THE BECKER FRIEDMAN INSTITUTE
FOR RESEARCH IN ECONOMICS

January 2016–June 2017 Report
the quality and spirit and the attitude of the economics department and
indeed the university at large. It's a wonderful place where people are
interested in understanding things and getting at the bottom of things, at
the truth.” Equally significant, Gary Becker, by his extraordinary example as
an elite researcher, showed us how economic analysis provides new insights
and a deeper understanding of a broad range of social phenomena. Both of
their perspectives have been instrumental in crafting the intellectual direction
of the Institute.

In 2008, we served a committee to create the Milton Friedman Institute that
included some of the leading economists on campus. One of us, Lars, served as
committee chair. Since that time, Lars has had the privilege to be the inaugural
director of the Milton Friedman Institute, the inaugural research director of
the Becker Friedman Institute, and most recently, director and cochair of the
Becker Friedman Institute. In the past three years, in our capacity as cochairs,
we have enjoyed exploring and nurturing an array of activities and events
tailored to the overall mission of the Institute. Throughout this time, we have
had the opportunity to work with many dedicated staff who ensured that the
Institute functioned at a high level and prospered intellectually.

This has been a true start-up project. Initially, the Institute was supported by
a single staff person working from an office carrel with very limited space for
visitors and no dedicated space for conferences. Since that time the Institute
has hosted nearly one hundred academic conferences, some fifty outreach
events for students and the public, and just under three hundred visitors. This,
of course, could only happen with a broad range of faculty support. We believe
our student engagement has been truly special among research institutes, with
many faculty on and off campus sharing their perspectives with both graduate
and undergraduate students.

Together we are passing the leadership on to two superb scholars, Michael
Greenstone and Erik Hurst. They are already off to a great start, and they
will be pushing the Institute in new and exciting directions. We will continue
to participate in the Institute and to do our part in continuing the strong and
unique intellectual tradition that characterizes Chicago economics. We hope
you also will continue to explore Chicago economics through the offerings of
the Becker Friedman Institute.

Dear Friends and Colleagues:

We are writing to give you our last update on Becker Friedman Institute
activity, as our leadership term drew to a close in June 2017. This past year, we
continued our strong commitment to advancing frontier research by addressing
important policy-relevant topics, hosting seventeen academic conferences in
which top scholars from around the world participated, supporting economic
research at the university on many fronts. Let us mention some of the many
successes that stand out.

We are pleased to welcome four of the best young scholars in the economics
profession as our research fellows this year: Rodrigo Adão, Piotr Dworczak,
Lauren Falcao Bergquist, and Moritz Lenel. They work in diverse areas, all from
a broad perspective.

We launched the Fiscal Insights Series with contributions by distinguished
scholars affiliated with the Institute. To date, five of our Distinguished Fellows
have produced short essays geared for a broad audience to address important
fiscal challenges, and additional essays are in the works.

Recent outreach events have addressed two important policy challenges:
school choice and public provision of health insurance. The two panels
moderated by Institute leadership included experts from campus and beyond.

The Institute has embraced the scholarly ambitions of its two namesakes,
Gary Becker and Milton Friedman. On the occasion of Friedman's ninetieth
birthday celebration at the University of Chicago, he noted, “I couldn't bring
myself to leave Chicago, not because of its beautiful climate but because of
2016–2017 at a glance

The Becker Friedman Institute:

• Provides an intellectual destination for top scholarship in economics and a home for the critical assessment of innovative research.

• Encourages collaborative interactions across specific areas of research within and beyond economics.

• Supports and promotes scholarship through research initiatives and nurtures the development of scholars early in their careers.

• Enhances the impact of economic inquiry by sharing it broadly with students, other scholars, policymakers, and the public.

<table>
<thead>
<tr>
<th>Student events</th>
<th>Research conferences</th>
<th>Outreach events</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Visiting scholars</td>
<td>Research initiatives</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

Becker Friedman Institute | The University of Chicago
RESEARCH INITIATIVES

Advancing Research

Through our eight research initiatives and nineteen research conferences and events, the Institute continued to support and expand rigorous research on some of the most pressing economic and policy issues of our times.

Health Economics and Human Capital
Building a community of health economists while funding and sharing new research was the focus of the first year of the Institute’s Health Economics Initiative. Established in 2016, the initiative works to broaden and expand rigorous analysis of the economic forces and policies shaping health care markets, costs, coverage, provision, and outcomes. Within this initiative, we now have three programs: Foundational Research on Health Care Markets and Policies is headed by Tomas Philipson and Casey Mulligan; Economics of Health Care Delivery is headed by David O. Meltzer; and through a generous gift from David Booth, we recently launched a new project on Health and Human Capital headed by Kevin Murphy and Robert Topel. Building on the University of Chicago’s longstanding leadership in the study of human capital and its connection to health outcomes, the project will advance our understanding of how human capital creates incentives and enhances the ability of individuals to monitor and invest in health while, conversely, health promotes investment in human capital. The initiative continues to grow, with plans for additional research programs in the works.

