

# The Opportunist

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## *A New Era in Fed's Relationship with the Market*

The Fed and its role in the U.S. economy could be entering a new era with a completely new mindset in the upcoming years. Not only is the Fed Chairman's role up for appointment this February, but there has been a new breakthrough within the Federal Reserve itself and its relationship with the labor market and inflation. According to President Trump, his appointment for the Fed Chairman should occur in the upcoming weeks. Janet Yellen, who only met with Trump once since he took office, has been criticized by him on multiple occasions, mostly during the 2016 election. He accused her of, "keeping interest rates low to prop up the economy". The president could be looking for a new direction with the Federal Reserve.

Additionally, there has been much talk in recent weeks about a new way of thinking within in the Fed due to comments made by Yellen. With an incredible 4.5 trillion dollar balance sheet, the Fed seems to remain extraordinarily conscious of their spending. After almost a decade of providing economic stimulus, the Fed recently decided to begin the process of reducing this stimulus. Yellen noted, "The Fed may have overstated the strength of the labor market and the rate of inflation, leading to monetary policy ahead that will be easier than thought." Essentially, we may have been overemphasizing the degree to which longer-run inflation expectations are consistent with the Fed's inflation objective. Yellen has also admitted that trends in employment, wage, and price pressures have shifted. The thoughts around what causes inflation are no longer simply associated with growth and higher wages. Inflation is now more correlated with excess money, found in foreign exchange. Of course, there are a tremendous amount of variables to consider and complications at play with these ambiguous statements. However, this could be a breakthrough in modern economics and monetary policy for the years to come.

**Evan Addis '18**

<https://www.cnbc.com/2017/09/26/the-federal-reserve-doesnt-understand-inflation-causes-larry-kudlow.html>

# Meet Your New E-Board

## **John Degnan: President**

John, a senior, is excited to begin his second and final year as a part of the Economics Society Executive Board. In addition to the Economics Society, John is a part of the SJU Theatre Company, and he is also the Music Director of SJU's 54<sup>th</sup> & City A Cappella.



## **Pat Ryan: Vice President**

Pat is a Senior at SJU majoring in Economics and Psychology with a minor in Business Intelligence & Analytics. Apart from being a member of the Economics Society, he plays for the Men's Rugby team and is a Research Assistant in two Psychology labs.



## **Christian Tannujaya: Co-Treasurer**

Christian is majoring in Actuarial Science and Economics with a minor in Mathematics. On campus, he is a Cadet at Air Force ROTC Detachment 750. He is bilingual in Bahasa Indonesia and English, with English being his second language. Following his military career, he hopes to work with NASA or one of the Federal Agencies.



## **Matt Nowak: Co-Treasurer**

Matt is a Junior majoring in Economics and minoring in Spanish. He is currently serving as co-treasurer of the Economics Society and also serves as Vice President and Treasurer for the Adventure Club at SJU. He also tutors for Economics and Spanish and served as a Supplemental Instructor (SI) for ECN 102 last summer.



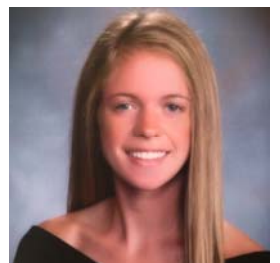
## **Jarrett Hurms: Co-Secretary & Co-Social Media Director**

Jarrett is a senior economics major with a double minor in Business Intelligence & Analytics. He is from Moorestown, NJ. Around campus, Jarrett is part of the Politics Club (Treasurer), SJU Habitat for Humanity, Career Development Center (Career Ambassador), and Women's Leadership Initiative.



## **Laura Onimus: Co-Secretary & Co-Social Media Director**

Laura is a sophomore Economics major. She is from Drexel Hill, Pennsylvania and went to Cardinal O'Hara High School. On campus, Laura is a part of the Club Tennis Team, Alpha Phi Sorority, SJU Dance Marathon, and she works for Hawks on Call.



