Frontier research, global impact.
THE CHALLENGE

A Critical Time for Economic Research

Policymakers and business leaders often face difficult choices on complex questions. They must navigate a modern world influenced by rapidly evolving technologies, innovative new business practices, and immense demographic and social shifts. Their decisions have far-reaching impacts on issues ranging from economic growth, taxes and financial market regulation, to healthcare and human capital. Principles that have underpinned the global economy for decades, including free trade and economic integration, are also being tested. In an environment in which decision-making is often colored by misperceptions and misunderstanding, government and business leaders often make critical choices without the benefit of cutting edge research that could help improve outcomes.
THE SOLUTION

The BFI Approach

Inspired by our namesakes, Nobel Laureates Gary Becker and Milton Friedman, who believed that economic research could help improve the world, the Becker Friedman Institute for Economics (BFI) works with the Chicago Economics community to turn its evidence-based research into real-world impact. BFI takes a unique approach to bridging the divide between academic researchers and decision-makers in the business community and government by translating and packaging the rigorous work of the Chicago Economics community into accessible formats, and proactively sharing those findings with relevant decision-makers and thought leaders around the globe.

“Gary Becker and Milton Friedman used economics to fundamentally alter our understanding of the world and to affect change.”

Michael Greenstone, The Milton Friedman Professor in Economics, the College, and the Harris School; Director, Becker Friedman Institute, Energy Policy Institute at the University of Chicago, and Tata Centre for Development
What We Do

BFI brings together researchers from the entire Chicago Economics community, including the Booth School of Business, Harris School of Public Policy, the Kenneth C. Griffin Department of Economics, and the Law School, to foster novel insights on the world’s most difficult economic problems. By leveraging robust data and cutting-edge analytical tools, BFI researchers have the potential to play a significant role in meeting the most difficult challenges facing the global community.

Promoting Research
BFI supports rigorous and timely research through grants and fellowships, and the development of targeted research initiatives that bring UChicago scholars together around topics to share information and leverage their expertise.

Intellectual Destination for Innovative Thinkers
Through a world-renowned visitors program and a diverse series of conferences, workshops and lectures, BFI is an intellectual destination for leading scholars.

Premier Events
BFI showcases rigorous economic thinking and new ideas through a diverse speakers program.

Global Impact
A priority of BFI is to bridge the gap between research and impact by making the work of UChicago economists accessible to a range of audiences.

Unparalleled Leadership
To maximize its impact, BFI is guided by leading scholars from throughout the Chicago Economics community and an advisory board of business leaders and professionals.
Promoting Research

Through research grants, fellowship programs, and research initiatives that bring together UChicago scholars around common themes, BFI supports the highest-caliber research.

FRONTIER RESEARCH

Economic issues are rarely one-dimensional. Likewise, the best solutions offer insights from complementary disciplines. By bringing together researchers from the Chicago Economics community, BFI harnesses the power of collaborative thinking aimed at today’s most pressing issues. The BFI Working Paper Series serves as a collective platform for cutting-edge economic research, showcasing the work of UChicago faculty and visiting scholars.

To leverage the work of the Chicago Economics community, BFI supports multi-disciplinary research initiatives that focus on some of the most significant economic issues of our time. Each initiative is led by one or more faculty directors and draws from scholars across campus to engage in research, academic workshops and conferences, and other opportunities to share knowledge and provide feedback on innovative research that addresses key global challenges.

RESEARCH INITIATIVES

Big Data Initiative
Chicago Experiments Initiative
Development Economics Initiative
Health Economics Initiative
International Finance, Macro & Trade Initiative
MFRI / Macro Financial Research Initiative
Price Theory Initiative
Ronzetti Initiative for the Study of Labor Markets

Modern businesses, from banks and online retailers to social media platforms and search engines, are amassing a wealth of consumer data that is unprecedented in terms of both size and level of detail.

Commonly referred to as “big data,” this newfound and rapidly growing wealth of information is dramatically changing markets. However, the fact that so much data is collected and privately-owned raises important new questions about the use of such data by businesses and government, its potential benefits and costs, and the role for regulations regarding its use.

This initiative explores the ability of big data to improve business decision-making, from pricing and market design to supply and demand forecasting. Equally important, the Big Data Initiative supports rigorous, cutting-edge research to answer a wide range of fundamental policy and regulatory questions to help inform this rapidly evolving field.

“The promise of big data hinges on fundamental research to develop new econometric tools that can fuel downstream policy applications.”