Part of building a research community involved selecting five health economics fellows for 2016. These promising graduate students received dissertation funding and the opportunity to present their work at an Emerging Scholars Roundtable held on September 29, 2016. Their original inquiries deepen our understanding of health economics and linkages between the health care sector and the overall economy. Eight more fellows were granted funding in the spring of 2017, and another research conference and workshop for the fellows will be held in October 2017.

The Emerging Scholars Roundtable was part of a bigger research conference exploring the connection between the health care sector and the macroeconomy. This conference brought together a group of leading health economists presenting and discussing some of the best new research in the area. Presenters shared work that assessed the impact of insurance, regulation, technological innovation, and other forces affecting health care pricing, coverage, provision, and outcomes. By diversifying and expanding inquiry in the field, the initiative generates findings that inform real-world policy decisions and impact individual lives.

Research Initiatives

Listed below are some examples of established initiatives. In addition to these, we’ve continued a conference series in economic theory, econometrics, and international trade.

Chicago Experiments*
Economics of the Family*
Health Economics and Human Capital
Industrial Organization*
Law and Economics*
Macroeconomics and Financial Markets
Policy Uncertainty
Price Theory*

*Partially supported by the Andrew and Betsy Rosenfeld Program in Economics, Policy and Law
The Macro Financial Research Initiative (MFRI) engages scholars on campus and elsewhere in the study of connections between financial markets and the macro economy. It addresses a variety of important topics.

Under the auspices of the established Macro Financial Modeling Group, a network of elite and young scholars, this initiative supports research on models and measurements that will aid the prudent oversight of system-wide risks to the financial system while preserving the vital role for markets in risk sharing and liquidity provision. Activities this past year included a conference at the New York Mercantile Exchange in March and a summer camp at the historically relevant site of Bretton Woods, New Hampshire. This year, fourteen young scholars received MFM dissertation support to investigate these topics along with eight collective projects funded by elite scholars.

The Macro Financial Research Initiative also supports research aimed at providing a comprehensive historical series on the fiscal and monetary policies for eleven Latin American countries. This project will provide more complete and comprehensive accounts for each country to facilitate cross-country comparisons with the intent to extract the lessons learned across Latin America for the implementation of future monetary and fiscal policy. Over the past year, we continued the Latin American project by holding conferences targeted toward specific countries, such as Peru, Colombia, and Venezuela. We plan to have two wrap-up conferences in Chicago and Santiago, Chile, this coming academic year which will take inventory of the evidence and insights garnered to date for use in mapping out plans for productive research for the future.

Another recurring theme of the initiative has been government debt and taxation. The 2017 Government Debt conference was held in April and included presentations on theoretical and quantitative papers about default, maturity, dilution, inflation, and fiscal policy design and modeling.

As part of this initiative, the Institute hosted the 8th Marco Finance Society Workshop on November 3–4, 2016, Douglas Diamond of Chicago Booth, a Distinguished Fellow of the society, delivered the keynote address discussing research that was subsequently captured in a piece featured on the institute’s website entitled “The Paradox of Frozen Liquidity.”

Price Theory
Price theory has long been a central pillar of Chicago economics. Examining the behavior of economic agents through the lens of markets, prices, and incentives is at the core of the Price Theory Initiative under the leadership of University of Chicago professors Kevin Murphy and Steven Levitt. Under this initiative, faculty and students explored topics that included education, marriage, crime and corruption, addiction, health, and political bias and ideological segregation in the media.

The Price Theory Initiative supports research, particularly by young scholars, that builds on its intellectual heritage. In the past year, twelve young faculty members have received BFI funding to study a wide array of topics, from examination of the relationship between technological innovation and future labor earnings to investigation of how different health care policies impact the care that members of a household receive. With support from the Searle Freedom Trust, three Price Theory Fellows—PhD students at other institutions—attended the University of Chicago during the 2016 fall quarter and enrolled in the first course of the Price Theory sequence taught by Professor Murphy. The course emphasizes the application of simple economic principles to important, real-world problems.

In addition, the Price Theory Initiative continued its support of topical research conferences. For instance, the Price Theory Initiative supported a continuing series on Economics of Media and Communications. This two-day conference brought together researchers to present and discuss work on the nature of media production and the ways we consume and create information to help us improve a variety of political, legal, and economic aspects of our society. Throughout all of the presentations, the researchers emphasized the ways in which technology and the Internet have drastically changed the behavioral patterns of media consumers. An enduring question explored at this and previous conferences in this series is how media bias affects demand for news and competition in news markets.

