

Department of Economics

The [MIT Economics Department](#) is widely regarded as one of the world's premier institutions for economics research and education.

Our faculty balance substantial commitments to training both undergraduates and doctoral students with active and influential research programs. With one of the youngest senior faculties among its peer institutions, MIT Economics plays a central role as an innovator in economics research and a source of exciting new directions in undergraduate and graduate economics education.

Highlights of the Year

Many members of our faculty received academic recognition between July 1, 2014 and June 30, 2015. Emeritus Professor Robert Solow was awarded the Presidential Medal of Freedom, our nation's highest civilian honor, presented to individuals who have made especially meritorious contributions to the security or national interests of the United States, to world peace, or to cultural or other significant public or private endeavors. Annual Visiting Professor Jean Tirole (PhD '81) received the 2014 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel "for his analysis of market power and regulation." Ford International Professor Abhijit Banerjee was awarded the 2014 Bernhard Harms Prize by the Institute for the World Economy. Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics Esther Duflo received the 2015 Princess of Asturias Social Sciences Prize and the Infosys Social Sciences Prize. Professor Parag Pathak was awarded the 2016 Social Choice and Welfare Prize. Mitsui Professor of Economics Jim Poterba received the Daniel M. Holland Medal from the National Tax Association. Franco Modigliani Professor of Finance and Economics Stephen Ross was awarded the 2015 Deutsche Bank Prize in Financial Economics. Rudi Dornbusch Career Development Associate Professor Alp Simsek received a National Science Foundation CAREER Award, the NSF's most prestigious award in support of junior faculty. Robert M. Solow Professor Ivan Werning received the 2014 Banque de France/TSE Junior Prize in Monetary Economics and Finance. Class of 1957 Career Development Assistant Professor Heidi Williams was named an Alfred P. Sloan Research Fellow. Jim Poterba was elected to the National Academy of Sciences, one of the highest honors afforded to scientists and engineers, recognizing distinguished and continuing achievements in original research. Ivan Werning was elected to the American Academy of Arts and Sciences, and Professor David Autor was elected a Fellow of the Econometric Society.

Future Plans

We are thrilled to have on our faculty a set of outstanding young leaders whose innovative research is highly influential and widely acclaimed. Nearly all of our young faculty members came to MIT as new assistant professors and have grown into remarkably influential scholars here. For some years, our most distinguished faculty members have led the effort to recruit the best junior faculty on the market. This effort has yielded a substantial, sustained increase in the human capital of MIT Economics.

The intellectual future of the department is very bright because of this remarkable new generation. They are poised to keep MIT Economics in the forefront of our profession. Recent retirements and departures have created a continuing need for faculty renewal. We plan to continue to hire the best junior faculty we can find. We also plan to seek to fill senior positions as opportunities arise, with outstanding senior faculty irrespective of field.

The renovation of Building E52 and the Department of Economics offices is on schedule to be completed in late 2015 with a projected department move in early January 2016. The new space will be a recruiting tool in our efforts to attract the best and brightest faculty at the junior and senior levels and will be a fertile and vibrant environment for groundbreaking research and teaching. We are excited about the new space and look forward to moving in January. While the E52 renovations are being completed, the department has relocated to a newly renovated space on the second floor of Buildings E17 and E18, and the seventh floor of E19.

Generous donors continue to provide outstanding support for MIT Economics, especially to graduate student support and the renovation of E52. We plan to continue the development effort.

Undergraduate Education

Esther Duflo's undergraduate course 14.73x The Challenges of Global Poverty was offered for the second time in Spring 2015 as a Massive Open Online Course (MOOC) through edX. Well-received since its inception, 14.73x has garnered compliments such as, "This course has completely changed the way I think about how to solve social problems. In addition to learning a lot about poverty, taking this course increased my understanding of economics, experimental design, and human behavior," and "Everyone interested in the economics of poverty should go through this course. Professors Duflo and Banerjee have outdone themselves, making complex economic theories simple enough for a beginner to grasp." EdX is an initiative founded in 2012 and jointly operated by MIT and Harvard that offers interactive online learning on an ever-expanding set of topics.

