The George J. Stigler Center is a university-wide research center founded by George Stigler in 1977 as the Center for the Study of the Economy and the State. Headquartered at Chicago Booth, the center's mission is to carry on the intellectual tradition that George Stigler began—promoting research that deepens our understanding of the interaction between the private economy, government policy, and the law. Consistent with George's scholarly approach and that of the university, the goal of Stigler Center research is not to help formulate policy or even to influence it, but rather to understand its implications and effects. If this understanding helps inform policy formation and debate, then all the better.

The common theme of Stigler Center research is the application of Chicago-style economic analysis to problems that influence, or are influenced by, public policy. The hallmarks of Chicago economics are:

- A view of economic theory as a powerful tool for understanding the world
- An appreciation for the role of private markets in promoting human welfare
- An understanding of the legal infrastructure that facilitates market performance
- Careful empirical testing of the predictions of economic theory

In addition to its traditional research activities in economics and policy—described in some detail below—the Stigler Center also administers the Energy Policy Institute at Chicago (EPIC), which is a joint venture between Chicago Booth and the Harris School of Public Policy. A major expansion of the Chicago Energy Initiative, which was founded in the Stigler Center, EPIC is an interdisciplinary research program devoted to the study of the economic, geopolitical, and environmental impacts of energy use. EPIC, which I codirect with physicist Robert Rosner, leverages the resources of the university and Argonne National Laboratory to create a distinctly "Chicago" research program on energy policy.

This annual report summarizes activities of the Stigler Center and EPIC during the 2010–11 academic year.

Sincerely,

Robert Topel
Director, George J. Stigler Center
Co-Director, Energy Policy Institute at Chicago
Isidore Brown & Gladys J. Brown Professor of Economics and Robert Rosner William E. Distinguished Professor of Astronomy & Astrophysics and Physics
An Annual Symposium on Antitrust Law at George Mason Law Review
February 2010 | Chicago

Hosted by the George Mason Law Review, the 13th Annual Symposium on Antitrust Law included such Chicago Booth faculty as Kevin Murphy who discussed the areas in which bundled and loyalty discounts tend to occur most frequently. He argued that these discounts exist in precisely the competitive environments that the laws of economics predict they will occur. Professor Murphy proposed the benefits of a method used to identify when bundling and loyalty discounts are likely to exclude efficient competitors.

30th Anniversary of the China-World Bank Partnership
September 2010 | Beijing

The China-World Bank partnership has made an important contribution to shaping China’s modernization and development. The World Bank was able to share its global development knowledge with China on how to appraise and implement priority projects, encourage innovation and introduce new technologies, and develop institutions and policy instruments needed for good economic management. Marking the 30th anniversary of the partnership, the conference celebrated the joint achievements and looked ahead to China’s new challenges. Speakers included World Bank Group president Robert B. Zoellick and professor Gary Becker.

World Bank Partnership 30th Anniversary
September 2010 | China

The Beijing conference celebrated joint achievements and looked ahead to China’s new challenges. Speakers included Gary Becker and President Zoellick of World Bank Group.

KPMG Mergers and Acquisitions Annual Forum
October 2010 | Chicago

In its ninth year, the annual forum is an all-day gathering of business development leaders from Fortune 1000 companies. Professors Raghuram Rajan, Steven Kaplan, Gary Becker, and Robert Topel spoke at the conference.

Ronald Coase Conference on Institutional Analysis
May 2011 | Chicago

The Ronald Coase Institute encourages careful, useful analysis of the institutions that govern real economies and affect transaction costs. Professors John List, Alberto Simpser, Robert Fogel, and Sam Peltzman presented papers at the weeklong Chicago workshop.

The Seventh B. Peter Pashigian Memorial Lecture
April 2011 | Chicago

Professor Robert Topel introduced The Seventh B. Peter Pashigian Memorial Lecture, which featured Amy Finkelstein, professor of economics at MIT, whose lecture was titled, “The Economics of Expanding Health Insurance Coverage.”

