

# The Wisconsin Economics Association 2019 Annual Conference Proceedings

**Featuring Undergraduate/Graduate Student and Professional Presentations  
November 8 – 9, 2019 - Holiday Inn & Convention Center - Stevens Point, WI**

The Wisconsin Economics Association (WEA) is a non-profit organization whose purposes are the advancement of economic knowledge and the economics profession. In general, the WEA seeks to establish and maintain a strong network among Wisconsin economists as well as economists across the Midwest. The WEA hosts an annual conference for members to exchange ideas, present research and foster collaboration. The conference is typically scheduled in late October or early November.

**The WEA is particularly interested in supporting:**

- Undergraduate and graduate student research presentation
- Research into the teaching of economics at the college and university level
- Research examining topics of regional interest

[WEA Website Link](#)



In promoting the economic way of thinking, the WEA embodies the spirit of the [Wisconsin Idea](#)

*A philosophy embraced by the University of Wisconsin System that holds that university research should be applied to solve problems and improve health, quality of life, the environment, and agriculture for all citizens of the state*

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**Student Presenters:** Karlien Asplund, Ethan Blaney, Olivia Jonasen, Zach Ledwith, Katelyn Reckin, Hailey Reynolds, Shelly Stephani, Nevada Sweitzer

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**Faculty Mentor:** Dr. Eric Jamelske, [jamelsem@uwec.edu](mailto:jamelsem@uwec.edu)

**Affiliation:** University of Wisconsin-Eau Claire

### **Abstract**

Despite research showing significant health benefits from consuming fruits and vegetables, intake remains below recommended levels for many children and adults in the United States. Research also suggests that the Supplemental Nutrition Assistance Program (SNAP) may contribute to obesity among low-income households as SNAP food shopping patterns reflect unhealthy purchases compared to non-SNAP purchases.

Using data from one area grocery store we find a higher percentage of spending on sweetened beverages and a lower percentage of spending on fruits and vegetables compared to non-SNAP shoppers. Thus, connecting SNAP households to healthier shopping possibilities has become an important focus among practitioners, policymakers and researchers.

In this context we present an analysis of a Market Match program at one area farmers market. This program allows SNAP electronic benefit transfer (EBT) cards to be used for food purchases at the market and also incentivizes SNAP usage at the market by providing a matching bonus to increase purchasing power. Specifically, we report on the number of SNAP shoppers using the program, how many visits SNAP shoppers make to the market, how many SNAP dollars and matching dollars are spent at the market and some analysis of how many fruits and vegetables are being purchased through the program. Surveys of SNAP shoppers were also conducted at the farmers market to highlight several benefits and challenges associated with this program. We also report some data from other farmers markets in the US that run similar programs for comparison.

Similarly, the Women Infants and Children Program (WIC) provides paper vouchers to WIC households in the summer that can only be redeemed for fruits and vegetables at the farmers market. We look at the same area farmers market to characterize this program in terms of benefits allocated to recipients as well as what percent of these WIC farmers market vouchers are used by recipients.

Finally, we provide a glimpse into a future research project implementing a vegetable snack program with teacher encouragement in one Madison, WI elementary school. This project will build upon our prior vegetable snack program study with some notable improvements. Specifically, we will be working in a school that has a more diverse student population with higher socioeconomic need over a longer time period.

**Keywords:** Low-Income, Fruits and Vegetables, Healthy Eating, Obesity, Farmers Market, SNAP, WIC

**JEL Classification:** I1, I3

**Title:** [The Impact of Water Clarity on Home Prices in Manitowoc, Calumet, Kewaunee and Sheboygan Counties, Wisconsin](#)

**Student Presenters:** Yi Cheng Cheng, Will Krull, Abe Mamou, Emerson Ngu, Megan Roehl, Eric Winkler, Foong Wong

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### **Abstract**

We were tasked with answering the question of: How does water clarity affect housing values within Manitowoc County? To do this within this study, we examined over 8000 housing sale transactions within a four-county region including and adjacent to Manitowoc County. In order to evaluate water clarity, satellite data from the Wisconsin DNR was utilized. Using hedonic modeling, we find that a one-foot increase in water clarity will result in a 3.2% increase in home values for properties located within 250 meters of a lake. In metric terms, we would expect that a one-meter loss of clarity on the average \$215,000 lake property would result in a \$23,327 loss in value (10.85%). This proposes a clear economic rationale for improving water quality in lakes within this region.