Ali Hortaçsu, The Ralph and Mary Otis Isham Professor in Economics and the College; Co-Director, Big Data Initiative
This initiative expands UChicago’s leadership in the growing field of experimental economics. Under the leadership of John List, researchers devise innovative studies—often from observing everyday activities and responses in natural, real-world “field” settings—to understand a wide range of economic behavior.

Games and simulations, typically conducted with student volunteers, have long proved useful for testing economic theory with data on individuals’ economic responses. Increasingly, List and colleagues improve upon such studies by recruiting more relevant subject pools. Their work collects data from business leaders, factory workers, borrowers, or customers in malls and markets—individuals likely to make actual spending, saving, or investment decisions. With framed field experiments, researchers add naturalness by asking subjects to complete a task they normally perform, while aware they are taking part in an experiment. Finally, natural field experiments add a more realistic element: observing people in their everyday settings. The initiative refines the methodology of field experimentation while training students in these techniques. With creative experiments, researchers are exploring a wide range of key social and policy issues. Some major areas of study include:

- Education: The Chicago Heights Early Childhood Center
- Philanthropy: The Science of Philanthropy
- Voting Behavior
- The Environment

Many developing countries confront a common set of challenges, and policymakers in those countries often lack access to reliable and relevant explanations and evidence to help inform decision-making.

- What is the right mix of policies, investments, and incentives needed to spur industrial growth?
- How can policymakers ensure that prosperity is widely distributed and addresses the most extreme forms of poverty?
- What policies promote more effective government and more free societies?
- How can societies prevent and respond to economic and political instability?

Together these are the defining problems of the 21st century. They do not demand a new approach to economics or new tools. Instead these problems demand that economists turn their attention, models, and analysis toward new places and a new set of questions. The Development Economics Initiative brings together 20+ scholars from across the UChicago community for a collaborative, multi-disciplinary approach to addressing these challenges. Through rigorous research and active engagement with policymakers and stakeholders, UChicago scholars can push the frontiers of research and have real world impact.
In 1990, the cross-border flow of goods and cross-border holdings of stocks and bonds both equaled roughly one-quarter of global GDP. Since then, international trade in goods has doubled relative to GDP and international trade in assets has grown even more rapidly.

In today’s interconnected world, nearly all major companies import some of their intermediate inputs from foreign suppliers and obtain some of their capital funding from foreign investors. Furthermore, changes in each country’s interest rates, policies such as tariffs, and technology now transmit more rapidly from country to country with greater potential to shape global growth.

The International Finance, Macro & Trade Initiative brings together prominent UChicago faculty whose research informs these crucial topics and facilitates application of leading academic frameworks to real-world policy analysis by organizing and disseminating common data platforms for analysis.

"Technological change is leading to a world where markets for goods, services, assets, and workers are all becoming truly global. Research can play an important role in informing how businesses, consumers, and policymakers respond.”

Brent Neiman, Professor of Economics, Booth School of Business; Director, International Finance, Macro & Trade Initiative
The 2007-09 financial crisis revealed serious gaps in our understanding of how activity in financial markets affects the economy as a whole. The Macro Financial Research Initiative (MFRI) works to study and clarify the linkages between financial markets—including credit markets that drive the mortgage and housing industry—and the broader economy.

MFRI’s work focuses on three key themes: (1) Macro Financial Modeling; (2) Latin American Fiscal Studies; and (3) Financing Investment in China. Through sponsored research projects, conferences, and interactions with visiting scholars, this initiative focuses on six fundamental questions:

1. How do we construct models and measurements that will better support the prudent oversight of system-wide risks to the financial system?
2. How does the credit cycle influence the business cycle and how does the business cycle affect the credit cycle?
3. How can we improve financial market regulation?
4. How do we extract the lessons from fiscal histories in the United States and Latin America?
5. How can we strengthen the assessment evaluation of future fiscal obligations for governments?
6. How do we best capture the interplay between monetary and fiscal policy?

The Price Theory Initiative analyzes individual economic behaviors through the fundamental role of prices, markets, and incentives.

In addition to traditional topics like consumption, taxes, and regulation, Price Theory sheds light on a wide range of human behaviors including marriage, discrimination, and crime and corruption. Hallmark programs of this initiative include an intensive one-week summer camp for economics graduate students from other schools for a series of “Chicago-style” seminars where price theory scholars present their research in progress.

“Chicago Price Theory holds the idea that economic tools provide a powerful analysis that can explain what is going on in the world; the range of topics is diverse and virtually limitless.”

