

C.V. STARR CENTER FOR APPLIED ECONOMICS ANNUAL REPORT, 2013-2014

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 this purpose through the support of research, collaborative interaction, publication, and 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 directed its support to a number of successful activities aimed at addressing contemporary social and economic problems. The Center's endowment increased 6.2% between July 31, 2013 and July 31, 2014. For FY2013-2014, the Center directed 34% of its budget to support faculty research, 15% of its budget in support of conferences, 12% to support graduate doctoral research, and 14% in support of economic seminar series and key note speakers at NYU. The Center increased its support for academic seminars, both with outside scholars and internal ones, in accordance with rising costs of lodging, air travel and restaurant services. 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 related to markets and welfare, banking systems, risk and financial markets, institutions and economic outcomes, the distribution of wealth and its relation to redistributive policies. On the micro side, fellowship support to faculty funded the study of polarization and conflict, healthcare and health, education and energy policy, innovation and imitation, divorce and wages, 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 2013-2014, in keeping with its objective of sharing ideas and findings from high quality applied economic research in a collaborative environment.

Biannual NYU Search Theory Workshop, NYU, New York

The NYU Search Theory Workshop is held once a semester to discuss recent work that applies or develops the mathematical techniques and equilibrium analysis commonly known as Search Theory. The workshop, funded by the C.V. Starr Center, provides a

forum to foster interaction among researchers working in all fields. The Center continued to fund the biannual workshop in 2013-2014 with the aim of featuring frontier research on frictions in the labor market, in goods markets, and in asset markets, drawing on the extensive expertise on our faculty in the field of search and matching. The workshop also fosters interaction between our students and faculty on the one hand, and faculty and students from the neighboring institutions on the other.

C.V. Starr Distinguished Speaker Series: B. Douglas Bernheim, NYU, New York

On April 30, 2014, the C.V. Starr Distinguished Speaker Series welcomed B. Douglas Bernheim who gave the third annual distinguished speaker lecture to the C.V. Starr Center. Professor Bernheim is the Edward Ames Edmonds Professor of Economics at Stanford University and a renowned theorist of auctions, social interactions, and strategic behavior. He is a fellow of the American Academy of Arts and Sciences and the Econometric Society, and is widely considered a leading thinker in the fields of public finance, applied and behavioral econometrics, and microeconomic theory. In his talk, Professor Bernheim emphasized the limitations of our understanding of human behavior and the implications of this observation for theories of economic behavior. He drew a sharp distinction between traditional paradigms of choice determined entirely from a presumed model of preferences, and newer, structurally minimalistic, paradigms that forgo assumptions about preferences and instead use observable information about the structure of decision making to make behavioral predictions and draw welfare conclusions. A reception, and subsequent meetings with NYU's own economic scholars, followed the talk. Slides from the talk may be located on the Center's website.