Economic Models in Education Research
April 2011 | Chicago

Hosted by University of Chicago’s Committee on Education and the Population Research Center at NORC, the workshop provides an overview of basic tools that have been developed in the fields of mechanism design, personnel economics, and organizational economics with the aim of informing the next generation of education researchers. Professors Derek Neal and Canice Prendergast both spoke at the workshop.

Energy, Technology, and Future of Transport
May 20, 2011

The Energy Policy Institute hosted a panel at Booth’s Chicago Booth Management Conference in Chicago, featuring Robert Topel together with Linda Capuano, vice president of Emerging Technology at Marathon Oil, and Bill Reinert, director of Future Vehicles Technology at Toyota.
Since 1977, the Stigler Center has supported research of great depth, breadth, and impact. The application of Chicago economics to issues of public policy has yielded groundbreaking results while opening new perspectives in multiple fields of study. This past year was no exception, and the following research adds another chapter to the center’s distinguished legacy.

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Investments in Children’s Human Capital, Old Age Support, and the Formation of Children’s Preferences

In this paper, Becker teamed with Booth professors Kevin Murphy and Jörg Spenkuch to consider the link between parents’ influence over the preferences of young children, parental investments in children’s human capital, and children’s support of elderly parents. He shows that it may pay for parents to spend resources to “manipulate” the preferences of children in order to induce them to support their parents in old age. Since parents invest more in the human capital of children when they expect greater support, manipulation of child preferences may end up helping children as well as parents. That is, it may be Pareto-improving.

A new result, which the authors named the “Rotten Parent Theorem,” demonstrates that if children are altruistic toward their parents, then even selfish parents will make the optimal investment in their kids’ human capital. Parents’ investments in the willingness of children to support them when in need of help are especially valuable as insurance against the various risks of old age.
Causes and Consequences of Relative Income Within Households

Marianne Bertrand and Emir Kamenica worked on a project addressing causes and consequences of relative income within households. Existing economics literature on matching and determination of incomes within households are primarily based on consideration of specialization and complementarity across spouse's types. In contrast to this literature, preliminary analyses by Bertrand and Kamenica suggest that gender identity may play an important role in formation and dissolution of marriages as well as in labor supply decisions of men and women.

For example, in large, administrative data samples from both Canada and Denmark, Bertrand and Kamenica find that the probability a couple gets divorced is minimized when the husband and the wife earn the same absolute wage. Deviations from equal earnings increase the probability of divorce especially when the wife earns more than the husband.

Bertrand and Kamenica have primarily worked on establishing whether the patterns above are driven by selection effects. Using the Danish data, they find that at least some of the initial relationships do not remain under couple-fixed effects. They are consequently re-examining the main direction of the project and potentially refocusing on a broader set of questions regarding dynamics of relative income within households.
Shocking Behavior: Land Lotteries in 1832 Georgia and 1901 Oklahoma and Later Life Outcomes

Bleakley has been investigating how much wealth affects behavior. The standard approach in economics is to think of wealth as the budget constraint, which determines the set of feasible consumption. In a world where capital markets are perfect, wealth determines how much one can consume, but it does not affect the efficiency of investments that one makes. In contrast, if we depart from this perfect-market assumption, people without wealth may find it impossible to make positive NPV investments in themselves or their children.

But if we see in the cross-section that those with more wealth undertake more investments, it doesn’t mean that wealth necessarily relaxes the constraint on investment. Some individuals might also have access to better investment opportunities in human or physical capital, and these opportunities might persist across generations. Herein lies the difficulty in diagnosing whether family wealth is an important input to producing human capital, or simply an indicator of higher underlying productivity.