Steve Levitt, The William B. Ogden Distinguished Service Professor in Economics and the College; Co-Director, Price Theory Initiative

Crucial to the effectiveness of this research is the reliance on field experiments, or collecting data in natural settings, to understand economic behavior. Other lines of research for graduate students include the study of voting behavior and the impact of social norms on environmental behavior.
Energy Policy Institute at The University Of Chicago

FACULTY DIRECTOR
Michael Greenstone, The Milton Friedman Professor in Economics, the College, and the Harris School

Energy powers the growth that is vital for wealth creation and advancement in all societies, but is especially critical for alleviating poverty in developing countries.

In spite of this promise, it is increasingly clear that energy policies, systems, and markets in countries across the globe are failing to address key challenges like energy poverty while also inflicting significant costs on society, including high levels of air pollution that impact human health and carbon emissions that are causing climate change.

The Energy Policy Institute at the University of Chicago (EPIC) is confronting these challenges using a unique, multi-disciplinary approach that translates cutting-edge research into real-world impact through strategic outreach and training for the next generation of global energy leaders. Because the complexity of the energy challenge requires a multi-disciplinary approach, EPIC acts as a hub for energy and environmental research that links the University of Chicago’s renowned social scientists with leading thinkers at the Harris School of Public Policy and the Law School, the innovative business minds at the Booth School of Business, the data scientists at the Computation Institute, and the engineers and scientists throughout the University.

By leveraging these world-class minds with a wide variety of policy, communications and outreach expertise, EPIC researchers are bringing unrivaled analytical capacity to bear in addressing the global energy challenge. At the same time, the Institute is working directly with global leaders to help them make important decisions that will impact our future, while also educating and mentoring the energy leaders of tomorrow. For more information, visit: epic.uchicago.edu.
The Tata Centre for Development (TCD) at UChicago harnesses the rigor of the Chicago Economics community to help address some of India’s most pressing policy and development issues.

Launched in 2016 with generous support from the Tata Trusts, TCD combines rigorous research with strategic outreach and partnership to translate evidence into impact. TCD continues the University of Chicago tradition of applying economic thinking to a wide range of social challenges to create better outcomes and improve lives.

TCD targets research projects that will contribute new, evidence-based solutions to difficult policy and development problems in India and whose insights can affect change in the real world. Whenever possible, TCD projects are designed and implemented in collaboration with government partners so that research findings generate impact in real time. In the tradition of University of Chicago Economics, much of TCD’s research extends into areas often considered outside of economics. Therefore, while TCD’s diverse and robust research portfolio is rooted in development economics, it cuts across multiple disciplines, from health and education, to energy, environment, and fiscal reform. In all of these areas, TCD combines ground-breaking research with strategic outreach and communications aimed at engaging decision-makers at all levels. For more information, visit: tcd.uchicago.edu.

The TMW Center for Early Learning + Public Health aspires to create a population-level shift in the knowledge and behavior of parents and caregivers to optimize the foundational brain development in children, birth to five years of age, particularly those born into poverty.

A belief of the TMW Center is that engaging parents and caregivers is a critical missing link. Science has identified parents and caregivers as key contributors to foundational brain development, but most early childhood efforts focus on children rather than the adults in their lives. Parents and caregivers are an untapped resource with the incentive and capacity to make a significant difference. The TMW Center promotes a public health approach to early learning:

• Focus on prevention, rather than remediation;
• Place parents and caregivers at the center of their child’s education;
• Embed proven practices into existing education and health systems; and
• Use research to drive innovation and impact at scale.

To reach as many children and families as efficiently and effectively as possible, the TMW Center is committed to developing new approaches to scaling and using rigorous scientific methods to ensure that parent and caregiver interventions yield strong outcomes in the real world. For more information, visit: tmwcenter.uchicago.edu.
Intellectual Destination
for Innovative Thinkers

The exchange of cutting-edge research and ideas is the lifeblood
of BFI, where world-class visitors join UChicago scholars for a
diverse series of academic conferences, workshops, and lectures.

The UChicago academic tradition, exemplified by Becker and Friedman, encourages
scholars to challenge each other as well as to collaborate on complex issues. Such
interaction sharpens ideas and results in better answers to complex questions. BFI
fosters this intellectual interchange through a variety of programs, including:

• A Visiting Scholars program that brings innovative researchers to BFI each
  quarter. These scholars participate in workshops, lectures, and conferences while
  pursuing their own research, thus fostering an exchange of ideas.

• A highly selective Chicago Research Fellows program for two categories of
  scholars: (1) an established program for newly minted economics PhDs to immerse
  themselves in vital economic inquiry of the University of Chicago, and (2) a new
  program for early career faculty on sabbatical during third or fourth year of
  postdoctoral work.