## *Economics Networking Night, November 1st, 7-9pm*

- ◆ This year marks the 5th Economics Networking Night hosted by the Undergraduate Economics Society! In previous years, we've had more than 80 participants, and we expect this year to be equally well-attended
- ◆ Students will participate in a Networking Skills workshop hosted by the Career Development Center from 6-7pm
- ◆ Following the workshop, students, alumni, industry partners, and faculty will have the opportunity to network while enjoying appetizers and soft drinks from 7-9pm
- ◆ Complementary headshot photography will be available from 7-8pm
- ◆ An information table will be available for alumni and industry partners to provide flyers, handouts, or other information for students
- ◆ STUDENTS: APPLY NOW! Applications are due by 10/6

<https://goo.gl/forms/8m0iVrkVra5MZVE93>

- ALUMNI & INDUSTRY PARTNERS: Email invitation and link for RSVP will be emailed soon. Stay tuned!
- Please email Dr. Laura Crispin for more information (lcrispin@sju.edu)

## *Other Upcoming Events*

Dates may be subject to change, so check your email for any updates...

- ◆ Economics Society Monthly Meeting - October 19th 11:00—12:15 in the Greaton Room
  - We'll be listening to an Economics podcast on current events and discussing.
  - Pizza and soda provided.
- ◆ Economics End of Semester Party - December; date TBD
  - This event is a casual get together to help you unwind with your friends and faculty before the start of finals
  - Come to the Economics Department during free period to enjoy pizza, snacks, and sodas
  - We will announce the Internship Award winner for the semester

## *Student Research: Kyle Chalmers '17*

### **1. Tell me about how you spent your time at SJU. What were your majors/minors and what activities were you involved in on campus?**

I graduated from the Honors Program with a double major in Business Intelligence and Economics and also had a minor in Finance. Outside of academics, my primary activity was being a student-athlete where I played on our Division I tennis team. Additionally, I had leadership roles in Orientation Leaders, Delta Sigma Pi, Hawk Hosts, Resident Assistants, and Campus Ministry. I was involved in a lot and I loved it!

### **2. Talk about how you initially became interested in the research topic for your paper.**

When I was deciding what topic to focus on for my paper in Dr. Crispin's Research Methods class, I was already researching higher education issues for my Business Intelligence major. Therefore, I wanted to find a topic that could supplement and expand my knowledge within that realm. After researching and examining publicly available data, I thought that examining disabilities and their effects on college attendance would be an interesting, unique, and important topic. Hence my paper is titled "Disabilities and Degrees: Do Disabilities Affect College Attendance?"

### **3. Could you briefly discuss how you conducted your research and your findings?**

My primary research question that I sought to answer was "*Does having a disability affect a college-aged person's college attendance?*" A disability is defined as "a physical or mental impairment that substantially limits one or more 'major life activities.'" I defined a college-aged person as an 18-24 year old, so I could only look at the specific area of time when people are expected to go to college. To answer this question, I utilized data from the Current Population Survey to build a predictive model that isolated the effect of how having a disability affected a person's probability of attending college. I found that the presence of any disability decreased the likelihood a college-aged person would attend college by 21 percentage points. Additionally, when examining specific disabilities within my sample, I found that a difficulty remembering and difficulty limiting mobility were the two most significant and negative impactful disabilities on college attendance.

### **4. How has your background in Economics, particularly in research, prepared you for your new role with PwC?**

My Economics major has definitely helped prepare me for my current role at PwC. With my role as a data consultant, I often have to solve unstructured problems for clients that do not have a clear set of solutions. When I conducted my Economics research, I worked in an unstructured and creative environment. Given this experience, I feel more comfortable handling problems that do not have a clear set of instructions. Additionally, my experience with Stata and statistical background from Economics have given technical skills that are unique and valuable to my team. I have already utilized some of this background on projects I've been on. Thanks in part to Economics, I been able to hit the ground running at PwC.

### **5. Do you have any advice for current SJU undergraduate students as they prepare for the post-grad life?**

My advice is to take pride and find enjoyment in any research opportunities that come your way. More and more, good companies are looking for college graduates that have technical skillsets before entering in the workforce. Having research and experience with technical skills will certainly separate you from your peers. If you can find some research you like, pursue it! Not only will you gain valuable knowledge, but you will have fun doing it. It is the best of both worlds.