The MIT Undergraduate Economics Association (UEA) continued to be fertile ground for rounding out the economics education of our undergraduate students. The UEA sponsored a public lecture on November 7 by 2014 Nobel Prize winner Professor Jean Tirole, Chairman of the Toulouse School of Economics and Annual Visiting Professor at MIT. The title of his talk was "Intellectual Property and Public Policy." The lecture was extremely well attended, attracting many undergraduate majors, faculty, and graduate students, as well as others from the MIT community.

The Undergraduate Economics Association presented its faculty and graduate student teaching awards to Jonathan Gruber, Ford Professor of Economics, and Daan Struyven (PhD '15). This year, Francine Loza (SB '15) received first place for her article in the UEA Journal. Edward Kim (SB '15) and Stephanie Cheng (SB '15) received second and third place, respectively.

Graduate Education

The department has just completed another year of excellent graduate student placement. Our most recent crop of PhD students is currently joining the ranks of faculty at Stanford; University of Chicago; University of Pennsylvania; University of California, Berkeley; the Wharton School, and Northwestern, among others. Two MIT students, Manasi Deshpande and Adrien Auclert, were selected in the spring to participate in the Review of Economic Studies tour, which honors the top seven US job market candidates each year with a European speaking tour. MIT was the only program to have more than one student on the tour, as was the case in 2014 (two MIT students), 2012 (three MIT students), 2011 (three MIT students), and 2010 (four MIT students).

We are equally thrilled with the students entering the PhD program in fall 2015. Out of 768 applicants, 34 were offered admission, and among them, 21 accepted and enrolled. The group of admitted students consists of six women and 11 international students.

Several faculty members, students, and staff were recognized during the past year for their outstanding service to the Economics Department and MIT. Victor Chernozhukov won the Graduate Economic Association's (GEA) Award for Best Professor. Daron Acemoglu was honored as Outstanding Dissertation Advisor. Graduate student Ludwig Straub was honored as the most outstanding Teaching Assistant by the GEA. This year, the Robert Solow Prize for Excellence in Teaching and Research was awarded to Adrien Auclert.

Lectures

During the fall semester, the department hosted Joachim Voth, who delivered a department-wide lecture entitled "Exorcizing Hitler—Denazification in Germany after 1945." David Laibson from Harvard University delivered the spring departmental lecture with a talk entitled "Optimal Illiquidity."

Research and Service

Faculty members have carried out research on a broad array of frontier topics in economics, the span of which is illustrated below with a selection of recent academic publications. This research has attracted attention within the academic sphere and, in many cases, in the national and international press as well.

MIT faculty members continue to provide leadership and service to the economics profession. Jim Poterba continues as President of the Eastern Economic Association and President and CEO of the National Bureau of Economic Research (NBER). David Autor was elected to the Executive Committee of the American Economic Association, where Amy Finklestein also serves as a member. David Autor also serves on the Program Committee for the 2016 American Economics Association Annual Meeting, and is an Elected Member of the Conference on Research in Income and Wealth. Esther Duflo is the Director of the Development Program at the Center for Economic Policy

Research (CEPR). Jon Gruber is the President-elect of the American Society of Health Economists. Bengt Holmstrom continues to serve on the Executive Committee for CEPR. Whitney Newey and Rob Townsend are members of the North America Council of the Econometric Society. Ben Olken was appointed to the Board of BREAD (Bureau for Research and Economic Analysis of Development). Michael Whinston serves as co-director of the Center for the Study of Industrial Organization at Northwestern University. Heidi Williams is an associate member of the Broad Institute of MIT and Harvard.

