



MENARD FAMILY MIDWEST INITIATIVE FOR ECONOMIC ENGAGEMENT AND RESEARCH

2020-2021 ANNUAL REPORT



The previous year was one like no other. We spent the academic year separated from our friends, colleagues, and students. We thrive on in-person and social interactions. We had not planned on a virtual year. Nevertheless, change creates new opportunities.

By moving our student programs to a flexible, virtual environment, we were able to reach new audiences. We doubled the size of our discussion groups by running two separate groups each semester. Our virtual events had more than 100 attendees at each event and our recorded videos have been watched by hundreds of additional viewers on YouTube.

We created new partnerships with organizations, both locally and nationally. The pandemic world also supplied ample teaching opportunities and examples that reveal the limitations of top-down government planning. As Nobel laureate F.A. Hayek wrote, the “curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.”

We published our first book, *Regulation and Economic Opportunity: Blueprints for Reform*. The book provides an academic foundation for creating sensible, low-impact regulatory policy. The book also helped form the framework for our Wisconsin Freedom Audit that we hope to publish next year.

We closed the in-person Menard Family Experimental Laboratory, transferring our experimental work to online platforms. With the in-person lab closed, the MFI research team focused their attention on completing projects that were already underway and publishing studies based on the data generated in the lab the previous year. In total, MFI scholars published 6 peer-reviewed academic journal articles and we published our first volume of MFI Briefs: Innovation During Crisis that focused on local responses to the Covid-19 pandemic.

In concluding this unprecedented year, I am proud of the work our team was able to accomplish. Our team stayed flexible and displayed remarkable innovation to support and pursue our mission. We continue to value fundamental, scientific truth above all else. Based on our scientific findings, we hope to inform solutions to create a better world for as many people as possible.

Our ultimate success continues to depend on the support of foundations and private individuals who share our commitment to exploring answers to today’s social, economic, political, legal and cultural challenges. To learn more about the Menard Family Midwest Initiative for Economic Research and Engagement, visit our website uwlax.edu/center/menard-family-initiative/ and look us up on Facebook.

Sincerely,
Adam Hoffer



WHO WE ARE

BACKGROUND

The Menard Family Midwest Initiative for Economic Engagement and Research was launched in September, 2019 with a generous gift from the Menard family. The Initiative is uniquely positioned to simultaneously engage nontraditional audiences in economics and conduct cutting-edge economics research.

The Initiative uses experimental economics to test the boundaries of markets and economic organization and the Initiative explores economic policy causes and outcomes with the most recent economic data.

Ideas regarding ways to improve society and increase well-being abound. Only with scientific grounding can these ideas take root and grow into opportunities. Our work builds on the tradition and work of Nobel laureates Vernon Smith, Daniel Kahneman, and Richard Thaler.

VISION

The Menard Family Midwest Initiative for Economic Engagement and Research integrates economic theory and practice to conduct state-of-the-art economic experiments and produce educational resources in order to contribute to a prosperous and civil society in Wisconsin and beyond.

MISSION

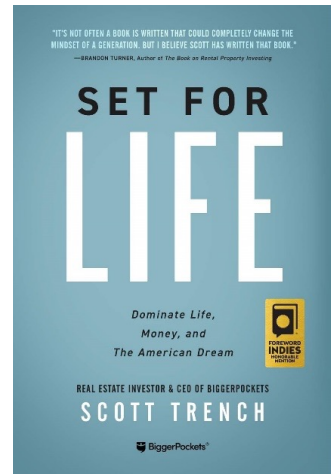
The Menard Family Midwest Initiative for Economic Engagement and Research engages participants in economics through experimental research and enriching, interactive experiences to ultimately discover answers to our social, economic, political, and legal challenges. The Initiative’s work will shine a light on effective solutions and help advance positive change.