**Title:** [Fine Particulate Matter and Its Impacts on Educational Gains: A Case Study Using the North Carolina Clean Smokestacks Act](#)

**Presenter:** Maciej Wachala, [mwacha2@uic.edu](mailto:mwacha2@uic.edu)

**Affiliation:** University of Illinois - Chicago

### **Abstract**

The debate concerning the trade-off between air pollution and economic growth has paid little attention to air pollution's impacts on human capital formation. I investigate the impact of fine particulate matter pollution (PM<sub>2.5</sub>) on children's learning using policy induced variation in air pollution. The North Carolina Clean Smokestacks Act of 2002 mandated emissions reductions from coal-fired power plants. This resulted in utility providers installing pollution mitigating technology on a fraction of the coal-fired power plants in the state. This policy reduced exposure to PM<sub>2.5</sub> throughout the state but had larger impacts for schools closest to power plants. I find that this policy-driven reduction in air pollution significantly increased academic gains for students in grades four to eight. A one microgram per cubic meter drop in PM<sub>2.5</sub> results in 4% of a standard deviation improvement in test scores. The results indicate that air quality can affect the learning of children. Policy makers should factor in these costs when evaluating environmental policy or when distributing resources to address education disparities.

**JEL Classification:** I18, I240, I200, J24, Q520, Q530

**Title:** [Underground Lemons: The Effect of Time of Sale Well and Septic System Inspections on the Housing Market](#)

**Presenter:** April Athnos, [athnos@msu.edu](mailto:athnos@msu.edu)

**Affiliation:** Michigan State University

**Abstract**

Many residential wells and septic systems lie hidden underground across America. The location and obscurity of these water systems present an ideal environment for a "lemons" market to emerge. Home sellers, familiar with their wells and septic systems from ownership, possess better information about the systems than buyers. One policy tool aimed at this setting, "Time of Sale" regulations, require specialized inspections before lawful sale. A failed inspection prohibits a sale until a minimum quality level is attained. Since 1984, twelve Michigan counties instituted well and septic system specific Time of Sale regulations. I exploit this variation over time and space to investigate the value of such policies in the housing market. First, I ask how Time of Sale regulations are valued in regulated counties with a difference-in-differences hedonic price model. I find no significant change in home prices following policy adoption. Then, I refine my analysis to well and septic system properties using a triple-differences approach and find evidence of an 8% decrease in on-site water system home prices following adoption.

**JEL Codes:** Q2, Q5, R3

**Title:** [Regime Switching in U.S. Discretionary Fiscal Policy Conduct](#)

**Presenter:** Jean Falconer, [jean.falconer@snc.edu](mailto:jean.falconer@snc.edu)

**Affiliation:** St. Norbert College

**Abstract**

There is some evidence to suggest that U.S. discretionary fiscal policymakers vary policy responses according to the state of the business cycle and debt levels. However, these findings rely on strong and potentially unrealistic assumptions about the structure of the underlying model. I use Bayesian model comparison techniques to compare linear and threshold models that differ with respect to the included covariates and, for threshold models, the threshold variable and value that govern regime switching. I consider twenty-nine possible threshold variables related to the business cycle, debt, monetary policy, inflation, and political environment, as well as a range of possible threshold values for each potential threshold variable. My results provide strong evidence that discretionary fiscal policy in the United States is regime dependent. Among the threshold variables that I consider, the change in nonfarm payrolls and the change in the federal funds rate are the most probable. Threshold value posteriors for both of these threshold variables split observations into regimes consistent with periods of "normal" and "bad" economic performance that roughly coincide with recession dates.

**JEL Classification:** E62, C11

**Title:** [Is Economics 101 Still Relevant for the 21st Century Economy?](#)

**Presenter:** Thomas Nessler, [nessleit@uwgb.edu](mailto:nessleit@uwgb.edu)

**Affiliation:** University of Wisconsin-Green Bay

### **Abstract**

Recent years have witnessed an outpouring of articles and books highly critical of mainstream economics by a wide range of commentators. A brief listing includes *Free Fall* by Joseph Stiglitz; *Aftershock and the Next Economy* by Robert Reich; *Twenty-Three Things They Won't Tell You About Capitalism* by Cambridge Professor Ha-Joon Chang; *Economism: Bad Economics and the Rise of Inequality* by James Kwak and his related article "What's Wrong with Econ 101 in the *Chronicle of Higher Education*"; *Free-Market Madness* by Peter Ubel, and *Foundations of Real-World Economics* by John Komlos. The critique of mainstream economics seems largely linked to the rise of economic inequality in recent decades, the 2008 global financial crisis, and the rise of behavioral economics. Key themes in the above literature are that in the modern capitalist economy competitive markets have been greatly attenuated, marginal productivity theory is of limited relevance, and economic decision making is largely irrational and thus inefficient. Consequently, the purpose of the paper is to address the key criticisms of mainstream theory and to evaluate their relative strength and relevance.