Industrial Organization
Headed by Ali Hortacsu and Chad Syverson, this initiative studies the interplay between firm and industry behavior and the broader macro economy. This initiative supported two conferences this year. Firm Dynamics and the Aggregate Economy in May 2017 explored factors that have the potential to explain clear differences in firm growth and productivity between enterprises in developed and developing nations. The Industrial Organization of the Financial Sector conference a year earlier brought together researchers to discuss work that investigates consumer and firm behavior in financial products markets, with particular attention to the role of imperfect competition, information frictions, and regulations. The work of Ufuk Akcigit and Chad Syverson connected with this initiative is featured in “From Big Idea to Big Economy: The Mysteries of Innovation and Productivity and Why We Need to Solve Them.”

Conferences and Workshops

Next Steps for the Fiscal Theory of the Price Level
April 1, 2016

Understanding Trade Within and Across Countries
April 1-2, 2016

Quadratic Voting and the Public Good
April 7-8, 2016

Firm Dynamics and the Aggregate Economy
April 21-22, 2016

Industrial Organization of the Financial Sector
May 6, 2016

Conference on the Economics and Politics of Conflict
May 13-14, 2016

Frontiers of Economic Theory and Computer Science
August 12-13, 2016

Elections, Policymaking, and Economic Uncertainty
September 13, 2016

Housing, Household Debt, and Macroeconomics
September 16, 2016

Machine Learning: What’s in It for Economics?
September 23-24, 2016

The Health Sector and the Economy
September 30, 2016

Conference Honoring Robert Lucas
October 7-8, 2016

8th Macro-Finance Society Workshop
November 3-4, 2016

2016 IO Fest
November 12, 2016

Economics of Media and Communications
December 1-2, 2016

Macro Financial Modeling Winter 2017 Meeting
March 9-10, 2017

Government Debt: Constraints and Choices
April 21-22, 2017

Venezuela Workshop
May 1, 2017

New Investigations of Intra- and International Trade
May 19-20, 2017

Firm Dynamics and the Aggregate Economy
May 25-26, 2017
Our Chicago Research Fellows program continues to thrive, offering newly minted economists the opportunity to deepen and broaden their research in the rich collaborative environment of the University of Chicago economics community.

These fellowships allow postdoctoral scholars to pursue demanding foundational projects that will inform and influence the direction of their research career. Elliot Lipnowski, the 2016 Fellow and a PhD graduate of New York University’s Stern School of Business, spent a year at the Institute free of teaching responsibilities, immersed in research centered on his interests in information economics and organizational economics. Lipnowski joined the Department of Economics faculty, effective July 1, 2017.

2017 Chicago Research Fellow Cohort

We are proud to announce our incoming 2017 Chicago Research Fellow cohort. The four scholars selected—Rodrigo Adão, Lauren Falcao Bergquist, Piotr Dworczak, and Moritz Lenel—form an exceptional group with varied interests across many aspects of economics. Three of the four participated in the Review of Economic Studies Tour, presenting their research at universities across Europe. The tour features the world’s most promising graduating doctoral students, and participation by our scholars shows that we are attracting the best young economists.

Rodrigo Adão is examining the intersection of labor markets and macroeconomic forces on an international scale. He quantifies the distributional effects of international trade with a model with workers of heterogeneous skill levels and applies this framework to study the distributional consequences of recent movements in world commodity prices in Brazil. In collaborative research, he is developing an econometric approach for assessing models of international trade and applying that approach to China’s recent integration into the world economy.

Adão received his PhD in economics from the Massachusetts Institute of Technology in June 2016 and then spent a year in Princeton’s International Economics Section. In 2018, after his year as a Chicago Research Fellow, he will join the Chicago Booth faculty.

Lauren Falcao Bergquist explores development economics through the use of applied microeconomics. She conducts experiments to explore issues of market efficiency and barriers to arbitrage in African agricultural markets. Another strand of her work looks at the degree of competition among agricultural intermediaries and evaluates financial and technological products designed to help farmers reduce market inefficiencies.

She earned her PhD at the University of California, Berkeley, in spring 2017. After her fellowship, she will join the University of Michigan faculty.

Piotr Dworczak studies the impact of information on mechanism design. His research examines problems where the designer decides how much information to disclose as part of the mechanism design problem; his work has applications to auctions followed by bargaining or resale and to the design of financial over-the-counter markets. Dworczak also studies the role and appropriate design of financial benchmarks, addressing concerns arising from recent scandals involving manipulation of London Interbank Offered Rate (LIBOR) and foreign exchange benchmarks, and considers classical topics in matching theory.