TARGETED RESEARCH AND ENGAGEMENT AREAS

- Regulation
- Tax and Budget Policy
- Economic Opportunity
- Sports Economics
- Education
- Political Economy
- Behavioral Economics

STUDENT ENGAGEMENT

A NEW COURSE FOR FRESHMEN



Professor Hoffer developed a First Year Seminar (FYS) course for new freshmen on campus. FYS 100: Wealth, Happiness, and the Modern Economy explores some of the most fundamental and important questions in modern society. What makes people happy? How is wealth created? What explains the massive disparities in wealth seen across countries? How can individuals create wealth? Does wealth create happiness? In this course, students explore these enduring questions and use them to create their own roadmap to a happier, freer, and wealthier future.

The early results suggest the class was a major success. Dr. Hoffer will teach the course again to 50 students in Fall 2021 and the class is scheduled to repeat in each Fall semester for the foreseeable future.

DISCUSSION GROUP

Our discussion groups engage students in an informal environment to stimulate economic engagement and conversations outside of the classroom. Our goal for the discussion groups is to engage students in the economic way of thinking and to highlight how basic economics and public choice concepts can be seen in every field.

Over this past academic year, all of our discussions were held online via Zoom. Due to increased demand and relatively flexible schedules for both students and faculty, we doubled the number of our discussion groups this year to two groups for each semester. MFI Researcher, Matt Style led the weekly discussions with ten students in each discussion group.



READING LIST AND SCHEDULE

In the Fall semester, our readings covered institutions, public choice, anti-trust policy, and the effects of different government policies. In the Spring, our readings covered industrial policy, infrastructure, human capital, and unintended consequences.

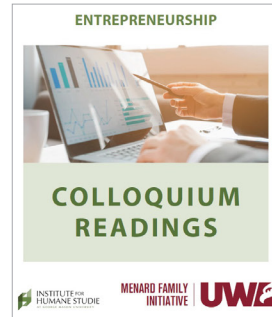
FALL SEMESTER

Date	Discussion Topic	Readings
Sep 29	Economic Development	
Oct 6	Economic Development & Extractive Institutions	North (1993) Acemoglu (2012)
Oct 13	International Trade	Tullock (1962)
Oct 20	Size of Large Firms	Large Internet Firms: Market Power and Competition
Oct 27	Platform Economies	Tadelis (2016)
Nov 3	Public Choice: Elections and Voting	Median Voter Theorem Death of the MVT?
Nov 10	Welfare and Government Policies	EconLib Public Choice
Nov 17	Economic Inequality	Summary of Raj Chetty's Work Chetty et al. (2014)
Nov 24	Cost of Rent	Liberalizing Land Use Regs - Mercatus Effects of Rent-Control
Dec 1	Public Finance – State Debt Issues	Covid-19's Impact on State Budgets Great Recession's Impact on Local Budgets

SPRING SEMESTER

Date	Discussion Topic	Readings
Mar 1	Supply Chain Disruptions	Covid-19's Impact on Supply Chains Semiconductor Shortage
Mar 8	Economics of Short Selling	Cato (2008)
Mar 15	China's Belt & Road Initiative	CFR Backgrounder
Mar 22	Economics of Energy Transition	Heal (2020)
Mar 29	Made in China 2025 & Industrial Policy	Made in China 2025 Why Industrial Policy Fails
Apr 5	Workforce Skill Shortages	Competitive Educational Training
Apr 12	Infrastructure Needs and Paying for It	Infrastructure Report Card Tax Foundation
Apr 19	Economic Incentives & Unintended Consequences	When Incentive Schemes Backfire Incentive Spillovers
Apr 26	Bring Your Own Topic / Questions	
May 3	"Smokestack Chasing" by Countries and Localities	Global Smokestack Chasing New Regional Development Ideas

IHS STUDENT COLLOQUIUM ON ENTREPRENEURSHIP



In partnership with the Institute for Humane Studies (IHS), we held a day-long colloquium on entrepreneurship. The discussion colloquia are designed for faculty and students to jointly engage in rigorous discussions about specialized topics in the classical liberal tradition. We utilized a roundtable discussion model and we held the event during a weekend with about 11 students, two MFI Faculty – Adam Hoffer and Matt Style, and a content expert – Dr. Russell Sobel.