Daron Acemoglu served as editor-in-chief of *Econometrica*. Ben Olken was appointed to the Board of Reviewing Editors of *Science*. Victor Chernozhukov serves as co-editor for both *Economic Theory* and *Econometric Theory*. Arnaud Costinot serves as foreign editor for the *Review of Economic Studies*. Esther Duflo continues her success as founding editor of the *American Economic Journal: Applied Economics*. Jon Gruber serves as associate editor for the *Journal of Public Economics*. Parag Pathak serves as associate editor of the *American Economic Review* and *Econometrica*. Michael Whinston serves on the Board of Editors for *American Economic Journals: Microeconomics*. Other faculty serve on various editorial boards.

David Autor serves as associate director of the NBER Disability Research Center, funded by the Social Security Administration. Amy Finkelstein is co-director of the Public Economics Program at the NBER. Bob Gibbons continues as the founding director of the Working Group on Organizational Economics at the NBER. Jon Gruber serves as director of the NBER's Program on Health Care. Parag Pathak continues as the founding co-director of the Market Design working group at the NBER. Nancy Rose serves as director of the Research Program on Industrial Organization at the NBER.

Other faculty continue the department's tradition of broader public service. Daron Acemoglu served as chair of the Nominating Committee of the American Academy of Arts and Sciences. David Autor serves as a member of the Social Security Advisory Board Technical Panel on Methods and Assumptions. Amy Finkelstein serves as a member of the Congressional Budget Office's Panel of Health Advisers. Nancy Rose continues to serve as a deputy assistant attorney general for economic analysis in the US Department of Justice, Antitrust Division.

The Abdul Latif Jameel Poverty Action Lab (J-PAL), directed by Ford International Professor Abhijit Banerjee, Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics Esther Duflo (PhD '99), and Professor Benjamin Olken, continues to expand the scope and influence of its research. Thanks to a generous grant by the Abdul Latif Jameel Community Initiatives (ALJCI), J-PAL created the Government Partnership Initiative (GPI) this year to expand work with the biggest players in social and development policy—governments—to design, evaluate, and scale up programs that aim to reduce poverty. To date, J-PAL's 117 affiliated research faculty from universities around the world are leading or have completed more than 600 randomized evaluations in 56 countries to find the most effective approaches to critical development issues, including how to help people leave extreme poverty, reduce the spread of AIDS, increase student attendance, reduce industrial pollution, and decrease

corruption in government projects.

J-PAL North America was established two years ago within the Economics Department, under the direction of Ford Professor of Economics Amy Finkelstein and Harvard's Elisabeth Allison Professor of Economics Lawrence Katz. J-PAL North America works to improve the effectiveness of social programs in the region through J-PAL's three core activities: research, policy outreach, and capacity building. Specifically, the office supports researchers conducting randomized evaluations, helps decision makers use research evidence in policy decisions and program design, and provides training courses on impact evaluation benefits and methodology. Since its launch two years ago, J-PAL North America has experienced significant growth in staff and activities, including the launch of new initiatives in the health and crime sectors, an intensified collaboration with state and local policymakers to develop and disseminate evidence on what works in government, and the awarding of funding to numerous high-quality randomized evaluations and pilot studies.

Future Plans

Personnel

The department promoted Arnaud Costinot to the rank of tenured professor and Anna Mikusheva to the rank of associate professor with tenure. Alp Simsek and Juuso Toikka were promoted to the rank of untenured associate professor. David Atkin, formerly an assistant professor at the University of California, Los Angeles Department of Economics, will be joining us in the fall of 2015, as will Frank Schilbach, who received his PhD from Harvard in June 2015.

One faculty member is moving on to other pursuits. Untenured Assistant Professor Paulo Somaini has taken a position at Stanford University. Paulo has been an outstanding researcher, educator, and citizen of the department and the Institute. We will greatly miss him.