He earned his PhD from Stanford University and will join the Northwestern University economics faculty after his year as a Chicago Research Fellow.

Moritz Lenel focuses on the intersection of macroeconomics and finance. His recent work studies how quantities of safe bonds affect interest rates and asset prices, a question that is relevant for understanding the transmission of unconventional monetary policy. In other collaborative projects, he analyzes the effects of housing policies on the homeownership rate and the interaction of corporate bank and bond financing.

Lenel, who won dissertation support from our Macro Financial Modeling Initiative, earned his PhD from Stanford University in 2017. Following his year as a Chicago Research Fellow, he will join the economics department at Princeton University.
In recent years, we’ve greatly expanded our support for student research and opportunities to expose students at all levels to a broad range of economic thinking. The 2016–2017 year was no exception.

**STUDENT EVENTS**

### Enriching the Student Experience

One major effort was planning the Open Source Macroeconomics Laboratory Boot Camp, scheduled for June 19 to August 4, 2017. This immersive seven-week computational macroeconomics program trained advanced undergraduates and graduate students to participate in cutting-edge economic research and public policy analysis. The program offered the skills economists need to work with large data sets and conduct sophisticated policy analysis. Richard Evans directed the camp, which was supported with a gift from the Charles Koch Institute.

The Becker Friedman Institute invests in dissertation support that enriches student work and gives young scholars a strong foundation to their research careers. The Macro Financial Modeling project provided funding to eight doctoral students working in this area for the 2016–2017 year and recently announced support for thirteen scholars for the coming year.

### Research Experience for Undergraduates

This program offers undergraduate students an opportunity to learn about diverse research topics and methods from some of the university’s top economists while developing their own research and data analysis skills. The annual program is presented by the Department of Economics Undergraduate Program and the Becker Friedman Institute. Open to college students working on campus as summer research assistants in the University of Chicago Department of Economics, Booth School of Business, Harris School of Public Policy, or Law School, REU is designed to be compatible with the work schedule of a campus research assistant.

### Price Theory Summer Camp

The development and application of tools from price theory has been a long-standing component of Chicago economics. Thanks to support provided by MarrGwen and Stuart Townsend, we continue our annual Price Theory Summer Camp. Held this year in early July, twenty-eight doctoral students in economics from programs around the world came to the University of Chicago for this intensive one-week program. In seminars led by Kevin Murphy, and with the participation of Steven Levitt, John List, and Jesse Shapiro, among others, price theory scholars presented their research in progress. Participants also worked on problem sets in workshops and had direct opportunities to discuss their own work with renowned economists. An inaugural companion camp was held in early August 2017 at Hong Kong University, in coordination with Richard Wong, BFI Council Chair.

### Macro Financial Modeling Summer Session for Young Scholars

The Macro Financial Research Initiative (MFRI) supports the ongoing Macro Financial Modeling Group Project, which nurtures the next generation of innovative scholars in this field by organizing an intensive Summer Session for Young Scholars. The first session took place on Cape Cod in June 2016. The session in June 2017 was held at the historic site of the 1944 Bretton Woods monetary and financial conference. A highlight of this event was the keynote speech by CME Group chairman emeritus Leo Melamed.

The 2017 summer session immersed students in an exploration of current macro finance research, with the goal of advancing quantitative and empirical work on macro models aimed at supporting prudent policymaking. Almost fifty young scholars from around the world heard research presentations and engaged in informal discussions with senior experts from academia, the private sector, and research groups from government agencies. They also listened to panel discussions on key topics and made important new contacts with other young scholars with closely related research interests. Sessions covered liquidity issues, financial intermediation, big data and machine learning, model complexity, and other factors contributing to financial crises.

### Becker Brown Bags

The popular Becker Brown Bag series for Chicago Booth MBA students and others continued with five talks. Along with Matthew Gentzkow’s talk on political polarization, speakers included Lars Peter Hansen on uncertainty, Anup Malani on the externalities of flu vaccination, Erik Madsen on managing through incentives, and Douglas Diamond on liquidity regulation.

### Friedman Forum Lectures

The Friedman Forum Undergraduate Lecture Series offered engaging lunchtime talks by Steve Davis on policy uncertainty, Casey Mulligan on automated economic reasoning, and Chad Syverson on productivity.
Visitors

More than three dozen visiting scholars spent time at the Institute over the year, simultaneously contributing to and benefiting from the dynamic University of Chicago economics community.

These thirty-seven visitors presented at workshops, gave lecture series, took part in conferences, and engaged in countless informal conversations that enriched and advanced economic research.