ENTREPRENEURSHIP READINGS

- Mises, Ludwig von. "Human Cooperation." In *Human Action: A Treatise on Economics*, 143-145. Indianapolis: Liberty Fund, Inc., 2007.
- Schumpeter, Joseph A. Excerpt from Chapter 7, "The Process of Creative Destruction." In *Capitalism, Socialism, and Democracy*, 82-85. New York: Harper Perennial, 2009.
- Kirzner, Israel M. "Creativity and/or Alertness: A Reconsideration of the Schumpeterian Entrepreneur." *The Review of Austrian Economics* 11, no. 1-2 (1999): 5-17.
- Baumol, William J. "Entrepreneurship: Productive, Unproductive, and Destructive." *Journal Of Political Economy* 98, no. 1 (October 1990): 893-921.
- Kirzner, Israel M. "Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach." *Journal of Economic Literature* 35 (1997): 60-85.
- Thiel, Peter A. and Blake Masters. *Zero to One: Notes on Startups, or How to Build the Future*. New York: Broadway Business, 2014.
 - o Preface, pages 1-3.
 - o Chapter 1, "The Challenge of the Future," pages 5-11.
 - o Chapter 2, "Party Like It's 1999," pages 12-22.
 - o Chapter 3, "All the Happy Companies are Different," pages 23-34.
 - o Chapter 4, "The Ideology of Competition," pages 35-43.
- Anderson, Terry Lee and Donald R. Leal. *Free Market Environmentalism*. New York, NY: Palgrave, 2001.
 - o Chapter 1, "Visions of the Environment," pages 1-8.
 - o Chapter 2, "Rethinking the Way We Think," pages 9-26.
- Sobel, Russell S. "Economic Freedom and Entrepreneurship." In *What America's Decline in Economic Freedom Means for Entrepreneurship and Prosperity*, 37-66. Edited by Donald J. Boudreaux. Vancouver, BC: The Fraser Institute, 2015.
- Hayek, Friedrich A. "Competition as a Discovery Procedure." Translated by Marcellus Snow. *Quarterly Journal of Austrian Economics* 5, no. 3 (Fall 2002): 9-23.
- Tuszynski, Meg Patrick and Dean Stansel. "Targeted state economic development incentives and entrepreneurship." *Journal of Entrepreneurship and Public Policy* 7, no. 3 (2018):235-247.