**Keywords:** Mainstream economics, Neoclassical economics, Noncompetitive markets, Behavioral economics, Irrational decision making

**JEL Classifications:** A. General Economics and Teaching B. History of Economic Thought, Methodology, and Heterodox Approaches

**Title:** [Religion and Spirituality in the Context of Religious Competition: Insights on the U.S. Marketplace of Religion and Recent Trends](#)

**Presenters:** Marc von der Ruhr, Jarret Jordan, [marc.von-der-ruhr@snc.edu](mailto:marc.von-der-ruhr@snc.edu), [jarret.jordan@snc.edu](mailto:jarret.jordan@snc.edu)

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### **Abstract**

The U.S. has long been known to provide a competitive environment in which religions compete for believers. Recent trends show that U.S. consumers of religion are comfortable in employing their status as consumers of religion to engage in religious switching, revealing a fluid market for religion. The data clearly show winners and losers in this marketplace. Major Christian denominations are generally experiencing a decline in membership while religious "nones" are growing in number. Of note, the recent PEW studies of the U.S. Religious Landscape (2008 and 2015) indicate that measures of spirituality are actually rising in this environment. This paper employs the survey data from the 2015 PEW study to empirically investigate how belonging to a major Christian faith impacts feeling of spirituality in order to better understand these trends. It finds that across four measures of spirituality, being a member of a Christian denomination reduces the measure of spirituality relative to religious "nones". However, this effect is often partially offset when the denominational affiliation is interacted with a measure of attendance at religious services suggesting spirituality is positively associated with social interaction.

**Keywords:** Religion, Spirituality, Religious Switching, Religious Competition

**JEL Code:** Z12

**Title:** [Economic Growth Pattern in Wisconsin: A View from Outer Space](#)

**Presenter:** Sujana Kabiraj, [skabiraj@uwsp.edu](mailto:skabiraj@uwsp.edu)

**Affiliation:** University of Wisconsin-Stevens Point

**Abstract**

A longstanding issue in the field of empirical growth economics has been the measurement of growth at the sub-state level mostly due to the lack of reliable data on county level GDP. To address this issue, Henderson, Storeygard, and Weil proposed an unorthodox proxy for such ill-measured GDP in 2009. They used man-made nighttime lights, observed from outer space that has been collected by NASA as part of the US government's Defense Meteorological Satellite Program. They argued that the growth in such nighttime lights reflects the growth in economic activities. Moreover, the light data, being collected at a minutely detailed level alleviates the sub-national growth measurement problem.

In this paper, I investigate the pattern of growth at the US county level, especially for the Midwest states including Wisconsin using the aforementioned satellite night light data for the years 1992-2013. I find evidence of absolute convergence at the county level for the whole country. The same holds for the Midwest states. This observation aligns with the literature and provides insight towards future policy making. Furthermore, I examine the association between human capital accumulation and the growth in night lights. I will also investigate the association of per capita night light growth with employment growth and income growth over this period.

**Keywords:** Convergence, Regional Growth, Nighttime lights, Midwest states

**JEL Classification:** O40, O47, R11

**Title:** [Community Benchmarking-City of Eau Claire \(With thoughts on Pepin County\)](#)

**Student Presenters:** Yi Cheng Cheng, Will Krull, Abe Mamou, Emerson Ngu, Megan Roehl, Eric Winkler, Foong Wong

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**Affiliation:** University of Wisconsin-Eau Claire

**Abstract**

Using census data associated with Eau Claire, Wisconsin and similar communities around the nation we seek to establish community benchmarks and to identify factors that contribute to economic growth consistent with benchmarking objectives. Constructing a database with all communities in the United States with populations between 60,000 and 100,000 (371 Total Communities) using census data we develop a 'short-list' of communities with desired growth trajectories. From this list we use a variety of methods to determine any if there were causal or even antidotal factors behind the growth.

**Title:** [Can Access to Natural Capital, Public Programs, and Remittances Influence Private Defensive Strategies of Vulnerable Coastal Communities Against Natural Disaster? Evidence from the Coastal Areas of Bangladesh](#)

**Presenter:** Sakib Mahmud, [smahmud@uwsuper.edu](mailto:smahmud@uwsuper.edu)

**Affiliation:** University of Wisconsin-Superior

**Co-Authors:** A.K. Enamul Haque, Kolpona E. Costa - East West University, and Zakir H. Khan - Transparency International Bangladesh

**Abstract**

This paper identifies major factors influencing private adaptation strategies, a form of climate-risk resiliency, of vulnerable coastal communities of Bangladesh against severe cyclonic storm events. Given the existing government sponsored disaster relief and rehabilitation programs, the study explores whether access to natural capital, remittances, income and asset ownership, and other forms of resource accessibility lead to improved outcome for the coastal against to mitigate and cope against the severe to super cyclonic storm events. To address the research question, an empirical analysis is performed based on household survey data of more than 600 households spanning three (3) southern coastal districts of Bangladesh that were exposed to two severe cyclonic storm events, Cyclone Sidr and Cyclone Roanu. Findings from the empirical analysis reveal that private self-defensive strategies in terms of private adaptation costs are influenced by access to natural capital, public programs, household income, non-governmental organization (NGOs) services, and private loans. Although remittances have impact on coastal household adaptation behavior, its influence turned out to be somewhat weak. Interestingly, findings from the study also reveals that households living inside polders and within natural forest protection, spend lower on private adaptation strategies compared to other vulnerable coastal households to mitigate risks and cope against severe cyclonic storm events.