# *The Economics of Supply Chain Management*

The supply chain management (SCM) industry is a relatively unknown industry to most people. How do the products that come from my grocery store get there? Who delivers the supplies for important projects? Many often do not think about how the supply chain affects them or the overall economy. The supply chain is the collection and distribution of all inputs of the production processes. Many companies handle these production processes such as XPO Logistics, C.H. Robinson as well as a number of other places. What differentiates the supply chain industry from other industries is that profitability is not determined by the quality of the individual product, but by the efficiency of the processes.

Companies ranging from Apple, Wal-Mart, and Johnson & Johnson typically have one of two choices in terms of what to do with their supply chain needs. Companies can either vertically integrate to not be a part of the outsourced supply chain process or they can use the supply chain industry as a cost-saving method. The advantage of companies vertically integrating is that companies can gain more control of the supply chain process, costs, as well as quality control. Vertically integrating comes at a higher cost, but it also adds to the quality of the product, which also presents a higher price tag on the consumers.

On the other hand, plenty of companies such as Johnson & Johnson outsource their supply chain to SCM companies to help lower costs. This comes at an advantage because not only are they using a company that specializes in supply chain, with a wealth of knowledge of the processes associated with production, but the lower production cost can also present lower prices and increased innovation from cost savings.

The SCM industry is, however, sensitive to natural disasters. For example, the 2011 earthquake and Tsunami in Japan produced enough airport and port damage to halt 20% of the world's semiconductor production<sup>1</sup>. The damage also presented serious disruption in the production of airplane wings, landing gear, and other airline equipment which consequently resulted in the slowing of US GDP<sup>1</sup> as much of the Japanese based companies were forced to suspend the supply chain process.

The SCM industry did, however, become a saving grace during the financial crisis as the global credit crisis presented a problem to many corporations as they were forced to be creative with finding ways to raise cash. Many corporations went to supply chain financing which is where suppliers use the invoice for a shipment as a form of collateral to get a low-interest loan from a financial institution<sup>1</sup>. It presents a low risk on the side of the financial institution as it is known that they will receive payment due to the credit of the business receiving the goods.

There's a lot of interesting economic aspects to this relatively unknown industry and the effects of this industry impact all of us as we all buy, use, and receive products that are a part of the supply chain process.

## **Jarrett Hurms '18**

<sup>1</sup> Amadeo, Kimberly "What Is the Supply Chain? How Does It Affect the Economy?" *The Balance*. 19, August 2016.



## *SJU Economics on Social Media*



In an effort to connect our students, faculty, alumni, and employers in real time, the Economics Department maintains its social media efforts. All are encouraged to follow the department on Facebook and Twitter. Using these sites, we'll be posting alumni updates and congratulations, job listings for economics students, departmental events, and university updates. Dr. Crispin also live-tweets with photos from major department events like Alumni Networking Nights and graduation. If you have any updates or information that you'd like to share, please email Dr. Crispin at [lcrispin@sju.edu](mailto:lcrispin@sju.edu).

We also encourage all of our current students and alumni to get "linked in" with one another. This will help to facilitate informal networking outside of our official networking night. The Undergraduate Economics Society has a group on Linked In (search for Saint Joseph's University Undergraduate Economic Society) that all are welcome to join. Please contact the Economics Society President, John Degnan, or any of the Board Members for more details.



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## *Call for Alumni Volunteers*

Interested in participating in a future panel? We're always looking for alumni to return to Hawk Hill and share their experiences with us! Please contact Dr. Laura Crispin to discuss ([lcrispin@sju.edu](mailto:lcrispin@sju.edu)).

## *Internships*

Interested in an internship ? Stop by the Economics Department located in 107 Barbelin Hall to speak with Dr. Bookman or contact her at [mbookman@sju.edu](mailto:mbookman@sju.edu). Learn more about the companies that hire our majors and where current Econ students are interning. Our internship class, ECN 491, is held throughout the year so be sure to stop by! You don't want to miss out on an amazing opportunity!

## *Your Opportunity to Write for The Opportunist!*

One good way to beef-up your resume is to write for The Opportunist. The Opportunist is the Economics Department's newsletter and we need more students who can provide articles. What will you do? Maybe you would interview an Economics graduate or a professor or write an article on the world economy today. Or maybe you have something to say. If you are interested please let Dori know and the staff will contact you and prep you for the next issue.

-Dr. Crispin

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