In this study, they examine some unusual episodes in US history: land lotteries. These were events that generated a shock to an individual’s wealth that we can plausibly expect was exogenous to their characteristics. The cost of entering these lotteries was generally quite low and they were open to a large segment of the population. These episodes provide something rare in the analysis of the impact of wealth on behavior: changes in wealth that are likely not associated with underlying differences across individuals in productivity. Another advantage stems from the historical nature of the lotteries: we can examine outcomes of this wealth shock across several generations. These episodes are also relevant to understanding the importance of “free land” to the development of the US economy. The importance of a frontier, imparting wealth to anyone who would claim it, has figured in many interpretations of US history, such as in the work of Habakkuk and Turner.

In their preliminary sample, they find a considerable impact of parental wealth that persists to influence the outcomes of the next generation. Winners of the Georgia lottery would go on to have more children and these children had about 20% greater odds of attending school. They do not estimate, however, significant differences in their children’s occupational choice (although almost everyone was a farmer), nor does the second-generation tend to have more children. Curiously, the differences in wealth that they observe between lottery winners and losers is considerably smaller than what one would expect given the value of the land won. Rather it would seem that lottery winners were spending their wealth on things such as improved child outcomes. People who won better draws in the Oklahoma land lottery were more likely to be in that part of Oklahoma a decade later, which suggests that the three-year homesteading requirement had a longer lasting effect on their location choice. While they do not observe differences in gross fertility, they find that people with better draws in the lottery had approximately six-percentage-point better child-survival rates. In ongoing work, they are expanding the sample to include more observations for the years immediately following the lotteries as well as linking our families forward in future censuses.
Discrimination, Wages, and Quits.

Charles studied how wage growth affects job search and quit probabilities, and whether these relationships differ by race and gender. Existing models of discrimination suggest that, in an environment in which some firms discriminate against disadvantaged groups, firms that do not engage in this behavior enjoy local monopsony power over members of these groups in their employ. A consequence of this circumstance is that blacks and women (to pick two important examples) should be more loath to separate from employers following periods of unexpectedly low wage growth. To test this prediction, Charles has been assembling a panel data set consisting of a of employee separations and active job search behavior, combined with within-job annual wage changes, using data from several years of the Panel Study of Income Dynamics.
How Do Employers Hire Workers?

Davis conducted research with Jason Faberman (Federal Reserve Bank of Philadelphia) and John Haltiwanger (University of Maryland) on hiring activity in the Job Openings and Labor Turnover Survey—a large monthly sample of US establishments. To interpret the data, they develop a simple model that identifies the job-filling rate for vacant positions, i.e., the rate at which employers fill their open job positions. The job-filling rate falls with employer size, rises with the rate of worker turnover, and varies by a factor of four across major industry groups. Rapidly growing employers tend to fill job vacancies at a much faster pace than slowly growing or shrinking employers. The authors use their evidence and analysis to build a new index of recruiting intensity per vacancy. This index moves in a systematic cyclical pattern, rising in tight labor markets and falling in slack one. For example, the index value fell by more than 20 percent during the Great Recession and remains at unusually low levels. The decline in recruiting intensity per vacancy partly accounts for the slow pace of hiring (relative to the number of vacant jobs and unemployed workers) in 2009 and 2010.
What Do Small Businesses Do?

Hurst is showing that most small business owners are very different from the entrepreneurs that economic models and policymakers often have in mind. Using new data that sample entrepreneurs just before they start their businesses, they show that few small businesses intend to bring a new idea to market or to enter an unserved market. Instead, most intend to provide an existing service to an existing market. Further, they find that most small businesses have little desire to grow big or to innovate in any observable way. They show that such behavior is consistent with the industry characteristics of the majority of small businesses, which are concentrated among skilled craftspersons, lawyers, real estate agents, health care providers, small shopkeepers, and restaurateurs. Lastly, they show that nonpecuniary benefits (being one’s own boss, having flexibility of hours, and the like) play a first-order role in the business formation decision. Their findings suggest that the importance of entrepreneurial talent, entrepreneurial luck, and financial frictions in explaining the firm size distribution may be overstated. They conclude by discussing the potential policy implications of their findings.
Making Markets More Robust

Randall S. Kroszner continued to investigate the financial crisis and financial regulatory reform. The goal of such reforms would be to support sustainable long-run economic growth, while reducing the likelihood that a ripple caused by the failure of one institution turns into a tidal wave that can affect the financial system and the economy more broadly—the classic systemic risk problem. Squarely facing and mitigating “too big to fail” and “too interconnected to fail” problems is crucial. Kroszner’s work has been focusing on four key areas of reform to address weaknesses in the legal and institutional infrastructure that can make markets more fragile due to inefficiencies and uncertainties that can lead creditors, customers and counterparties to “run” on an institution.