• A Distinguished Research Fellows program that brings a group of elite researchers
  to UChicago for a three-year term to engage in a range of research activities.

• Finally, BFI hosts a robust schedule of academic conferences, workshops, and
  lectures that draw leading economists from institutions around the world to exchange
  ideas. While many of these conferences and workshops are faculty-driven, others are
  designed specifically to expose undergraduate and graduate students to a wide range of
  economic expertise.

“The University of Chicago
transformed my life as an
economist.”

Scott Duke Kominers, Former
Chicago Research Fellow; MBA
Class of 1960 Associate Professor of
Economics, Harvard Business School
Premier Events

Leading voices in economic policy, business, the media, and academia, are showcased at BFI events, revealing how rigorous economic thinking shapes our understanding of the world.

BFI’s robust agenda of academic conferences and workshops have become globally recognized for the caliber and quality of discussion they inspire. Complementing these conferences and workshops is a series of broader public events around timely themes. BFI is committed to outreach programs that connect the general public to UChicago’s scholars and their ideas. A series of conversations that includes keynote speakers from government, the private sector, academia, the nonprofit sector, and the media exposes UChicago faculty, students, and the general public to ways of thinking that can challenge research and, ultimately, sharpen it.

In the same way that BFI encourages collaboration among UChicago schools, it also incorporates the best and brightest ideas from outside academia to challenge assumptions and inspire new ideas. Including the general public in those discussions is an essential part of BFI’s mission to bridge the worlds of academia and decision-making.

BFI offers two speakers’ series designed specifically for UChicago students. The Becker Brown Bag series targets graduate students at the Booth School of Business, and the popular Friedman Forum targets undergraduate economics students. These series offer intimate discussions from UChicago faculty around their research interests, as well as opportunities to hear from outside speakers on relevant topics.

“BFI’s visiting fellows program and its vast schedule of academic workshops and conferences has made UChicago an intellectual destination for economists from around the world.”

Erik Hurst, V. Duane Rath Professor of Economics and John E. Jeuck Faculty Fellow, Deputy Director, Becker Friedman Institute

Top Row: Michael Greenstone and Larry Summers; Katherine Baicker and Roy Kamarli; Jim Tankersley, Edward Lazear, Austan Goolledge; Robert J. Zimmer; Bottom Row: Richard Ronzetti; Erik Hurst and Richard Thaler; Erik Hurst; Greg Ip; Gwen Townsend; Marco Bassetto and Lars Peter Hansen.
Global Impact

To bridge the gap between research and impact, BFI actively delivers its research findings to key audiences in relevant and accessible formats.

Across a range of issues, from health care and education to human capital and climate change, UChicago economists are redefining society’s understanding of critical problems through rigorous, evidence-based research. However, such research bears no fruit if it only exists in an academic vacuum. BFI is equally dedicated to translating cutting-edge inquiry into global impact. This is central to our mission.

To accomplish this imperative, BFI employs an outreach and dissemination strategy to build awareness and demand for UChicago economic research. Essential to this process is fostering additional connections for information sharing, and proactively discovering opportunities for outreach. The launch of BFI’s Washington, DC office in 2017 provides a natural pipeline for research and the establishment of issue-focused affinity groups that will create opportunities for UChicago scholars to engage directly with stakeholders and policymakers. UChicago platforms in India and China offer unique opportunities for BFI to showcase the work of the Chicago Economics community to global audiences.

Unparalleled Leadership

BFI is guided by leading scholars from throughout the UChicago community and an advisory board of business leaders with a range of backgrounds.

Leadership & Staff

Michael Greenstone
The Milton Friedman Professor in Economics, the College, and the Harris School; Director, Becker Friedman Institute

Erik Hurst
V. Duane Rath Professor of Economics and John E. Jeuck Faculty Fellow; Deputy Director, Becker Friedman Institute

Sam Ori
Executive Director

Karen Anderson
Senior Director of Policy, Communications, and External Affairs

Suzanne Riggle
Administrative Director and Chief of Operations

Rosalind Battle
Office Assistant, Price Theory Initiative

Tami Blair
Visitor Program Coordinator and Executive Assistant to Suzanne Riggle

Cara Cook
Senior Events Manager

David Fettig
Senior Writer and Editor

Eric Hernandez
Digital Media Manager

Nicole NeSmith
Communications Associate

Apryl Richard Paige
Administrative Assistant

Colleen Reda
Grants Manager
BFI Advisory Council

BFI Council members are alumni and other supporters with diverse talents and strengths. Drawing on personal and professional expertise, members advise on short- and long-term goals, and overall organizational evolution. The Council meets annually. Members serve as advocates, raising the Institute’s profile among potential new supporters and engaging further sources of philanthropy.