**Keywords:** self-defensive adaptation strategies; resiliency; Cyclone Sidr; Cyclone Roanu; Bangladesh

**JEL Classifications:** D81, Q51, Q54

**Title:** [A Continuing Investigation of American and Chinese Views on Climate Change Issues and Policy](#)

**Presenters:** Michelle Beh, Clayton Cavanaugh, Elise Chapin, Maddie Culhane, Savanna Grunzke, Angela Hugunin, Sakumi Kawamoto, Chloe Knuth, Caleb Kulich, Eric Mallmann, Trung Nguyen, Zhi Yee The

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**Faculty Mentor:** Eric Jamelske    **Affiliation:** University of Wisconsin-Eau Claire

## Abstract

Climate change is one of the most important, challenging and costly issues of our time. As the world's two largest economies and greenhouse gas polluters, China and the United States are key players in international climate change negotiations through the United Nations Framework Convention on Climate Change (UNFCCC). To better understand the views of Chinese and American citizens we use survey data collected in both countries in 2015 (N=7,556) and 2017 (N=7,415) to investigate a variety of climate change issues and policies. Comparisons are presented across the two countries in each year as well as within each country across the two years.

Public views of climate change in these nations can be diverse/complex and may often be uninformed/misinformed. Thus, basic or core climate change views are explored through comparisons of a calculated climate change acceptance/knowledge/concern score (from -10 to 10) for respondents in each country in both years using a set of eight survey questions.

Because of the global nature of the causes/consequences of climate change, international cooperation is essential in implementing successful mitigation policy action. Therefore, we also assess citizens' support for an international climate treaty in each country for both years in the context of the Paris Climate Agreement. Split samples are used to test support under various scenarios where respondents in one country know something positive (reciprocity) or negative (non-reciprocity) regarding the other country's level of participation/cooperation in the treaty.

Due to the significant costs associated with taking action to mitigate climate change, we next explore the degree to which Chinese and American citizens are willing to pay these additional costs in the form of higher prices. Data are generated for each country in both years using the double-bounded dichotomous choice contingent valuation method.

In an effort to supplement our knowledge from the quantitative analyses described thus far, we also examine open-ended responses from Chinese and American survey takers to the question, *what comes to mind when you hear the words climate change?* This analysis presents qualitative results based on word frequency counts and prevalence of themes related to important climate change topics such as responses/solutions, causes, consequences, and more. Although we have these data for both years, our analysis here will be limited to 2017 data.

Finally, we have been awarded additional funding to continue collecting survey data in the summer of 2020 in China and the US. These new data will allow for additional comparisons through 2020 adding a longitudinal aspect to our research. We are also considering some changes to our survey which we will spend some time covering in this presentation.

**Keywords:** China and United States, Climate Change, Public Opinion, Willingness to Pay

**JEL Classification:** F5, Q5

**Title:** [The Influence of Youth Unemployment Rate on Migration of Ecuador](#)

**Presenter:** Angelica Remache Lopez, [aremache@uwsuper.edu](mailto:aremache@uwsuper.edu)

**Faculty Mentors:** Praopan Pratoomchat, [ppratoom@uwsuper.edu](mailto:ppratoom@uwsuper.edu)

**Affiliation:** University of Wisconsin-Superior

**Abstract**

The complexity of the various migratory flows in the world is evident. Behind these mobilizations, there are different causes forcing millions of people, especially young people to leave their communities and families and move into different developed countries. Unemployment, lack of opportunities, and the phenomenon of labor movement have accentuated the levels of job insecurity in Latin America. In fact, these countries have become the largest expellers of labor migrants. According to the Migration Policy Institute, Ecuador is the first country among the Andean Region with the highest level of migrants to the United States and Europe. For this reason and due to the importance of the migration phenomenon in Ecuador, this study analyzes the relationship between the lack of employment and the decision to migrate.

**Keywords:** youth unemployment, migration, Latin America

**JEL classification:** J64, J61, N16

**Title:** [Consumer Benefits of Not-For-Profit Hospitals](#)

**Presenter:** Michael Huttner, [mhuttner@uwsuper.edu](mailto:mhuttner@uwsuper.edu)

**Faculty Mentor:** Sakib Mahmud

**Affiliation:** University of Wisconsin-Superior

**Abstract**

This study looks at the differences of not-for-profit hospital and for-profit hospital effects on consumers. It compares the two sectors of the industry to find out which is more effective at operating within the healthcare industry. By performing comprehensive literature review and expert interview, a case study based off the hospital operations in a local area (Superior) and its direct effects on the community was evaluated. It is concluded that the not-for-profit hospitals have significant advantages in the industry and are therefore better able to serve their respective communities. From policy perspectives, options for leveling the playing field in which each hospital under profit and not-for-profit sector operates, and how to have them more effectively serve their communities were assessed.