EVENTS

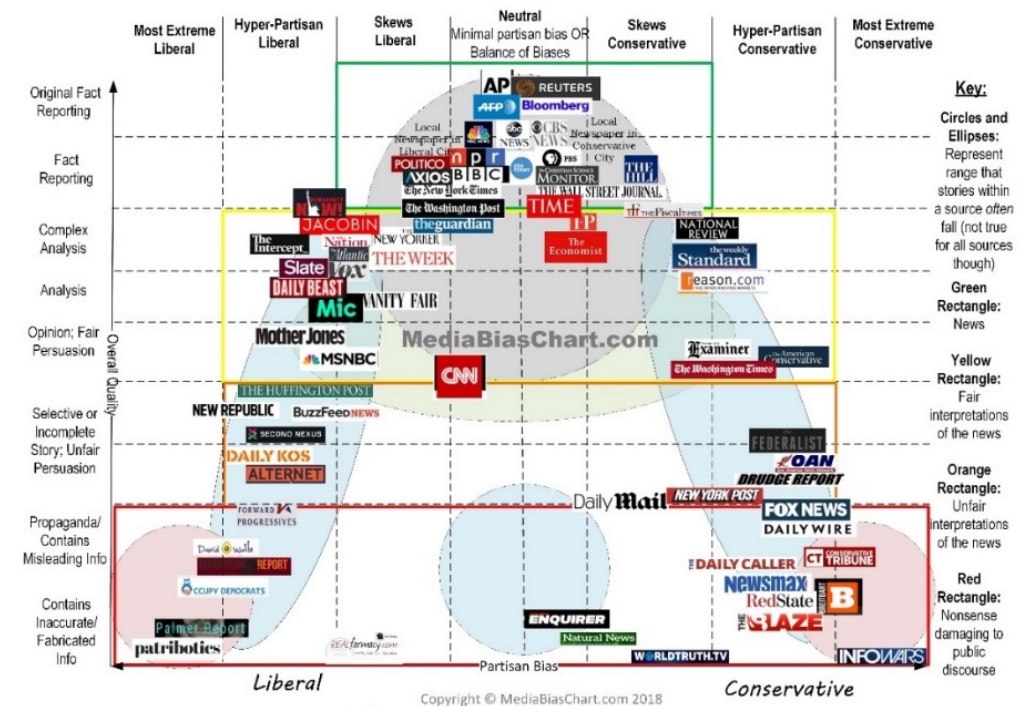
We co-hosted two online events. First, we partnered with the UWL Joint Committee on Free Speech Promotion to host Vanessa Otero during Free Speech Week.



Vanessa Otero – Media Bias & Political Polarization

Vanessa Otero, founder of Ad Fontes Media, gave a virtual presentation to the Menard Family Initiative and the University of Wisconsin – La Crosse on October 22 from 6:00-8:00pm.

Her talk, "Media Bias & Political Polarization" described the work of her company in creating the Media Bias Chart (bottom) and the consequences of media bias. Attendance numbers visualized below



Second, we partnered with the Center for Free Enterprise at Louisville and IHS to produce a joint Menard Family Lecture Series for speaker and author Matt Ridley. He discussed his recent work *How Innovation Works and Why it Flourishes in Freedom*.

ACADEMIC ENGAGEMENT

PRESENTATIONS AND AWARDS

- Perry Ferrell. "Enforcement Cycles in Sheriff Elections." Midwest Economics Research Group. 2020
- Adam Hoffer. "A Virtual (?) First Year Seminar." Hawkes Learning Webinar. 2020.
- Abdul Kidwai was awarded a 2021 teaching fellowship to develop tools and materials to improve quantitative literacy for UWL students.

POPULAR MEDIA PUBLICATIONS AND APPEARANCES

- September 11, 2020. "Are college sports in trouble? Asking for Kyle Whittingham." Dr. Hoffer was interviewed based on his research on the NCAA.
- September 14, 2020. "UW-La Crosse tracks innovation during crisis." The MFI Briefs and work of the Initiative and director, Adam Hoffer was summarized.
- October 1, 2020. "Innovation During Crisis: Menard Initiative highlights creative solutions amid COVID-19." Building Bridges
- October 15, 2020. "Wisconsin Unemployment Rate Declines To 5.4 Percent In September." Wisconsin Public Radio. Dr. Hoffer was interviewed regarding the Jobs Report and economic recovery.
- November 1, 2020. "Innovation During Crisis". COVID and Our Community. Coulee Region Parenting Connection
- January 1, 2021. "Remarkable Researcher." Nabamita Dutta was named the first UWL Menard Family Faculty Fellow.
- January 5, 2021. "DWD Hopes To Start Paying New \$300 Unemployment Supplement In 'Next Few Weeks'". Dr. Hoffer was interviewed regarding the \$300 unemployment benefit supplement payments.
- January 25, 2021. "Innovation During Crisis." Dr. Hoffer was interviewed about innovation in the local economy during the pandemic.



CONVERSATION STARTERS AT THE MENARD FAMILY INITIATIVE

We produced and launched a video series and podcast. We will have a formal launch and media announcements in early/mid Fall. The goal of the series is to engage our audience with freedom-promoting ideas, while opening the door for policy discussions and planting the seeds for local change.

