



ISSUES IN POLITICAL ECONOMY
Undergraduate Student Research in Economics

VOLUME 16

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MISSION STATEMENT

Issues in Political Economy is committed to supporting and encouraging quality undergraduate research in all areas of economics. Now in its 16th volume, the journal was founded on the belief that the best way to learn economics is to do economics. Through the process of research, writing and peer review, students actively engage the discipline in a way not possible simply by listening to lectures and reading textbooks. In short, undergraduate research is a vital component in an economics education. The literature suggests that students take projects more seriously and learn more when the project is directed towards an external, rather than an internal audience such as a class assignment. *IPE* is designed to provide an external audience for such research.

IPE is edited and refereed entirely by students, with oversight from faculty at Elon University and the University of Mary Washington. The only requirements for submission are that the article pertains to some aspect of economics, that it was written during undergraduate study, and that it be submitted through a faculty sponsor. Though submissions on all topics in economics will receive consideration, papers should be analytical and seek to add new understanding to the topic.

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For additional information please visit our website <http://www.elon.edu/ipe>

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NOTE FROM THE EDITOR

Issues in Political Economy began over a decade ago with the goal of developing a forum to deepen the understanding of economics among undergraduate students. The original journal was conceived and cultivated by dedicated students and faculty at Bellarmine College in Louisville, Kentucky.

In 1999, Elon University and the University of Mary Washington inherited the sponsorship and editorial responsibilities of *Issues in Political Economy*. Since then, *IPE* has gained international recognition, receiving submissions from all over the world. Although faculty mentoring has played a significant role in the development of the *IPE*, student reviewers and editors referee all papers. Over the past three years, the acceptance rate has been approximately 30%.

Issues in Political Economy greatly appreciates the patience and leadership provided by faculty and sponsors. In particular, we would like to acknowledge the work of David Shapiro, Martin Asher, Barbara Khan, Kevin Werbach, Charles Becker, Ivan De Jesus, Amos Peters, Ihsuan Li, and Hila Etzion. Additionally, Karl Sienerth, John Burbridge, and the Houghton-Mifflin Publishing Company have provided invaluable support for this publication. We would also like to thank all those who have been acknowledged for being instrumental in past issues. This journal builds on the foundation carefully created by its thoughtful predecessors.

And of course, we would like to express special thanks to professors Steve DeLoach from Elon University and Steve Greenlaw from the University of Mary Washington. Their guidance and enthusiasm has been invaluable to the publication of this journal. They have actively promoted the awareness of a wide range of topics in economics.

In conjunction with this journal, *Issues in Political Economy* also continues to coordinate undergraduate student presentations at the Eastern Economic Association annual meetings. This year's meetings were held in New York City and consisted of ten sessions. There was a diverse group of presenters and their participation sparked discussions and initiated thought about a variety of economic issues.

It is our hope that this issue of *Issues in Political Economy* will continue to aid the flow of ideas and research.

Ian Hull
2007 Editor

FOREWORD

Issues in Political Economy began as an attempt to bring undergraduate research to the forefront at Bellarmine College in 1989. The first issue was written, produced, and published entirely in-house and our students responded very positively, with a maturity that I admired. After the first issue the Editorial Staff and I met to discuss my suggestion that we open up the process to other universities and colleges and in 1990 *Issues in Political Economy* “went public.” After a couple of years of toil (desktop publishing was in its infancy) the rising President of the Eastern Economic Association (EEA), David Colander, invited me to consider sessions at the annual EEA meetings as a way to help promote the Journal. We all owe a great debt of gratitude to David for his support. Establishing direct linkages to the EEA formalized the public presentation of undergraduate students’ research and provided a national stage for undergraduate research work in economics.

Over the next few years we published papers from a number of fine colleges and universities. The entire operation was run by students at Bellarmine College with faculty guidance and oversight. Another critical piece of the formation and growth of this journal has been individual professors who work with each and every student author to bring the paper to a place worthy of publication. These individual professors are unnamed here; but they, and the students they have nurtured, cajoled and supported, know who they are.

After serving as Executive Editor and publishing the *IPE* for nine years I spoke with Jim Barbour, Steve DeLoach and Tina Das (Elon College) and Steven Greenlaw (Mary Washington College) about a transition. I was leaving Bellarmine College for a new position in Florida and did not have the student base required to continue at the level we had come. Both Steve and Jim had been active supporters of our work and I felt that it would be in extremely capable hands with their leadership. In a bittersweet decision I handed off *IPE* to them. Today, I feel that this decision was an excellent one. Elon University and the University of Mary Washington have taken the Journal to new levels and have continued to abide by the standards my students had set at Bellarmine College. The faculty at both these institutions have worked diligently and consistently so that today, *IPE* provides a vibrant, active space for undergraduate research and scholarship – I could ask no more.

Issues in Political Economy was established for and by students; it thrives today for the same reason. I would like to extend my deepest thanks and respect for all of you who have been part of this endeavor. It has been a project that I have always been proud. *Issues in Political Economy* continues to grow in quality and reach, and most importantly, it continues to help students take their own scholarship to higher levels. I wish *IPE* another fifteen years of success and am deeply indebted to all who have been involved over the past fifteen years. Keep up the great works!

Bradley K. Hobbs
Founding Executive Editor