**Keywords:** non-for-profit organizations, hospitals, healthcare

**JEL classification:** L31, I11, I19

**Title:** [Local Businesses and Community Engagement by UW-Superior](#)

**Presenter:** Hung Nguyen, [hnguye15@uwsuper.edu](mailto:hnguye15@uwsuper.edu)

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**Abstract**

The objective of this study is to assess relationship between UW-Superior and local business community from two sides. On one side, a survey was designed to understand how much impact owners of local business feel UW-Superior has on their business community as a whole. On the other side, this study utilized UW-Superior Center for Community Engaged Learning (CCEL) data, UW-Superior employee and student survey, and UW-Superior employee website to find out community engagement by UW-Superior students and employees through academic service learning, volunteering, fieldwork, internship, program, and research. According to business survey findings, local businesses agree that UW-Superior's presence enhances business climate of Superior and Douglas County. However, there is room for improvement through student and employee consumption of local goods and services, hiring of UW-Superior students as interns and employees. During 2017-2018, 47% survey responding employees and 2,400 UW-Superior students were involved in community engaged activities with at least 700 community partners. CCEL can strengthen the reciprocal relationship between UW-Superior and the local community through internships and research.

**Keywords:** community engaged learning, community partners, business survey

**JEL classification:** I23, I29, C83

**Title:** [Wildfires and Recreational Use Value: Evidence from Campground Demand in California](#)

**Presenter:** William P. Wheeler, [will.wheeler@snc.edu](mailto:will.wheeler@snc.edu)

**Affiliation:** St. Norbert College

**Abstract**

Every year, significant wildfires occur in California and many other (especially Western) states. These wildfires receive the greatest media coverage when they threaten structures that have been built at the wildland-urban interface, but such fires can also interfere with the quality of outdoor recreation activities. In this paper, I focus on the effects of nearby wildfires in prior years on people's choices among possible campground reservations at different future times in the current camping season. I consider the effects of fires in the immediate vicinity of a destination and the history of seasonal wildfires in the broader region around that destination. The main data source is the set of campground reservations for federally managed campgrounds in the Recreation Information Database (RIDB) data for California in the summer of 2014. The goal of this research is to quantify the role that wildfires play in an individual's decision about where and when to make a campground reservation. I incorporate remotely sensed historical wildfire footprints to approximate people's expectations about future wildfire risks at the different destinations in a RUM destination choice model. This model permits inferences about the effects of both nearby and regional past wildfire events on choices between different trips during the camping season. Preliminary results show that past wildfires have a significant and positive effect on the utility derived from camping. This positive effect diminishes for fires that burned larger areas and in regions that experience frequent severe wildfires. Past research has also found positive relationships between wildfires and some recreational activities, and mechanisms for the positive effects found in this example are currently being explored. This research is of use to benefit-cost analyses of wildfire-mitigation and public-lands-management policies.

**Keywords:** Recreational demand, camping, RUM site choice, revealed preference

**JEL classification:** Q57, Q51, Q54

**Title:** [Hemp in Wisconsin: The Marketing and Economics of an Emerging Industry](#)

**Presenters:** Shaheer Burney, Amber Remble, [shaheer.burney@uwrf.edu](mailto:shaheer.burney@uwrf.edu), [amber.remble@uwrf.edu](mailto:amber.remble@uwrf.edu)

**Affiliation:** University of Wisconsin-River Falls

### **Abstract**

In this study, we explore the marketing and economics of the industrial hemp industry in Wisconsin. The cultivation of industrial hemp was granted federal legalization in the 2018 farm bill. As of 2019, over 1,400 growers and over 700 processors have registered for industrial hemp in Wisconsin. Industrial hemp has been touted for a number of industrial and commercial uses, including fabrics and textiles, construction and insulation materials, food and nutritional supplements, Cannabidiol (CBD) products, etc. This production emergence along with the broadening demand for industrial hemp is expected to have a considerable impact on the Wisconsin economy.

We provide detailed estimates of yields, costs, prices, and returns for hemp growers in Wisconsin. To our best knowledge, these are the first such estimates for industrial hemp in Wisconsin. The revenue estimate for 2018 is based on actual data reported by growers and processors in Wisconsin and calculated at \$26 million. Projections for the 2019 growing seasons were also estimated, showing a potential revenue generation of around \$490 million, predicated by the large influx in production acres registered in 2019 and expected improvements in yields in the coming years. In addition, we provide qualitative details on growing and processing hemp in Wisconsin, along with a discussion of challenges faced by Wisconsin stakeholders in terms of growing, marketing, financing, etc. industrial hemp. Finally, we consider the current and expected regulatory framework and its potential impact for the Wisconsin industrial hemp industry.

Sources of data include the Wisconsin Hemp Marketing Survey, conducted by the authors in July 2019. We also analyze rich, micro-level grower and processor data from 2018 provided by the Wisconsin Department of Agricultural, Trade, and Consumer Protection (DATCP). These data sources were supplemented with information gathered directly from hemp growers, processors, and extension educators through phone calls and farm visits.