We have recorded nine episodes to date and hope to release more episodes in 2021.

RESEARCH AND PUBLICATIONS

SCHOLARLY PUBLICATIONS

Adam Hofer

- "A comparison of forecasting performance and systematic risk across different political environments." *American Journal of Finance and Accounting*.

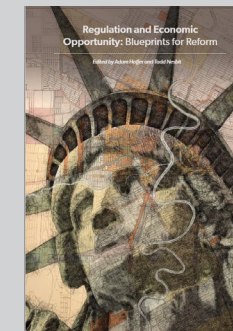
Nabamita Dutta

- "What influences entrepreneurship among skilled immigrants in the USA? Evidence from micro-data." *Business Economics*
- "Financial development and entrepreneurship." *International Review of Economics and Finance*.
- "Entrepreneurship, fear of failure, and economic policy." *European Journal of Political Economy*
- "Do financial development and political institutions act as substitutes or completement" *Oxford Development Studies*
- "Does state-level per capita income affect juvenile delinquency? *An empirical analysis for Indian states.* *Economics Modeling*

MFI BRIEFS



MFI Briefs: Innovation During Crisis: Response to Covid-19 in the Coulee Region



Regulation and Economic Opportunity: Blueprints for Reform

THE MENARD FAMILY EXPERIMENTAL LABORATORY

We seek to produce high-quality academic research that can provide insights into public policy and help discover how to improve lives. The core of that research is housed in our Menard Family Experimental Laboratory. In the lab, we can design experiments that will provide clear data and allow us to causally identify the effects we study.

After publishing our first study from the Menard Family experimental lab in the spring of 2020, we completed our second experiment, which is currently under review for publication at an academic journal.

Our physical lab was closed for the 2020-2021 academic year. So, we took our experiments online. Dr. Abdul Kidwai led the lab and completed data collection on the effect of social learning in a public goods experiment. We also designed multiple experiments that we will launch in the in-person lab in the Fall 2021.

LOOKING FORWARD

FREEDOM AUDIT

This report provides a wide-ranging study of Wisconsin policies and how those policies affect the freedoms of Wisconsin citizens. The report separates freedom into three main pillars, (1) Fiscal Freedoms, (2) Regulatory Freedoms, and (3) Personal Freedoms and provides an audit of how policies affect freedoms in each category.



MFI BRIEFS VOLUME 2

Our second volume of MFI Briefs: Innovation, Resilience, and the Future Plans of La Crosse and Wisconsin will publish in Fall 2021.



IN MEMORY OF THE COLLEAGUES WE LOST THIS PAST YEAR



JERRY ELLIG

Dr. Jerry Ellig was a research professor at The George Washington University Regulatory Studies Center. He worked with the MFI to author a chapter in *Regulation and Economic Opportunity: Blueprints for Reform*. His untimely death in January 2021 was not only a great loss for his friends and colleagues but also the general public who never knew him but were the beneficiaries of his insightful contributions to public policy and administration.



SANJUKTA ROY

Dr. Sanjukta Roy was an economic advisor at the Foreign, Commonwealth and Development Office (ex-DFID) and previously an Economist at The World Bank. She worked on diverse topics of Economic Development. She worked with MFI Fellow Nabamita Dutta on more than 30 academic articles during her career. She was a close friend and colleague who will be dearly missed.



STEVE HOROWITZ

Dr. Horwitz was Distinguished Professor of Free Enterprise and the Director of the Institute for the Study of Political Economy at Ball State University. He authored a chapter in *Regulation and Economic Opportunity: Blueprints for Reform*. He is remembered as a dedicated scholar, a passionate teacher, a good friend, and an insightful mentor.

FACULTY



ADAM HOFFER

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FELLOWS



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Faculty Fellow



Matt Style

Menard Family
Faculty Fellow