**Arvind Krishnamurthy** of Stanford University gave a lecture for graduate students during his September visit.

**Michele Tertilt** of the University of Mannheim presented research on an equilibrium model of HIV/AIDS with an application to circumcision in Malawi at the Money and Banking Workshop.

**Yuliya Sannikov**, the 2017 winner of the Clark Medal, presented a paper on overconfidence and the diffusion of medical technology at the Applications Workshop in October.


**Jonathan Skinner**, a Health Economics Initiative visiting scholar from Dartmouth University, presented a paper on overconfidence and the diffusion of medical technology at the Applications Workshop in October.


**Distinguished Research Fellows**

- Richard Blundell, University College London
- Pierre-André Chiappori, Columbia University
- John Cochrane, Stanford University
- Edward P. Lazear, Stanford University Graduate School of Business
- Thomas J. Sargent, New York University
- Robert M. Townsend, Massachusetts Institute of Technology

**Visiting Scholars**

- Mohammad Akharpour, Stanford Graduate School of Business
- Costas Arkolakis, Yale University
- Anmol Bhandari, University of Minnesota
- Alessandro Bonatti, MIT Sloan School of Management
- William "Buz" Brock, University of Wisconsin - Madison
- Hui Chen, MIT Sloan School of Management
- Xavier Gabaix, Columbia University
- Francois Geerolf, UCLA
- Matthew Gentzkow, Stanford University
- Johannes Homer, Yale University
- Solomon Hsiang, University of California Berkeley
- Ralph Kolijen, London Business School
- Arvind Krishnamurthy, Stanford Graduate School of Business
- Dirk Krueger, University of Pennsylvania
- Bart Lipman, Boston University
- Francesco Lippi, Einaudi Institute for Economics and Finance
- Erik Madsen, New York University
- Whitney Newey, MIT
- Guillermo Ordonez, University of Pennsylvania
- Ali Ozdagli, Federal Reserve Bank of Boston
- Mikkel Plagborg-Moller, Harvard University
- Steven Puller, Texas A&M
- Yuliya Sannikov, Stanford Graduate School of Business
- Tano Santos, Columbia Business School
- Maya Sen, Harvard University
- Matthew Shapiro, University of Michigan
- Andre Silva, Nova School of Business and Economics
- Jonathan Skinner, Dartmouth College
- Alireza Tahbaz-Salehi, Northwestern University
- Michele Tertilt, University of Mannheim
- Christian Traeger, University of California, Berkeley
- John Van Reenen, MIT Sloan School of Management
Distinguished Fellows

The Becker Friedman Institute is pleased to host these highly accomplished scholars who visit the university for extended periods, participating actively in the Institute’s intellectual community and playing leadership roles in research initiatives.

During his visit from Stanford University, John Cochrane, one of the Institute’s Distinguished Research Fellows, took part in the Government Debt conference organized with another Distinguished Research Fellow, Thomas Sargent.

Robert Townsend of the Massachusetts Institute of Technology presented a series of lectures May 16–23 for graduate students and faculty on financial platforms, payment systems, and monetary policy.

Sir Richard Blundell’s research interests encompass consumer economics, econometrics and labor economics. In addition to his faculty position at University College London, he is research director at the Institute for Fiscal Studies and director of the ESRC Centre for Microeconomic Analysis of Public Policy at the IFS.

Pierre-André Chiappori’s research focuses on household behavior, risk, insurance and contract theory, general equilibrium, and mathematical economics. Chiappori has been a member of the economics faculty at Columbia University since 2004.

John H. Cochrane conducts research on dynamics in stock and bond markets, the volatility of exchange rates, the term structure of interest rates, the returns to venture capital, liquidity premiums in stock prices, the relation between stock prices and business cycles, option pricing when investors can’t perfectly hedge, and monetary economics, including the fiscal theory of the price level.

Edward P. Lazear is a labor economist and a founder of the field known as personnel economics. His research centers on employee incentives, promotions, compensation, and productivity in firms. He studies culture and language with an emphasis on explaining the rise in multiculturalism in the United States. His recent work on entrepreneurship and leadership and their relation to personnel economics includes a widely known theory of educational production.

Thomas J. Sargent, winner of the 2011 Nobel Prize in Economic Sciences, is a recognized leader in the field of macroeconomics working on monetary and fiscal economics and applied time series analysis. He shared the Nobel Prize with Princeton’s Christopher Sims for “empirical research on cause and effect in the macroeconomy.”