There were 38 non-visiting Economics faculty members in the 2014–2015 academic year. This number will increase to 39 for academic year 2015–2016, reflecting the hiring of new Assistant Professors Frank Schilbach and David Atkin and the departure of one faculty member.

Seven faculty members visited the MIT Economics Department for all or part of the academic year 2014–2015. The department's visitors continued to participate in central ways in our educational programs. Visiting Professor Jean Tirole (PhD 1982) was a guest lecturer for Industrial Organization I and II, and taught an Advanced Seminar in Economics.

A number of other visitors played important roles in our educational program, including: Visiting Professor Pol Antras from Harvard University, who taught 14.54 International Trade in the fall; Ariel Burstein, a visiting associate professor from UCLA, taught half of 14.582 International Economics II in the fall; Thomas Fujiwara, the inaugural Hal Varian Visiting Assistant Professor, from Princeton University, taught

half of 14.770 Political Economy in the fall; Visiting Professor Alfred Galichon from Sciences Po, Paris, taught half of 14.381 Statistics in the fall, as well as half of 14.386 New Econometric Methods and 14.36 Advanced Econometrics in the spring; Visiting Associate Professor Seema Jayachandran from Northwestern University taught half of 14.771 Development Economics in the fall; Jeremy West, a postdoctoral research associate who came to MIT via Texas A&M University, taught 14.42 Environmental Economics in the spring; Visiting Associate Professor Paul Willen, Senior Economist and Policy Advisor of the Federal Reserve Bank of Boston, taught 14.02 Principles of Macroeconomics in the fall; and Erez Yoeli and Moshe Hoffman from the Harvard University Program for Evolutionary Dynamics co-taught 14.11 Special Topics in Economics in the fall.

We also had several visitors who came to conduct research and work with economics faculty at MIT. These visitors included: Lukas Buchheim, a post-doctoral researcher from the University of Munich; Mehmet Caner, a professor from Ohio State University; Wolfgang Dauth, an assistant professor at the University of Würzburg; Hiroaki Kaido, an assistant professor at Boston University; Tuomas Kosonen, the Yrjö Jahnsson Postdoctoral Fellow and a senior researcher at the VATT Institute for Economic Research, Helsinki; Ariel Pakes, a professor at Harvard University; Roland Pongou, an associate professor at the University of Ottawa; Andrea Salvatori, a research fellow at the Institute for Social and Economic Research at the University of Essex; and Johannes Schmieder, an assistant professor at Boston University.

There were six women on the MIT Economics faculty for 2014–2015: three tenured faculty members (Duflo, Finkelstein, and Rose), one associate professor (Mikusheva), one assistant professor (Williams), and one senior lecturer (Sara F. Ellison). The fraction of MIT economics faculty who are women is greater than that of any other leading economics department. We have no African-American faculty members. All search committees are instructed to identify outstanding women and minority candidates as part of their search process.

As part of the regular recruitment process for junior faculty, the department solicited or received 392 curriculum vitae. Thirty-six candidates were selected for interviews, and six candidates were invited to the department to present seminars. We made offers this year to PhD candidates Mohammad Akbarpour from Stanford University, Gregor Jarosch from the University of Chicago, and Frank Schilbach from Harvard University. Frank Schilbach accepted our offer and joined our faculty as an Assistant Professor.

Honors and Awards

Emeritus Professor Robert Solow was awarded the Presidential Medal of Freedom, our nation's highest civilian honor, presented to individuals who have made especially meritorious contributions to the security or national interests of the United States, to world peace, or to cultural or other significant public or private endeavors.

Annual Visiting Professor Jean Tirole (PhD '81) received the 2014 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel "for his analysis of market power and regulation."

Elizabeth and James Killian Professor Daron Acemoglu gave the keynote address at the Harvard International Development Conference.

Assistant Professor Nikhil Agarwal was named to Forbes 30 under 30 in healthcare. He also received a National Science Foundation (NSF) research grant.

Ford Professor Joshua Angrist gave the Murray Memorial Lecture at Iowa State.