First, improving information and disclosure so that private market participants are better able to undertake their own due diligence so that they can “trust but verify” the assessments of the credit rating agencies will introduce greater market discipline on the credit rating agencies. Second, in order to revive the housing finance market, contracts in the mortgage securitization market should become more standardized, simplified, and transparent once again to make it easier for private market participants to assess the value and risks of such securities. Third, introducing clarity, consistency, and speed into the bankruptcy and resolution process for financial institutions is necessary to deal with systemic risk. Uncertainty about contract enforcement, e.g., Would “secured” lending be truly secured?, led to “funding runs” by creditors and pull-backs by customers and counterparties, precipitating the implosion of once-mighty financial institutions. “Living wills” and pre-packaged bankruptcy would help to mitigate these uncertainties. Fourth, moving over-the-counter (OTC) derivative contracts to platforms with central counterparty clearing will be crucial to attenuating interconnections between firms because the central counterparty acts as the guarantor of the contracts. Private clearinghouses have been extremely robust over the last century in the face of panic, war, and depression. In particular, reforming the resolution regime and the OTC market will help to make institutions less interconnected and the system less vulnerable to ripples from a failure becoming a tidal wave.
Means-Tested Subsidies and Economic Performance Since 2007

Mulligan shows that the federal government has changed a number of rules for welfare and unemployment insurance eligibility and benefit amounts since 2007. He uses the aggregate neoclassical growth model—with means-tested subsidies whose replacement rates began rising at the end of 2007 as its only impulse—to produce time series for aggregate labor usage, consumption, investment, and real GDP that closely resemble actual U.S. time series. Despite having no explicit financial market, the model has investment fall steeply during the recession not because of any distortions with the supply of capital, but merely because labor is falling and labor is complementary with capital in the production function.
Incentives for Educators

Derek Neal continued his work on the economics of education. In August 2010, he published a paper in the Journal of Economic Perspectives that detailed why No Child Left Behind (NCLB) and other accountability systems built around government set proficiency standards do not work well as vehicles for improving school performance. He followed up on this work with several research papers that spell out alternative schemes that require schools to compete against each other for the privilege of receiving government funds. In particular, he just began a new project that provides software for the Chicago Public Schools that allows them to construct, competition-based measures of educator performance that implicitly tell administrators how often the students in a given school or classroom perform better than an appropriately selected peer group throughout the district. These performance indices are estimated winning percentages for students in a given classroom or school and provide a way to measure educator performance that is independent of psychometric scales or proficiency standards, which have proved to be easy targets for manipulation under NCLB.

He has also begun work on a book that develops education policy from the standpoint of standard tools that economists use to evaluate procurement mechanisms and incentive systems. This book, which will be published by Harvard Press, explores whether or not it is possible to blend voucher systems with assessment based accountability systems in a manner that forces schools to compete both as producers of measurable cognitive skill as well as developers of non-cognitive skills such as persistence, emotional stability, etc that parents observe and value.

