsylvania in May 2014 and the Fall Pennsylvania Economic Association Board of Directors meetings held at the Penn Stater in October 2014.

Dr. James J Jozefowicz

- authored with economics alumnus , at the 2014 Pennsylvania Economic Association (PEA) Conference held at Edinboro University of Pennsylvania in May.

Dr. Yaya Sissoko

- authored with Brian Soboda (U.S. Department
- dwindling Effects of Market Price Support on Refined
- authored with Inoussa Boubacar (University of Wisconsin Stout), at
the 2014 Pennsylvania Economic Association Conference held at Edinboro
University of Pennsylvania in May.

Drs. Chris Jeffords and Alexi S. Thompson

- authored with

colleague David Yerger

- authored with economics major Jessica Black, at the 2014 Pennsylvania Economic Association Conference held at Edinboro University of Pennsylvania in May.

Dr. David B. Yerger was elected in September 2014 to serve on the Executive Board for the Middle Atlantic & New England Council for Canadian Studies.

Bulletin of Economic Research, September 2014.

Dr. David B. Yerger is serving as outside grant reviewer for the Center for Rural

Penn State, Pitt, and PASSHE systems asked to review the 18 full proposal submissions.

In This Issue:

A Real Greek Tragedy

STEM Immigration and College Graduates' Pay

Star Wars

In Memory of Dr. C. Al exander Garvin

AEA's Summer Training Program

Facul ty, Al umni, and Student Notes

And More