Professor David Autor was elected a Fellow of the Econometric Society for his highly regarded contributions to economics. He also gave the W. Edmund Clark Lecture at Queen's University in Ontario and the Mullen Lecture at the University of Maryland.

Ford International Professor Abhijit Banerjee was awarded 2014 Bernhard Harms Prize by the Institute for the World Economy for outstanding achievements in the field of global macroeconomic research. He also received an honorary doctoral degree from KU Leuven and the Albert O. Hirschman Prize from the Social Science Research Council.

Professor Victor Chernozhukov gave the Plenary Lecture "Mostly Dangerous Econometrics: How to Do Model Selection with Inference in Mind" at the International Association for Applied Econometrics in Thessaloniki, Greece.

Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics Esther Duflo received the 2015 Princess of Asturias Social Sciences Prize, the Infosys Social Sciences Prize in recognition of her pioneering and prodigious contributions to development economics, the John von Neumann Award from the University of Budapest, and the Erna Hamburger Prize from Ecole Polytechnique Fédérale de Lausanne. She also gave the Hicks Lecture at Oxford University.

Senior Lecturer Sara Ellison presented "Match Quality, Search, and the Internet Market for Used Books" at IDEI in Toulouse, France. She also presented at Yonsei University in Seoul, South Korea and at Xiamen University in Xiamen, China.

Ford Professor Amy Finkelstein received the ASHEcon Medal and the Hinks Tinberger Award.

John & Jennie S. MacDonald Professor Jerry Hausman was the keynote speaker at the Conference in Honor of Jerry Hausman at Xiamen University, China.

Paul A. Samuelson Professor Bengt Holmstrom received the Yrjo Jahnsson Science Prize.

Professor Parag Pathak was awarded the 2016 Social Choice and Welfare Prize for excellent accomplishment in the area of Social Choice Theory and Welfare Economics. He was named one of the top 25 economists under age 45 by the IMF and received a WT Grant Early Career Scholar Award. He also gave the Condorect Lecture at the Social Choice and Welfare Conference.

Mitsui Professor of Economics Jim Poterba was elected to the National Academy of Sciences, one of the highest honors afforded to scientists and engineers. He also received the Daniel M. Holland Medal from the National Tax Association in honor of his outstanding contributions to the study and practice of public finance.

Charles P. Kindleberger Professor of Applied Economics, Nancy L. Rose, continues as a Margaret MacVicar Faculty Fellow.

Stephen Ross, Franco Modigliani Professor of Finance and Economics, was awarded the 2015 Deutsche Bank Prize in Financial Economics for his groundwork and fundamental contributions to the analytical development of financial economics.

Rudi Dornbusch Career Development Associate Professor Alp Simsek received a National Science Foundation CAREER Award—the NSF’s most prestigious award in support of junior faculty who exemplify the role of teacher-scholars through outstanding research, excellent education, and the integration of education and research within the context of the mission of their organizations—for his work on the role of amplification mechanisms in economic crises.

Assistant Professor Juuso Toikka presented lectures at Northwestern University and Stanford University.

Elizabeth and James Killian Professor Robert M. Townsend was named a Faculty Affiliate at the MIT Center for Finance and Policy.

Robert M. Solow Professor Ivan Werning was elected to the American Academy of Arts and Sciences, one of the nation’s most prestigious honorary societies. He also received the 2014 Banque de France/TSE Junior Prize in Monetary Economics and Finance, awarded to academic researchers who have developed central concepts to improve our understanding of monetary economics and finance.

Class of 1957 Career Development Assistant Professor Heidi Williams was named an Alfred P. Sloan Research Fellow, an honor awarded to early career scholars of outstanding promise. She also received an Excellence in Refereeing Award from American Economic Review and a Kauffman Junior Faculty Fellowship in Entrepreneurship Research.