Finally, Neal hosted an event on campus in April training PhD researchers working on education to evaluate proposed changes to personnel policies and accountability policies in public education using the same tools that economists use to evaluate performance contracts and personnel policies in the private sector.
Can Medical Progress be Sustained? Implications of the Link Between Development and Output Markets

Philipson worked with co-authors analyzing the variability in health care across the US documented by the Dartmouth Atlas which is often cited as evidence that current levels of health care spending reflects “flat-of-the-curve” medicine. However, this evidence on regional variation is almost exclusively limited to the public sector, because it relies on Medicare data, rather than privately funded insurers. Medicare does not face competition over premiums that might otherwise restrain its costs, and unlike private sector firms, Medicare does not have direct residual claimants whose standard of living improves with the efficiency of the enterprise. In a paper published Brookings Paper on Economic Activity entitled Geographic Variation in Health Care: The Role of Private Markets, Philipson argued that private insurers have stronger incentives to restrain utilization and costs, while public insurers have greater buying power to restrain prices leading to regional variation in utilization for the public sector, but either more or less variation in spending. They provide variation in utilization in the public sector is about 2.8 times as great for outpatient visits and 3.9 times as great for hospital days as in the private sector. Variation in spending appears to be greater or equal in the private sector, consistent with the importance of public sector price restraints.

The war on cancer in the United States formally began with the passage of the National Cancer Act in 1971 under President Richard Nixon. The idea was that devoting billions of dollars to cancer research and development (R&D) would ultimately lead to finding a cure for this devastating disease. Some critics feel that too much money has been poured into cancer research with unimpressive results. To get to the bottom of this debate, Philipson and co-authors, examined whether the billions of dollars that have been spent on cancer research have paid off. In a study titled An Economic Evaluation of the War on Cancer published in The Journal of Health Economics they evaluate the costs and benefits of cancer R&D that began with the war on cancer in the 1970s. Cancer research can affect survival through three mechanisms. First, technological advances or efforts to increase screening can detect a malignant disease at earlier stages. Second, therapeutic advances can improve survival, even for late-stage cancer. Third, the development of vaccines and new screening tests to identify a pre-malignant disease can help prevent cancer. In this study, the authors count only the benefits that accrue to individuals who acquire cancer. The authors find that between 1988 and 2000, improvements in cancer survival created 23 million additional years of life and $1.9 trillion of additional social value. Compared to an estimated $300 billion in R&D spending, this suggests that cancer research has led to very large gains relative to the costs incurred in their pursuit. While some cancers have experienced larger reductions in morbidity and mortality than others, today’s cancer patients can expect to live longer and healthier lives than their counterparts from earlier decades. Cancer care providers—drug companies, hospitals, doctors, and health professionals—earned at most about $400 billion in profits. Thus, most of the social surplus generated from cancer R&D went to cancer patients themselves.
In an in-progress working paper, “The Anatomy of a Credit Crisis: The Boom and Bust in Farm Land Prices in the United States in the 1920s,” Rajan examined the rise (and fall) of farm land prices in the United States in the early twentieth century, attempting to tease out the separate effects of changes in fundamentals and changes in the availability of credit on land prices.

Usually, it is hard to tell apart the effects of the availability of credit from changes in fundamentals, unless credit is fundamentally misdirected—after all, more credit is likely to flow to entities with better fundamentals. In this paper, we first isolate a natural shock to “fundamentals” and then see how it affects asset prices in a variety of local credit markets with differing degrees of availability of credit.

The shock to fundamentals we focus on is the increase in agricultural commodities prices in the United States in the early 20th century, especially in the years 1917-20, and their subsequent plunge. The reasons for this boom and bust in fundamentals are well documented. World War I, along with the Russian Revolution disrupted European agriculture, especially wheat and other grains, and fuelled general uncertainty about agricultural production, fuelling an agricultural commodity price boom. However, European agricultural production picked up soon after the war’s sudden end, and desperate for hard currency, the new Russian government soon recommenced oil and wheat exports as well. As a result, commodity prices plummeted in 1920 and declined through much of the 1920s.

Different counties in the United States had a different propensity to produce the crops that were particularly affected, and therefore experienced the shock to fundamentals to different degrees.

Next, we take advantage of the fact that credit markets in the United States in the early 1920s, especially the markets for farm loans, were localized. To identify the effects of credit, we take advantage of the natural discontinuity at state borders because the prohibition on inter-state banking made it possible for credit to flow across in-state county borders but not across county borders that were also state borders.