**Keywords:** industrial hemp, infant industry, state economy, survey data

**JEL Classification:** Q1, E1,

**Title:** [Teenage Pregnancy and Social Insurance](#)

**Presenter:** David Fuller, [fullerd@uwosh.edu](mailto:fullerd@uwosh.edu)

**Affiliation:** University of Wisconsin-Oshkosh

### **Abstract**

Teenage pregnancy and birth rates in the U.S. have been declining since the 1990s. Despite this progress, rates in the U.S. remain significantly above those in the rest of the developed world. Moreover, income inequality and poverty persist in the U.S. despite rapid increases in the average standard of living during this same period of time. Teenage births contribute both directly and indirectly to these problems. Specifically, they have negative consequences for educational attainment and labor market outcomes of the mother and the child. These effects thus persist through generations, creating a poverty trap. This project seeks to establish and quantify the long-term economic and social impact of teenage pregnancies and births, to develop novel social insurance policies designed to minimize the incidence and consequences of them.

**Title:** [Households' International Consumption Risk Sharing and Asset Cross-Holdings: Evidence from US and Japan](#)

**Presenter:** Chao Zheng, [czheng@carthage.edu](mailto:czheng@carthage.edu)

**Affiliation:** Carthage College

**Abstract**

This study aims to find out if holding foreign stocks is sufficient for consumption risk sharing. The first part of this paper studies the implication of household asset cross-holdings for consumption risk sharing of US and Japanese households. Given previous evidence that finds income as a strong predictor of US households' foreign stock holding, I use income levels to divide households into groups with different probabilities to hold foreign stocks and compare their consumption's sensitivity to the deviation of their country's GDP growth from a global average as a measure of consumption risk sharing. The result for the two countries does not suggest that higher income households have a higher level of international risk sharing. In the second part, I further investigate Japanese households' portfolio choice by performing a logit regression. It can be shown that income is a weak predictor of asset cross-holdings for Japanese households. The regression also suggests total asset value, savings deposit, and business ownership as strong predictors of Japanese households' foreign stock market participation.

**Keywords:** international equity diversification, consumption risk sharing, household portfolio

**JEL Classification:** G11, G51

**Title:** [Capital Complementarity and Optimal Patent Length](#)

**Presenters:** Jason M. Walter, Andrew Swanson

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**Affiliation:** University of Wisconsin-Stout

**Abstract**

The objective of patents is to encourage innovative activity. However, the underlying cost categories associated with innovation are frequently omitted from analyses. For certain industries, undertaking research and development utilizes capital that is complementary across multiple innovation agendas. In this paper, we examine the role of different capital types in the R&D process, and examine the socially optimal patent length. We differentiate, and define, capital types across complementary functionality for disparate production processes. Using a stylized model, we investigate a firm's R&D payoff based on optimal input choices. For industries with highly specialized capital requirements, R&D necessitates costly capital investments. However, industries with innovation utilizing larger more complementary capital facilitates lower investment. Based on the investment costs associated with less complementary capital types, we identify how patent lengths would optimally differ across industries.

**Keywords:** patent length; specialized capital; R&D; innovation

**JEL Classification:** D21, O32, O25, L52

**Title:** [A Comparative Study on Happiness across Countries](#)

**Presenter:** Jens Lund, [lundjk8909@uwec.edu](mailto:lundjk8909@uwec.edu)

**Faculty Mentor:** Yan Li, [liyan@uwec.edu](mailto:liyan@uwec.edu)

**Affiliation:** University of Wisconsin-Eau Claire

**Abstract**

In this project, we investigated the issue of happiness in Germany, India and Yemen. By using data from the World Value Survey (WVS), we empirically tested how various / different factors related to the overall happiness in those three countries. The lack of such a comparative study has indicated the importance and relevance of our research. Our results will add new knowledge to the happiness research in the context of Western, Asian and Islamic cultures, and contribute to the understanding of economic well-being.

**Keywords:** Happiness; Germany; India; Yemen

**JEL Classification:** R4, I31, O1

**Title:** [To Make Our Commute a Little Happier?](#)

**Presenter:** Madeline Mayer, [mayermi2473@uwec.edu](mailto:mayermi2473@uwec.edu)

**Faculty Mentor:** Yan Li, [liyan@uwec.edu](mailto:liyan@uwec.edu)

**Affiliation:** University of Wisconsin-Eau Claire

**Abstract**

Although the United States still owns by far the largest fleet of passenger vehicles, auto sales in China have already surpassed the U.S. since 2011. In this paper, we will empirically test how various factors, particularly vehicle ownership, impact the overall happiness in a country. To pursue a happy or happier society, urban planners and transportation decisionmakers should seriously take account of vehicle ownership and enact measures to strengthen its positive impacts on happiness but curb the negative impacts at the same time. By doing so, we hope to provide insights to policymakers, and help them influence commuting demand in order to boost individual happiness and social well-being in an era of constrained resources.