Pentti J. K. Kouri Career Development Assistant Professor of Economics Alexander Wolitzky presented lectures at Stanford University, Princeton University, Brown University, Collegio Carlo Alberto, the University of Chicago, the University of Texas at Austin, and Boston University.

Research Achievements

The following selection of publications during the academic year illustrates the scope of the department’s research activities.

Elizabeth and James Killian Professor Daron Acemoglu and Jon Gruber published “An Evaluation of the FDA’s Analysis of the Costs and Benefits of the Graphic Warning

Label Regulation” (with Frank J. Chaloupka, Kenneth E. Warner, Fritz Laux, Wendy Max, Joseph Newhouse, Thomas Schelling, and Jody Sindelar). Acemoglu, Victor Chernozhukov, and Muhamet Yildiz have a joint paper titled “Fragility of Asymptotic Agreement under Bayesian Learning” forthcoming from Theoretical Economics.

Assistant Professor Nikhil Agarwal’s paper, “An Empirical Model of the Medical Match,” is forthcoming in the American Economic Review.

Ford Professor Josh Angrist published the book *Mastering ‘Metrics: The Path from Cause to Effect* (with Jörn-Steffen Pischke) through the Princeton University Press. He also published “When Opportunity Knocks, Who Answers? New Evidence on College Achievement Awards” (with Philip Oreopoulos and Tyler Williams) in the *Journal of Human Resources*, and has a joint paper with Parag Pathak titled “Stand and Deliver: Effects of Boston’s Charter High Schools on College Preparation, Entry, and Choice” (with Sarah Cohodes, Susan Dynarski, and Chris Walters) forthcoming in the *Journal of Labor Economics*.

Professors David Autor and Jon Gruber published “Moral Hazard and Claims Deterrence in Private Disability Insurance,” in *American Economic Journal: Applied Economics* (with Mark Duggan). Autor also published “Untangling Trade and Technology: Evidence from Local Labour Markets” in *The Economic Journal* (with David Dorn and Gordon Hanson); “Trade Adjustment: Worker Level Evidence” in the *Quarterly Journal of Economics* (with Dorn, Hanson, and Jae Song); and “Polanyi’s Paradox and the Shape of Employment Growth” in *Proceedings of the Federal Reserve Bank of Kansas City, Jackson Hole Economic Policy Symposium*. In addition, he has three forthcoming papers: “The Contribution to the Minimum Wage to U.S. Wage Inequality over Three Decades: A Reassessment” in *American Economic Journal: Applied Economics* (with Alan Manning and Christopher L. Smith); “Import Competition and the Great U.S. Employment Sag of the 2000s” in the *Journal of Labor Economics* (with Acemoglu, Dorn, Hanson, and Brendan Price); and “Why Are There Still So Many Jobs? The History and Future of Workplace Automation” in the *Journal of Economic Perspectives*.

Ford International Professor Abhijit Banerjee published several papers with Esther Duflo: “A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries” (with Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry) in *Science Magazine*; “Improving Police Performance in Rajasthan, India: Experimental Evidence on Incentives, Managerial Autonomy and Training” (with Raghavendra Chattopadhyay, Daniel Keniston, and Nina Singh); “Do Firms Want to Borrow More: Testing Credit Constraints Using a Targeted Lending Program” in the *Review of Economic Studies*; and “Under the Thumb of History? Political Institutions and the Scope for Action” in the *Annual Review of Economics*. He also published “Six Randomized Evaluations of Microcredit: Introduction and Further Steps” (with Dean Karlan and Jonathan Zinman) in *American Economic Journal: Applied Economics*. He has several forthcoming papers with Professor Duflo: “The Miracle of Microfinance? Evidence from a Randomized Evaluation” (with Rachel Glennerster and Cynthia Kinnan), forthcoming

in the American Economic Journal: Applied Economics and “Do Firms Want to Borrow More? Testing Credit Constraints Using a Targeted Lending Program,” forthcoming in the Review of Economic Studies. He has a joint paper with Professor Ben Olken, “Self-Targeting: Evidence from a Field Experiment in Indonesia,” (with Vivi Alatas, Rema Hanna, Ririn Purnamasari, and Matthew Wai-Poi), forthcoming in the Journal of Political Economy.