We find that the more a county is exposed to the positive commodity price shock, and the greater the availability of credit in a county, the higher the land prices in that county at the peak of the shock in 1920. Thus both the shock to fundamentals as well as the availability of credit influence land prices. What is particularly interesting is the interaction between the two. As the availability of credit increases from a low level, the shock to fundamentals has a greater effect on land prices suggesting that the availability of credit amplifies shocks. At very high levels of credit availability, though, the relationship between the shock to fundamentals and land prices becomes more attenuated.

Of course, the greater the exposure to the positive commodity price shock, and the greater the availability of credit in a county, the greater the eventual bank failures as the positive shock turned out to be a temporary one, leaving farms overextended with debt taken on during the boom to buy high-priced land. The price boom and bust therefore led to the spate of bank failures in the years leading up to the Depression – the depression before the Depression.
Capitalism for the People

Most of my energies have been dedicated to two projects. The first is a book ("A Capitalism for the People") that is forthcoming in June. The 2008 financial crisis has generated a great deal of books. There have been books describing the crisis, books analyzing the long term causes of the crisis, and books outlining the grim future of the world economy after the crisis. My book explains why the genius of American capitalism, which worked so well for more than a century, is at risk today and what can be done about it.

The second project (joint with Oliver Hart) regards the welfare effects of liquidity creation. Between January 1994 and March 2008, while the stock of M2 grew by a factor of 2.4, the stock of overnight repos grew seven fold. This growth has been so remarkable that Adrian and Shin (2008) claim, “repos are the rightful successors of “money.”” In response to the 2008 crisis several authors have focused on the instability effects that this repo growth generates. There is, however, another important welfare question that deserves attention. Even ignoring the instability consequences, is the growth in this private money socially efficient?

In this project, we analyze this issue. To do so, we develop a simple general equilibrium model where there is a need for money and this money can be endogenously created by the private sector. We show that the private provision of liquidity is inefficient: the private sector invests too much in collateralizeable assets and too much in relatively safe assets. The reason is that liquidity affects prices and the welfare of others, and creators do not internalize this.

The overinvestment in collateralizeable assets can provide some explanation for the large investment in housing before the financial crisis. Also the huge expansion of the financial sector can be understood as an overinvestment in the production of safe assets, e.g., AAA securities.
THOUGHT LEADERSHIP
FACULTY IN THE NEWS

Gary Becker
University of Chicago Alumni Association
2010 Alumni Award Winner

Hoyt Bleakley
Best Paper Prize
American Economic Association | April 2011

Steven J. Davis
"Why Employers Are Slow to Fill Jobs"
Bloomberg Business Class | July 15, 2011

"Land of the Free, Home of the Poor"
PBS NewsHour | August 16, 2011

Matthew Gentzkow
"Researchers: The Internet Isn't Polarizing America"
Wall Street Journal | April 19, 2010

"In Search of Hard Facts about Media Bias"
Financial Times | May 21, 2010

Erik Hurst
"Time, Money, and Unemployment"

"Making the Most of the Recession's Lost Work Time"
Bloomberg Business Class | September 8, 2011

Randall Kroszner
"Venture: A Fed governor looks back on his wild ride"
WBEZ91.5 | April 2011

"U.S. Housing Market, Economy, Recession Risk"
Bloomberg Television | August 16, 2011

"From Jackson Hole: Kroszner on Bernanke"
Wall Street Journal | August 27, 2011

Raghuram Rajan
Fault Lines: How Hidden Fractures Still Threaten the World Economy
Winner of the 2010 Financial Times and Goldman Sachs Business Book of the Year Award

"Charting the Economic Fault Lines"
Bloomberg Businessweek | February 2011

"Currencies Aren't the Problem"
Foreign Affairs | March/April Issue

"Bernanke Must End Era of Ultra-Low Rates"
Financial Times | July 28, 2010

"Is Inflation the Answer?"
CNN World | September 8, 2011

"The Cost of Repair: A Special Report on the World Economy"
The Economist | October 7, 2010