**Keywords:** Happiness; Commute; U.S.; China

**JEL Classification:** R4, I31, O1

Friday November 8 Luncheon - Guest Speaker

Title: [The State of the Wisconsin Economy](#)

Presenter: Ron Wirtz: Regional Outreach Director, Federal Reserve Bank of Minneapolis

Twitter: @RonWirtz



***The State of the  
Wisconsin Economy***

**Ron Wirtz**  
Regional Outreach Director  
Federal Reserve Bank of Minneapolis  
[@RonWirtz](#)



FEDERAL RESERVE BANK *of* MINNEAPOLIS

<b>Friday, November 8th, 2019</b>	
<b>8:00–9:00</b>	*Registration - Refreshments/Networking
<b>9:00–9:10</b>	Welcome & Opening Remarks - Eric Jamelske, WEA President
	<b>Session 1</b>
<b>9:10–9:55</b>	A Continuing Examination of Food Purchasing through the (SNAP) and the Women, Infants and Children Program (WIC): A Case Study of Grocery Stores and Farmers' Market with an Emphasis on Fruits and Vegetables - Karlien Asplund, Ethan Blaney, Olivia Jonasen, Zach Ledwith, Katelyn Reckin, Hailey Reynolds, Shelly Stephani, Nevada Sweitzer - University of Wisconsin-Eau Claire
<b>9:55–10:10</b>	*Questions & Discussion
<b>10:10–10:15</b>	*Refreshment/Networking Break
	<b>Session 2</b>
<b>10:15–10:30</b>	The Impact of Water Clarity on Home Prices in Manitowoc, Calumet, Kewaunee and Sheboygan Counties, Wisconsin - Eric Winkler, Abe Mamou, Yi Cheng Cheng, Foong Wong - University of Wisconsin-Eau Claire
<b>10:30–10:45</b>	Fine Particulate Matter and Its Impacts on Educational Gains: A Case Study Using the North Carolina Clean Smokestacks Act- Maciej Wachala, University of Illinois at Chicago
<b>10:45–11:00</b>	Underground Lemons: The Effect of Time of Sale Regulations on the Housing Market - April Athnos - Michigan State University
<b>11:00–11:15</b>	*Questions & Discussion
<b>11:15–11:25</b>	*Refreshment/Networking Break
	<b>Session 3</b>
<b>11:25–11:40</b>	Regime Switching in U.S. Discretionary Fiscal Policy Conduct - Jean Falconer - St. Norbert College
<b>11:40–11:55</b>	Is Economics 101 Still Relevant for the 21st Century Economy? - Thomas Nesslein - University of Wisconsin-Green Bay
<b>11:55–12:05</b>	*Questions & Discussion
<b>12:05–1:20</b>	<b>Luncheon - Guest Speaker- Ron Wirtz, Regional Outreach Director, Federal Reserve Bank of Minneapolis</b>
	<b>Session 4</b>
<b>1:20–1:35</b>	Religion and Spirituality in the Context of Religious Competition: Insights on the U.S. Marketplace of Religion and Recent Trends - Marc von der Ruhr and Jarret Jordan - St. Norbert College
<b>1:35–1:50</b>	Economic Growth Pattern in Wisconsin: A View from Outer Space - Sujana Kabiraj - University of Wisconsin-Stevens Point
<b>1:50–2:00</b>	*Questions & Discussion
<b>2:00–2:10</b>	*Refreshment/Networking Break
	<b>Session 5</b>
<b>2:10–2:25</b>	Community Benchmarking-City of Eau Claire (With thoughts on Pepin County) - Emerson Ngu, Megan Roehl, Will Krull - University of Wisconsin-Eau Claire
<b>2:25–2:40</b>	Can Access to Natural Capital, Public Programs, and Remittances Influence Private Defensive Strategies of Vulnerable Coastal Communities Against Natural Disaster? Evidence from the Coastal Areas of Bangladesh - Sakib Mahmud - University of Wisconsin-Superior, A.K. Enamul Haque, Kolpona E. Costa - East West University, and Zakir H. Khan - Transparency International Bangladesh
<b>2:40–2:50</b>	*Questions & Discussion
<b>2:50–3:00</b>	*Refreshment/Networking Break
	<b>Session 6</b>
<b>3:00–3:55</b>	A Continuing Investigation of American and Chinese Views on Climate Change Issues and Policy - Michelle Beh, Clayton Cavanaugh, Elise Chapin, Maddie Culhane, Savanna Grunzke, Angela Hugunin, Sakumi Kawamoto, Chloe Knuth, Caleb Kulich, Eric Mallmann, Trung Nguyen, Zhi Yee The - University of Wisconsin-Eau Claire
<b>3:55–4:10</b>	*Questions & Discussion
<b>4:10–5:20</b>	<b>WEA Board Meeting - Dinner on your own</b>