Robert M. Townsend is a leading development economist. His recent work focuses on analyzing the role and impact of financial systems on developing economies by studying applied general equilibrium models and contract theory.
Sharing Economic Knowledge

Milton Friedman was a proponent of positive scientific knowledge that helps “predict consequences of a possible course of action” and evaluate current policy and alternatives. Likewise, the Institute aims to bring this kind of knowledge forward into public policy discussions.

This year we hosted five outreach events on topics ranging from economic analysis of ecological tipping points to school reform evaluations.

**Economic Consequences of Health Reform**

Decisions about how we provide and pay for health care affect nearly everyone, so the May panel discussion on the topic, moderated by Kevin Murphy, drew a large and intent audience. The panelists outlined the financial challenges behind the issue: high health care costs growing faster than GDP; an uninsured population that gets sicker and more expensive to treat; and an aging population. They went on to document that both the Affordable Care Act and the proposed American Health Care Act have their share of problems and distort incentives far more than needed to achieve more uniform health insurance coverage.

Panelists included University of Chicago’s Anup Malani and Casey Mulligan, along with James Baumgardner, senior research economist at Precision Health Economics.

**Lessons Learned: Understanding Education Policy Choices**

Improving public schools is another topic on the minds of many. Over the past twenty-five years, school districts, governments, policymakers, and researchers have pushed several different education reform agendas, with mixed results.

At this panel discussion held on June 7, 2017, three experts presented evidence from evaluations of various charter school and voucher programs designed to allow families to choose and afford better educational options. Panelists reminded the audience of the challenges induced by the existing disparities across school systems. Wealthier families can choose to live in neighborhoods and suburbs with great schools, while a disproportionate number of poor children are constrained to attending poorly funded inner-city schools. Providing oversight of existing school systems is particularly difficult because methods of measuring and reporting achievement and school performance are hard to verify and often are tied to funding and teacher tenure. While many argue that school choice is an attractive alternative of going forward, existing studies of the school choice alternative have struggled to produce reliable quantitative measurements to support the claims of proponents. While economists have gathered important evidence on school reform efforts, we don’t yet have clear answers about what works.

Panelists included Dennis Epple from Carnegie Mellon University Tepper School of Business, Derek Neal from the University of Chicago, and Christopher Walters from the University of California, Berkeley. The panel was moderated by Kevin Murphy.

**Cocktails and Conversations**

In the latest talk of our Cocktails and Conversation series, Maurice Obstfeld, chief economist of the International Monetary Fund, offered his insights about the current status of the global economy. Obstfeld reminded the audience that nearly ten years after the worst postwar global financial crisis, the global economy seems to be gathering strength. But it faces an unusually high degree of policy uncertainty, including risks of events that could derail growth. He discussed what challenges have arisen and the extent to which we are prepared to meet them.

**Discussion Section**

In Discussion Section, a web-based video series helmed by Kevin Murphy, conversations with leading economists such as Lars Peter Hansen, Steve Levitt, Edward Lazear, James Heckman, Nancy Stokey, and many more attracted viewers online and were shared widely on social media.

**Fiscal Insights Series**

To inject evidence and fresh perspectives into discussions of governmental fiscal challenges, we recently launched our Fiscal Insights Series, with articles from faculty and some of our distinguished scholars exploring fiscal and policy questions around debt, wages, taxes, and inflation.

Tom Sargent wrote an article entitled “Honoring Public Debts,” based on his research on US fiscal history. Stanford University’s Eddie Lazear wrote “A Pro-Growth Tax Structure.” John Cochrane explored the implications of stable inflation at near-zero interest rates, highlighting the linkage between monetary and fiscal policy in “The Radical Implications of Stable Quiet Inflation at the Zero Bound.” Sir Richard Blundell, University College London and the Institute of Fiscal Studies, contributed “Tax Reform and the Challenge of Inequality.” Pierre-André Chiappori’s piece is titled “Creating a More Efficient Health Insurance Market in the United States: Goals and Challenges.” Kevin Murphy and Robert Topel will offer their perspectives on the indirect consequences of carbon taxation. The series is funded by Edward R. Allen.

Follow Fiscal Insights at [https://bfi.uchicago.edu/initiative/fiscal-studies/fiscal-insights-series](https://bfi.uchicago.edu/initiative/fiscal-studies/fiscal-insights-series)
Showcasing the Chicago Economics Tradition

Behind the Nobel Prize–winning economic tradition at the University of Chicago lies more than a century of brilliant thinkers, fearless inquiry, and influential ideas. The Becker Friedman Institute brings the stories of those economic innovators and their insights to life in a new exhibit called Chicago Economic Experience.

The exhibit’s museum-quality displays are refreshed periodically to feature different topics, highlighting the evolution of some of the powerful ideas that originated and were tested at the University of Chicago. A new display debuting soon will highlight the contributions of 1978 Nobel laureate T. W. Schultz, D. Gale Johnson, and others to the field of agriculture economics. A future display is planned on the industrial organization research of George J. Stigler.