2011 Infosys Prize
India | November 2011

Robert Topel
"One-on-One"
PREA Quarterly | Winter 2011

"On Labor Day a Grim Picture for Workers"
CNN Money | September 2, 2011

Luigi Zingales
"Europe Debt Situation Remains 'Critical'"
Bloomberg Television | August 12, 2011

"How a Debt Exchange Could Ease Europe's Crisis"
Bloomberg Business Class | September 8, 2011
Established in June 2011, the Energy Policy Institute at Chicago (EPIC) is one of the Stigler Center’s newest endeavors; one that builds upon the foundation established by the Energy Initiative to create a more encompassing joint energy institute between the Booth School of Business and the Harris School of Public Policy Studies. Recognizing that policy issues present some of the greatest obstacles to meeting energy demand while limiting environmental and social damages, Professor Robert Topel, Isidore Brown and Gladys J. Brown Distinguished Service Professor in Urban and Labor Economics and director of the Stigler Center, partnered with Professor Robert Rosner and the Harris School to lead this new institute. EPIC will bring The University of Chicago’s data-driven, market-based approach to research, training, and outreach with regard to energy economics and policy.

As a multidisciplinary research institute, EPIC has brought together more than 50 experts and thought leaders from a wide spectrum of backgrounds. The core research team is comprised of world-class University of Chicago faculty from the business and policy schools as well as the departments of economics, physical sciences, and law. These faculty members are joined by computational science and engineering experts from Argonne National Laboratory. EPIC also works closely with the Bulletin of the Atomic Scientists to communicate expert research to decision makers, the media, and the public worldwide.

To provide the data-driven research necessary for policymakers and business leaders to make sound energy policy decisions.

To train a new cohort of business and policy leaders in a data-driven approach to energy issues.

To communicate research findings and generate ongoing dialogues with decision-makers, the media, and the public.

As EPIC completes its first year, we look with anticipation to expanding our research, training, and outreach capacities. The establishment of a Faculty Council and an Advisory Committee will enable EPIC to call on the guidance of an ever-widening circle of expertise. New contacts in the energy sector around the country and around the world will broaden our base of both industry and financial support. Growing partnerships with educational, private sector, and government agencies will expand our ability to inform public policy. We look forward to EPIC’s next year and the partnerships and research it will produce.

EPIC organizes a variety of training sessions in partnership with the Argonne National Laboratories, the University of Illinois at Chicago, and individuals in energy related industries.

With a 1.5 million dollar gift from the Fuel Freedom Foundation, EPIC was able to create the “Future of Transportation Fuels Initiative” that will focus on oil, alternative transportation fuels, and their impacts on economic activity and welfare. The Initiative will fund grants for two PhD students, as well as visiting professorships and faculty policy research.

EPIC sponsored more than 15 events in 2011, including co-sponsoring the Leadership and the Future of Nuclear Energy symposium with the Bulletin of the Atomic Scientists, the American Academy of Arts and Sciences, and the Chicago Council on Science and Technology. In 2012, EPIC plans to host a variety of local and national guests, as well as sponsor various workshops and conferences.

For a list of upcoming events, visit epic.uchicago.edu.
George J. Stigler

George J. Stigler joined the faculty of the University of Chicago Booth School of Business and the Department of Economics in 1958. His efforts helped make an extraordinarily fruitful cooperative research enterprise between the university’s Department of Economics, Law School, and Booth. Together with the arrival of Merton Miller in 1960, Stigler is widely recognized as having established Chicago Booth as a world leader in academic research.

Stigler was one of the great economists of the 20th century. He made seminal contributions to the economic theory of information and oligopoly and to the economic analysis of government regulation and the public sector. Stigler received the profession’s highest honors, including the presidency of the American Economic Association and the Nobel Memorial Prize in Economic Sciences. His 1982 Nobel Prize was the first awarded to an economist whose primary appointment was in a business school.