

## **C.V. STARR CENTER FOR APPLIED ECONOMICS ANNUAL REPORT, 2011-2012**

The C.V. Starr Center for Applied economics at NYU has as its purpose the conduct and encouragement of research in economics and finance with a focus on long-term issues of fundamental importance in the applied areas of macroeconomic stability, financial markets, commerce, industry, and technology. It seeks to accomplish its purpose through the support of research and collaborative interaction, through publication, and through conferences. The work of the Center is made possible by a generous grant from the C.V. Starr Foundation, made in 1978. The Center is an internal research organization of the NYU College of Arts and Sciences Economics department.

### **THE YEAR IN REVIEW**

The Center had a successful year supporting rigorous economic analysis aimed at applied topics of utmost relevance to contemporary social and economic problems. With the markets down in previous years, the Center reduced its expenditure from the previous year on faculty research support, spending approximately 22% (versus 29% the previous year) of its budget supporting faculty research, and it spent 14% (down from 19%) of its budget in support of conferences that directly engaged these topics. The Center maintained its support of NYU doctoral student research activities, including travel to conferences, as they ascend in increasing numbers to the national and international stage with their own original research. The Center spent approximately 19% of its budget on doctoral student support. The Center also spent roughly 14% of its budget on helping to fund 11 internal field seminars (in theory, macroeconomics, development, international economics, and econometrics) given by prominent outside faculty. The remaining funds were devoted to administrative activities and reinvestment in the fund's endowment to grow future income.

### **REPORT ON RESEARCH ACTIVITIES**

The Center provided on-going research support to NYU Faculty engaged in research. Funds supported research directly related to the 2007/2008 financial crisis and its aftermath, to the joint dynamics of housing, equity prices, and aggregate activity, to the distribution of wealth, income and consumption, to the welfare consequences of systematic government guarantees of the financial sector. On the micro side, fellowship support to faculty funded the study of genetics and economics, education and energy policy, the empirical relation between schooling decisions and search and bargaining frictions, the evolution of provisional choices with non-trivial contemplation time, among other topics. The Center also supported graduate student research by helping to fund their presentations at major academic conferences. A list of student presentations and conferences is available upon request.

### **CONFERENCES REPORT**

The C.V. Starr Center funded conferences in 2011-2012, in keeping with its objective of sharing ideas and findings from high quality applied economic research in a collaborative environment.

### **2012 International Economic Science Association Conference, New York**

The C.V. Starr Center supported the 2012 International Economic Science Association Conference, held at June 21-24 2012 at New York University. The International Meeting of the ESA brings together economists, as well as psychologists, sociologists, neuroscientists and accountants interested in the use of experimental methods, to address questions of economic relevance. The NYU edition of the conference will be the biggest ESA conference so far with over 400 participants. The keynote speakers, Chuck Manski and Dean Karlan are invited to talk about the the use of laboratory experimental methods in new applications, namely surveys and field experiments. The general presentations involve research on a variety of topics going from Game Theory, IO, Finance, PE, Labor to Conflict and Identity, Neuroeconomics and Risk and Ambiguity.

### **C.V. Starr Distinguished Speaker Series: Paul Milgrom**

[Paul Milgrom](#), the Shirley and Leonard Ely Professor of Humanities and Sciences at [Stanford University](#) and a renowned theorist of auction and pricing strategies, delivered the C.V. Starr Center Distinguished Speaker Series lecture to a broad cross-disciplinary audience on April 4, 2012. The lecture was on Paul's work designing new incentive auctions for the Federal Communications Commission. Paul is a member of the [National Academy of Sciences](#) and the recipient of many awards, and is widely considered one of the foremost thinkers of auction theory and market design. A reception, and subsequent meetings with NYU's own economic theorists, followed the talk.