Free and open to the public, the exhibit introduces new generations to the influential and incredibly durable tradition of Chicago economics and deepens the understanding of those who already know some of the story.

Preserving Oral History

To preserve and highlight the rich history of economic inquiry at the University of Chicago, the Becker Friedman Institute launched an effort to capture the memories, reflections, and contributions of distinguished senior economists associated with the school. Partnering with the Oral History Center at the University of California, Berkeley, Bancroft Library, the Institute conducted extensive professional interviews. The resulting video and transcripts, posted on BFI’s website, archive invaluable firsthand knowledge for posterity and other researchers.

Visit https://bfi.uchicago.edu/about-us/economist-life-stories

This effort was spearheaded by Hodson Thornber and supported by Richard Elden, both members of the Becker Friedman Institute Council. Thornber and MarrGwen and Stuart Townsend are funding efforts to capture oral histories with emeritus faculty Lester Telser and George Tolley.

The Institute gratefully acknowledges the generous support of donors who made the exhibit possible: Bernard J. DelGiorno, AB ’54, AB ’55, MBA ’55; Ling Z. and Michael C. Markovitz, AM ’73, PhD ’75; Monica and Charles P. McQuaid, MBA ’76; and Barbara Landis and Barre Seid, LAB ’46, PhB ’50. The new display on agricultural economics has been generously funded by Richard O. Ryan, MBA ’66.
January 1, 2016, to June 30, 2017

Honor Roll of Donors
The Becker Friedman Institute gratefully acknowledges these individuals, foundations, and organizations for their generous gifts supporting the Institute’s efforts to advance, refine, and disseminate policy-relevant economic research.

$1 million +
Anonymous
CME Group Foundation
The Education Endowment Foundation
Mr. Andrew M. Rosenfield and Mrs. Betsy B. Rosenfield
Mr. Donald R. Wilson, Jr.

$500,000 +
Mr. David Booth
Fidelity Investments
Mr. Belton M. Fleisher & Ms. Elizabeth S. Fleisher
Charles Koch Foundation
Mr. Jeremy J. Siegel & Mrs. Ellen Schwartz
Mr. Rex A. Sinquefield & Dr. Jeanne C. Sinquefield
Alfred P. Sloan Foundation

$100,000 +
Dr. Edward R. Allen and Dr. Chinhui Juhn
Mr. Bernard J. DelGiorno
Mr. Philip M. Friedmann & Ms. Regan Rohde
Mr. Claudio L. S. Haddad & Mrs. Rosalie Rahal Haddad
Mr. Roy Kapani & Mrs. Manisha D. Kapani
The Kilts Family Foundation
Mr. Stephen R. & Ms. Lisa S. Riggsbee
Mr. Richard O. Ryan
Thomas W. Smith Foundation
Mrs. MarrGwen Chapman Townsend & Mr. Stuart B. Townsend

$10,000 +
Dr. Stephen M. Denning & Ms. Judith J. Johnson
Mr. Matthew W. Jacobs & Mrs. LuAnn Jacobs
Mr. Ronald James Krumm
Dr. Peter D. Linneman & Ms. Kathleen Linneman
Mr. James B. McWethy
Dr. Bernard E. Munk
Mr. Myron S. Scholes

$1,000 +
Anonymous
Mr. Roberto Apelfeld & Mrs. Claudia Apelfeld
Mr. Carlos Manuel Asilis
Mr. Thomas H. Batten
Mr. Michael John Bazdarich & Mrs. Elizabeth Bazdarich
Dr. John F. O. Bilson & Dr. Laura Anne La Haye
Mr. Jeffrey Robert Currie
Mr. David Gerrard Dunn
Ms. Andrea Lynn Eisfeldt
Mr. David I. Futter & Ms. Doreen Klein
Mr. Fernando G. Guerrero
Mrs. Kay H. Kamin
Mr. William M. Landes & Mrs. Elisabeth M. Landes
Dr. David M. Levy
Mr. Samuel Osby
Mrs. Maria E. Pippo-Kretschmer & Mr. R. David Kretschmer
Mr. Luis Rodriguez
Mr. Evan Schulman
Dr. Sherman Shapiro & Mrs. Ellen Shapiro
Mr. Carl H. Stocking
Mr. Jeffrey Scott Thomas
University of Pittsburgh