Professor Victor Chernozhukov published several papers, including “Post-Selection and Post-Regularization Inference in Large Linear Models with Many Controls and Instruments” (with Christian Hansen and Martin Spindler) in American Economic Review, Papers and Proceedings; “Post-Selection and Post-Regularization Inference: An Elementary, General Approach” (with Hansen and Spindler) in the Annual Review of Economics; and “Pivotal Estimation via Square-Root Lasso in Non-parametric Regression” (with Alexandre Belloni and Lie Wang) in the Annals of Statistics. He also has seven forthcoming papers, three of which are with Denis Chetverikov and Kengo Kato: “Comparison and Anti-Concentration Bounds for Maxima of Gaussian Vectors,” to be published in Probability Theory and Related Fields, and “Gaussian Approximation of Suprema of Empirical Processes” and “Anti-Concentration and Confidence Bands in Nonparametric Problems,” both forthcoming in the Annals of Statistics. “Uniform Post-Selection Inference in LAD regression and other Z-estimation Problems” (with Belloni and Kato) is forthcoming in Biometrika, “Some New Asymptotic Theory for Least Squares Series Estimators” (with Belloni, Chetverikov, and Kato) will be published in the Journal of Econometrics, and “Inference on Sets in Finance” (with Emre Kocatulum and Konrad Menzel) is forthcoming in Quantitative Economics. He also has a forthcoming paper with Whitney Newey titled “Nonparametric Identification in Panels using Quantiles” (with Iván Fernández-Val et. al.) to be published in the Journal of Econometrics.

Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics Esther Duflo published “Estimating the impact of microcredit on those who take it up: Evidence from a randomized experiment in Morocco” (with Bruno Crepon, Florencia Devoto, and William Pariente), in American Economic Journal: Applied Economics. She also has four forthcoming papers: “Up in Smoke: The Influence of Household Behavior on the Long-Run Impact of Improved Cooking Stoves” (with Rema Hanna and Michael Greenstone) to be published in American Economic Journal: Economic Policy; “Education, HIV and Early Fertility: Experimental Evidence from Kenya” (with Pascaline Dupas and Michael Kremer) forthcoming in the Annual Review of Economics; “School Governance, Teacher Incentives, and Pupil-Teacher Ratios: Experimental Evidence from Kenyan Primary Schools” (with Dupas and Kremer) forthcoming in the Journal of Public Economics; and “Turning a Shove into a Nudge? A ‘Labeled Cash Transfer’ for Education” (with Najy Benhassine, Florencia Devoto, Pascaline Dupas, and Victor Pouliquen), forthcoming in the American Economic Journal: Economic Policy.

Gregory K. Palm (1970) Professor Glenn Ellison published “A Theory of Rule Development,” (with Richard Holden) in the Journal of Law Economics and Organization.

Senior Lecturer Sara F. Ellison has a forthcoming paper titled “Price Search and Obfuscation: An Overview of the Theory and Empirics” in *The Handbook on the Economics of Retail and Distribution*.

Ford Professor Amy Finkelstein published *Randomize Evaluations to Improve Health Care Delivery* (with Sarah Taubman) in *Science*. Finkelstein and Jim Potbera published “Testing for Adverse Selection with ‘Unused Observables’” in the *Journal of Risk and Insurance*, and, with Heidi Williams, the paper “Paying on the Margin for Medical Care: Evidence from Breast Cancer Treatments” (with Liran Einav) is forthcoming from the *American Economic Journal: Economic Policy*.