Guity Nashat Becker
Professor Emerita of Islamic and Middle Eastern History, University of Illinois at Chicago

David Booth
Executive Chairman, and Founder, Dimensional Fund Advisors

Arturo Brillembourg
President, Farmington Asset Management, Ltd.

Daniel Diermeier, ex officio
Provost, University of Chicago

Richard Elden
Founder and Former Chairman of Grosvenor Capital Management

Claudio Haddad
Founder and Chairman of the Board, Insper

Roy Kapani
Founder and Executive Chairman, ECS

Richard Ronzetti
Retired Partner, Global Head of Investment Strategy and Asset Management, Marathon Asset Management, LP

Andrew Rosenfield
Managing Partner, Guggenheim Partners; Senior Lecturer, UChicago Law School

Richard Ryan
Former President and Chief Operating Officer, DEKALB

Alvaro Saieh
Chairman, CorpGroup

Steve Strongin
Head of Global Investment Research Division, Goldman Sachs Group Inc.

Hodson Thornber
Former Managing Director, Renaissance Capital

MarrGwen Townsend
Co-Founder, Townsend Analytics & Archipelago

Donald Wilson
Founder and CEO, DRW

Yue Chim Richard Wong
Professor of Economics, The University of Hong Kong

Robert J. Zimmer, ex officio
President, University of Chicago

BFI Research Council

Appointed by the University Provost, the Institute Research Council consists of UChicago faculty in economics, business, law, and related fields who meet quarterly to help set the intellectual direction and the programmatic priorities for BFI.

Fernando Alvarez
The William C. Norby Professor in Economics and the College

Anthony Casey
Professor of Law, Mark Claster Mamolen Teaching Scholar, the Law School

Veronica Guerrieri
Ronald E. Tarrson Professor of Economics, Booth School of Business

Greg Kaplan
Professor in Economics and the College

Steve Levitt, ex officio
The William B. Ogden Distinguished Service Professor in Economics and the College

Magne Mogstad
The Gary S. Becker Professor in Economics and the College

Konstantin Sonin
John Dewey Distinguished Service Professor, Harris School of Public Policy

Amir Sufi
Bruce Lindsay Professor of Economics and Public Policy, Booth School of Business

Chad Syverson
Eli B. and Harriet B. Williams Professor of Economics, Booth School of Business

Pietro Veronesi
Roman Family Professor of Finance, Booth School of Business

BFI Governing Council

Given BFI’s integrative role for economics at UChicago, the Governing Council consists of the provost and deans of Booth School of Business, Division of the Social Sciences, Harris School of Public Policy, and the Law School.

Daniel Diermeier
Provost; Committee Chair

Katherine Baicker
Dean and Emmett Dedmon Professor, Harris School of Public Policy

John List
Chairman, Department of Economics and The Kenneth C. Griffin Distinguished Service Professor in Economics and the College

Thomas Miles
Dean and Clifton R. Musser Professor of Law and Economics, the Law School

Madhav Rajan
Dean and George Pratt Shultz Professor of Accounting, Booth School of Business

Amanda Woodward
Interim Dean, Division of Social Sciences and William S. Gary Distinguished Service Professor of Psychology
“The research initiatives within BFI offer a platform to leverage the remarkable intellectual capital of UChicago economists—from the department of economics, the business school, the policy school, and the law school—to tackle difficult problems much more effectively.”

Katherine Baicker, Dean and Emmett Dedmon Professor at the University of Chicago Harris School of Public Policy; Co-Director, BFI Health Economics Initiative

“I spent the first half of my career at the University of Chicago and have always believed that my Chicago experience was the source of whatever academic success I achieved. Chicago is unsurpassed in its intellectual tradition and excels as a training ground for young economists. It is a privilege to be a BFI Distinguished Research Fellow. It allows me to continue my connection to a great center for economic thought.”

Edward Lazear, BFI Distinguished Research Fellow; The Davies Family Professor of Economics with the Stanford School of Business; and Morris Arnold and Nona Jean Cox Senior Fellow, Hoover Institution

“The University of Chicago and BFI emphasize using rich data to answer theoretical questions, recognizing that the combination of the two is more powerful than either alone.”

Manasi Deshpande, Assistant Professor in the Department of Economics and the College; former Chicago Research Fellow