Up to $1,000
Mr. David G. Abler & Mrs. Cathy Kassab
Anonymous (4)
Dr. Andrew James Aronson & Ms. Iris K. Aronson, MD
Mr. Louis Frederick Aubach
Mr. John J. Binder & Mrs. Linda M. Binder
Dr. Thomas Blau
Mr. Benjamin B. Brown
Mr. John Horan Cawley
Mr. Lawrence S. Y. Chu
Mr. Peter M. Cohen
Mr. Blake Davis
Mr. Damien De Walque & Ms. Celine P. Van Zeebroeck
Mr. John Frederick Deters & Ms. Jennifer Tan
Mr. Robert Dieckhaus
Mr. Michael E. Edelson
Mr. John Ellison & Ms. Paula A. Ponsetto
Ms. Roseann M. Engeldorf
Mr. Stephen Jay Entin
Mr. Christopher John Erceg
Mrs. Frances M. Ferguson & Dr. James M. Ferguson
Mr. Andrew Joseph Filardo & Ms. Elizabeth Lynne Profit
Mr. Trevor S. Gallen & Ms. Yana H. Gallen
Dr. Ronald W. Hansen
Mr. Andrew Hanssen
Mr. Daniel Hassan
Mr. Joseph Francis Hefferman & Mrs. Seanne Mary Heffeman
Mr. Andrew J. Hogue & Ms. Chantelle R. Pires
Mr. John Eric Humphries
Mr. Tom J. Janssens & Dr. Jeanne-May Sun
Mr. Thomas D. Johnston, Jr.
Mr. Christopher E. La Chance
Mr. Bernard Lashinsky
Mr. Shawn S. Loh
Mr. Carl William Loof
Mr. Nandu Venkata Machiraju
Mr. Charles P. McPherson
Dr. Ann-Marie Meulendyke
Mr. Edward A. Morgan
Mr. John A. Muntean
Mr. Vincent J. Newell
Mr. Robert Gerard Osterlund
January 1, 2016, to June 30, 2017

Leadership

Becker Friedman Institute
Lars Peter Hansen, Director and Cochair
Kevin Murphy, Cochair

Governing Committee
Daniel Diermeier, University of Chicago, Provost, Committee Chair
Kerwin Charles, University of Chicago Harris School of Public Policy
John List, University of Chicago, Chairman, Department of Economics
Thomas Miles, University of Chicago, Dean, Law School
Douglas Skinner, University of Chicago Booth School of Business

Institute Research Council
Daniel Diermeier, University of Chicago, ex officio
Steven Levitt, University of Chicago, ex officio
Michael Greenstone, University of Chicago, Chair
Fernando Alvarez, University of Chicago
Kerwin Charles, University of Chicago Harris School of Public Policy
James J. Heckman, University of Chicago

Erik Hurst, University of Chicago Booth School of Business
Anup Malani, University of Chicago
Kevin Murphy, University of Chicago Booth School of Business and Department of Economics
Nancy Stokey, University of Chicago
Chad Syverson, University of Chicago Booth School of Business
Pietro Veronesi, University of Chicago Booth School of Business

Becker Friedman Institute Council
Yue-Chim Richard Wong, Chair, Chair of Economics, University of Hong Kong
Daniel Diermeier, ex officio, Provost, University of Chicago
Robert J. Zimmer, ex officio, President, University of Chicago
Guity Nashat Becker, Professor of Islamic and Middle Eastern history, University of Illinois at Chicago
David Booth, Co-CEO, Chairman, President, and Founder, Dimensional Fund Advisors;

Richard Elden, Founder, Lakeview Capital Management LLC
Daniel R. Fischel, Chairman and President of Compass Lexecon
Claudio Haddad, President, Insper
Charles McQuaid, Manager, Columbia Thermostat Fund, Columbia Wanger Asset Management
Leo Melamed, Chairman and Chief Executive Officer, Melamed and Associates
Henry Paulson, Chairman, The Paulson Institute
Andrew Rosenfield, Managing Partner, Guggenheim Partners
Richard Ryan, Former President and Chief Operating Officer, DEKALB
Alvaro Saieh, Chairman, CorpBanca S.A.
Hodson Thornber, Former Managing Director, Renaissance Capital
MarrGwen Townsend, Founder, Townsend Analytics & Archipelago
Donald Wilson, Founder and CEO, DRW Investments LLC

Dr. David E. Runkle & Ms. Patricia M. Runkle
Dr. John William Ruser
Mr. Jeffrey R. & Ms. Jennifer Seaver
Mr. Robert Lerch Seymour
Mr. Reynold Bennett Strossen
Mr. Eliot R. Weinstein & Ms. Clare E. Rosean
Mr. Lance J. Weislak

Every effort has been made to accurately acknowledge all gifts and pledge payments made between January 1, 2016, and June 30, 2017. If there are errors or questions, please contact bfi@uchicago.edu.