<b>Saturday, November 9th, 2019</b>	
<b>8:15–9:15</b>	*Registration - Refreshments/Networking
<b>9:15–9:20</b>	*Welcome & Opening Remarks - Eric Jamelske, WEA President
	<b>Session 7</b>
<b>9:20–9:35</b>	The Influence of Youth Unemployment Rate on Migration of Ecuador - Angelica Remache Lopez, University of Wisconsin-Superior
<b>9:35–9:50</b>	Consumer Benefits for Non-for-Profit Profit Hospitals - Michael Huttner, University of Wisconsin-Superior
<b>9:50–10:05</b>	Local Businesses and Community Engagement by UW-Superior - Hung Nguyen, University of Wisconsin-Superior
<b>10:05–10:20</b>	*Questions & Discussion
<b>10:20-10:30</b>	*Refreshment/Networking Break
	<b>Session 8</b>
<b>10:30–10:45</b>	Wildfires and Recreational Use Value: Evidence from Campground Demand in California - William P. Wheeler - St. Norbert College
<b>10:45–11:00</b>	Hemp in Wisconsin: The Marketing and Economics of an Emerging Industry - Shaheer Burney and Amber Remble - University of Wisconsin-River Falls
<b>11:00–11:15</b>	Teenage Pregnancy and Social Insurance - David Fuller - University of Wisconsin-Oshkosh
<b>11:15–11:30</b>	Households' International Consumption Risk Sharing and Asset Cross-Holdings: Evidence from US and Japan - Chao Zheng - Carthage College
<b>11:30–11:50</b>	*Questions & Discussion
<b>11:50–1:50</b>	<b>Luncheon - Case Study: Wisconsin Dairy Farmers Confronting the Consolidation Wave</b>
	<b>Session 9</b>
<b>1:50–2:05</b>	China's Ability to Influence World Regime - Alyona Guns - Edgewood College
<b>2:05–2:20</b>	Capital Complementarity and Optimal Patent Length - Jason M. Walter and Andrew Swanson - University of Wisconsin-Stout
<b>2:20–2:35</b>	A Comparative Study on Happiness Across Countries - Jens Lund - University of Wisconsin-Eau Claire
<b>2:35–2:50</b>	To Make Our Commute a Little Happier? - Madeline Mayer - University of Wisconsin-Eau Claire
<b>2:50–3:10</b>	*Questions & Discussion
<b>3:10–3:20</b>	<b>Farewell &amp; Closing Remarks - Eric Jamelske, WEA President</b>

## List of Attendee/Presenter Institutional Affiliations

**Carroll University:** Dennis Debrecht

**Carthage College:** Chao Zheng

**Federal Reserve Bank – Minneapolis:** Ron Wirtz

**Madison Area Technical College:** Ron Dunbar

**Marquette University:** Luisenrique Aranda Beyer, Alex Breitbach

**Michigan State University:** April Athnos

**Nicolet College:** Laura Prince, Laura Wind-Norton

**St. Norbert College:** Jean Falconer, Jarret Jordan, Marc von der Ruhr, William Wheeler

**University of Illinois-Chicago:** Maciej Wachala

**University of Wisconsin -Eau Claire:** Karlien Asplund, Michelle Beh, Ethan Blaney, Clayton Cavanaugh, Elise Chapin, Yi Cheng Cheng, Maddie Culhane, Savanna Grunzke, Angela Hugunin, Eric Jamelske, Olivia Jonasen, Sakumi Kawamoto, Thomas Kemp, Chloe Knuth, Will Krull, Caleb Kulich, Zach Ledwith, Jens Lund, Eric Mallmann, Abdurrahman Mamou, Madeleine Mayer, Emerson Ngu, Trung Nguyen, Katelyn Reckin, Hailey Reynolds, Megan Roehl, Shelly Stephani, Nevada Sweitzer, Zhi Yee The, Eric Winkler, Foong Wong

**University of Wisconsin-Green Bay:** Thomas Nesslein, John Stoll

**University of Wisconsin-Green Bay Sheboygan Campus:** Matthew Raunio

**University of Wisconsin-Oshkosh:** David Fuller

**University of Wisconsin-Oshkosh Fond du Lac Campus:** Sayeed Payesteh

**University of Wisconsin -Platteville Baraboo Sauke County Campus:** Musa Ayar

**University of Wisconsin-River Falls:** Shaheer Burney, Amber Remble, Jim White

**University of Wisconsin-Stevens Point:** Sujana Kabiraj

**University of Wisconsin-Stout:** Andrew Swanson, Jason Walter

**University of Wisconsin-Superior:** Mo Abdillahi, Arianne Daza, Michael Huttner, Thao Le, Rubana Mahjabeen, Sakib Mahmud, Hung Nguyen, Praopan Pratoomchat, Angelica Remache, Ramesh Shrestha

**Waukesha County Technical College:** Cory Wanek