Ford Professor Jon Gruber published “Measuring Returns to Hospital Care: Evidence from Ambulance Referral Patterns” in the *Journal of Political Economy* (with Joseph Doyle, John Graves, and Samuel Kleiner) and “Does Church Attendance Cause People to Vote? Using Blue Laws’ Repeal to Estimate the Effect of Religiosity on Voter Turnout” in the *British Journal of Political Science* (with Alan Gerber and Dan Hungerman). “More Insurers Lower Premiums: Evidence from Initial Pricing in the Health Insurance Marketplace” is forthcoming from the *American Journal of Health Economics* (with Leemore Dafny and Chris Ody). Gruber and Rob Townsend published “The Great Equalizer: Health Care Access and Infant Mortality in Thailand” (with Nathaniel Hendren) in the *American Economic Journal: Applied Economics*.

John and Jennie S. MacDonald Professor Jerry Hausman and Whitney Newey published “Individual Heterogeneity and Average Welfare” in *Econometrica*. Hausman also published “A Bayesian Competing Risk Model with Unobserved Heterogeneity” (with Martin Burda and Matthew Harding) in the *Journal of Applied Econometrics*, and “Finite Sample Bias Corrected IV Estimation for Weak and Many Instruments” (with Harding and Christopher Palmer).

Castle-Krob Career Development Associate Professor Anna Mikusheva published “Maximum Likelihood Inference in Weakly Identified DSGE Models,” (with Isaiah Andrews) in *Quantitative Economics* and “Second Order Expansion of the T-statistic in AR(1) Models” in *Econometric Theory*.

Professor Benjamin Olken published “Should Aid Reward Performance? Evidence from a Field Experiment on Health and Education in Indonesia” (with Junko Onishi and Susan Wong) in the *American Economic Journal: Applied Economics*, “What Do We Learn from the Weather? The New Climate-Economy Literature” (with Benjamin F. Jones and Melissa Dell) in the *Journal of Economic Literature*, and “The Missing ‘Missing Middle’” (with Chang-Tai Hsieh) in the *Journal of Economic Perspectives*.

Professor Parag Pathak published “The Cost of Free Entry: An Empirical Study of Real Estate Agents in Greater Boston” (with Panle Jia) in the *Rand Journal of Economics*.

Mitsui Professor James Poterba published “Saver Heterogeneity and the Challenge of Assessing Retirement Savings Adequacy” in the *National Tax Journal* and has a forthcoming paper “Do Required Minimum Distribution Rules Matter? The Effect of

the 2009 Holiday on Retirement Plan Distributions” (with Jeffrey Brown and David Richardson) in the Journal of Public Economics.

Gary Loveman Career Development Assistant Professor Juuso Toikka has a forthcoming paper titled “Mechanisms for Repeated Trade” (with Andrzej Skrzypacz) to be published in the American Economic Journal: Microeconomics.

Elizabeth and James Killian Professor Robert M. Townsend published “An Evaluation of Financial Institutions: Impact on Consumption and Investment Using Panel Data and the Theory of Risk-Bearing” (with Mauro Alem) in the Journal of Econometrics.

Class of 1957 Career Development Assistant Professor Heidi Williams will publish “Do Firms Underinvest in Long-Term Research? Evidence from Cancer Clinical Trials” (with Eric Budish and Benjamin Roin), forthcoming in the American Economic Review. Pentti J.K. Kouri Career Development Assistant Professor Alex Wolitzky published “Communication with Tokens in Repeated Games on Networks” in Theoretical Economics.

Professor Muhamet Yildiz has a forthcoming paper, “Reputation without Commitment” (with Jonathan Weinstein), in Theoretical Economics. “Invariance to Representation of Information” has been accepted subject to minor revisions by Games and Economic Behavior.

The department continues to build on its record as a leading research and teaching institution with the highest caliber senior and junior faculty, graduate students, and undergraduates. More information about the department, including photos of recent events, can be found at <http://economics.mit.edu>.

Whitney K. Newey
Department Head