



February 10, 2009 - Professor Lea Kosnik poses for a portrait in Forest Park Tuesday afternoon. She has been teaching economics at UMSL for five years. Kosnik has expertise in environmental economics, public and regulatory economics and behavioral economics. (Max Gersh/P-D)



As economy sours, it's sweet to be an economist

By Todd C. Frankel

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Used to be that when Lea Kosnik told people she was an economist, eyes would glaze over. A conversation killer. "It was never a positive reaction," said Kosnik, an assistant professor at the University of Missouri-St. Louis.

That feels like a distant memory now that terms such as "meltdown" and "crisis" are being routinely employed to describe the nation's economy.

Now, Kosnik said, "I have friends out of the blue e-mailing me to ask what I think."

At Starbucks recently she encountered a barista, worried about her job, who lit up with interest upon discovering Kosnik's expertise. And then there is the school secretary who runs into Kosnik on campus and "has stopped me two or three times to ask me about the economy."

"The reaction is much more curious," Kosnik said. "It is a very different reaction than in the past."

With the economy in trouble, economists everywhere are finding themselves in an unusual place: the spotlight. People suddenly seem hungry to hear what they think, what their statistical models show, whether the tea leaves of past recessions reveal anything about the future.

But most economists are not accustomed to the attention. Their field of study is typically arcane and technical, full of regression models and algorithms that seem far-removed from the real world. And economists, as a group, have never been the business world's cool kids. But now the cool kids — the MBAs, the investment bankers, the hedge fund gurus and CEOs — have suffered a dramatic fall from grace. Economists are among the last ones standing.

"The financial crisis is the best thing ever to happen to me," said Robert E. Wright, economics professor at New York University.

He's only half-joking. Wright, who normally gets just a handful of requests for media interviews each year, fielded more than 50 requests in the waning months of last year alone.

Steven Fazzari, economics professor at Washington University, said he has had more interview requests in recent months "than the previous quarter century of my career."

It is not necessary to be an expert in macroeconomic policy for people to find economists interesting these days. Kosnik, for example, focuses on the economics of hydroelectric dams. People still seek her out.

But this is an especially interesting time for someone like Fazzari who specializes in Keynesian macroeconomics — the basic theory behind the U.S. stimulus package, which argues that sometimes the government needs to step in with massive spending to jump-start a moribund economy. He likened his current situation to being a scientist who studies tornados who suddenly finds himself caught in the middle of one.

"It is intellectually exciting," he said, "but unfortunate."

'DR. DOOM' AND 'THE BLACK SWAN'

Other economists have achieved pop culture notoriety. They even have colorful nicknames, like "Dr. Doom."

Dr. Doom is Nouriel Roubini, an NYU economist and chairman of Roubini Global Economics. He has emerged as something of a sage for predicting the U.S. mortgage crisis several years ago. Once dismissed as a crank, he's now a popular speaker on television and at conferences.

Last week, Roubini appeared on CNBC with another economic superstar — Nassim Taleb, a former financial trader and author of "The Black Swan," a 2007 best-selling book about rare events that are hard to predict. Taleb too was bearish about the U.S. economy long before last year's crash. On TV, the pair were labeled "Dr. Doom and The Black Swan." A CNBC host could not help but note their "rock-star status."

For some economists, the boon has been more subtle.

Kenneth Snowden spent years quietly studying an obscure corner of financial history: how home mortgages have been sold as securities since the 1800s.

Snowden, an associate professor of economics at the University of North Carolina at Greensboro, found that boom-and-bust cycles caused by mortgage-backed securities happened six times between 1870 and 1940. He published his research in a book in 1995. The book quietly went out of print. But last October, Federal Reserve Chairman Ben Bernanke referred to Snowden's

research in a speech.

Now the professor is fielding inquiries from people hoping to read his old study.

"I was kind of surprised," Snowden said.

For economist John Nye, the financial crisis has meant new questions at dinner parties and children's birthday parties.

But Nye, a former Washington University professor who now teaches at George Mason University in Virginia, noted an irony in his profession's new-found popularity. He said most people — including government officials — seemed to ignore economists during the good times, but they are turning to economists now, even though there is little consensus among economists about what to do.

"We're confused," said Nye, "and yet folks want to listen to us even more."

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