



# The Short Run

## TSR News – Look Towards the Future

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### Change in HSU Policy

Students beware! As of 2009, students at HSU are no longer able to repeat classes they've already passed to get a better grade. So make sure you watch for drop dates and talked to your teachers about your work. If you're not careful you may get stuck with a less than desirable grade you can no longer replace. ~SF

### Housing in Humboldt

The housing crisis in Humboldt County is an increasing problem for HSU students. Enrollment for the fall is up 2% so its time to consider your living situation for the 09-10 year. Something to keep in mind rent in both McKinleyville and Eureka is much less expensive so the commute may be worth it. ~SF

### TSR

The Short Run is looking for an economics major to serve as editor for the next school year. Working on the TSR looks good on a resume and is great experience for future jobs. If this sounds interesting and you can dedicate about 4 hours a month, please email us at:

theshortrun@humboldt.edu.  
~KR

## So You Say!

**The Economic Meltdown: Should you be concerned?**  
Find out in this handy decision chart!

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## Feature - Be Informed

We all know the drill - as soon as someone finds out that you are an economics major or minor you're immediately bombarded with questions about budget issues. We haltingly give out the answers (frantically trying to remember what we covered in class the day before), hoping that we throw in enough jargon to sound remotely intelligent. As you may or may not know there is a special election coming up on May 19<sup>th</sup> and it's all about the budget - so be prepared for many upcoming questions. For those of us who actually enjoy economic issues and find budgetary questions interesting then this election is a perfect chance to apply the principles that we learn in class to *real life*. Unfortunately that also means actually reading the voters guide, which we all know is much less appealing than a trip to the river or an all-nighter to crank out a final paper. So to help us all out, this article is going to be a bear bones breakdown of Propositions 1-A and 1-B (the main ones that people around campus seem to care about)- giving you plenty of fodder for the next time you are ambushed with an economics question in the middle of dinner.

**Prop 1-A:** This would raise income tax (by .25 percentage point across all tax brackets), sales tax (by 1%) and vehicle registration tax (to 1.15% of vehicle value). The revenue will be put into paying off bond related debt, repaying K-12 education and community colleges money that is owed to them and a rainy day fund. Additionally it gives the governor more discretion on what kinds of spending can be reduced (such as reducing inflation adjusted cost-of-living increases in wages), as well as makes it more difficult to increase spending by capping access to reserve accounts. Despite what some adds may say it does not restrict the ability of legislatures to implement tax increases and does not specifically put a limit on the amount that can be spent. This proposition is also a hot button issue for the CSUs because it would not allow for any increases to the CSU budget (actually capping it at the current rate)- which is already under funded.

**Prop 1-B:** This proposition will only pass if 1-A passes and simply institutionalizes the changes that 1-A makes to education spending. It does this by replacing maintenance factor payments (basically a just a future pay-

ment obligation that is determined by the difference between what is minimally required to be paid to K-14 education and what is actually paid) with supplemental payments. Of the \$9.3 billion in supplemental payments, a maximum of \$200 million increase in funding will go to poor schools and the rest will be distributed based on current funding rate levels.

I hope that you now feel adequately informed to be able to discuss these propositions with the next person who feels compelled to question you about them- or at least enough to impress the hot guy/girl/ze at an end of the year kick back. While I chose to specifically discuss 1-A and 1-B, the other four propositions on the ballot are equally important. I would urge all of you to take five minutes out of your facebook time, open up another internet tab and go to <http://www.voterguide.sos.ca.gov/> to at least read the one paragraph summary of each proposition to learn about the government's plans for mental health funding, the lotto, funding for low-income children and their own salaries. After all you may just be zapped with an additional question or two over desert. - DW

## Opinion ~ Imbalance of Power

Teetering on the brink of bankruptcy, Chrysler has struck a deal with partners Fiat (35% stake) and the US Government(10% stake) that will give the United Auto Workers (UAW) 55% ownership under restructuring. If I'm doing my math correctly, that leaves Chrysler with the goose egg - 0%. It's a good time to be a union member. President Obama has promised his support, and the "Employee Free Choice Act" (aka Card Check) continues to loom large on the horizon. Card Check would strengthen union power in the workplace by limiting employer options when unionization is being considered by employees. Maybe with a stronger union, the UAW could have negotiated 65 or 75% of Chrysler. Currently UAW wages, includ-

ing all perks and benefits, are worth an annual *average* of \$147,680, on par with California State University "Instructional Faculty", who are also represented by strong union. This might also help explain why you rarely see a professor driving a new car.

So you're thinking of quitting school and heading to Detroit? Hold on a bit, the UAW is slacking compared to the International Longshore and Warehouse Union which manages to extract 20% more for their members. They hold a monopoly on the \$350 billion annual dock activity and are not shy about flexing their muscle. Other unions seek to dominate their markets as well, the AFL-CIO blog

explains "higher union membership = higher wages". They claim it's good for the economy, based on a report by career politicians ("Unions Are Good for the American Economy") who seem to lack interest in subtle economic insights into the questions of consumer surplus, and marginal costs and profits. How is it possible to raise marginal costs and maintain profits? Raise the prices. Consequently, the first loser is consumer surplus, followed by a lower demand, lower profits, and union concessions. Yet, apparently, a powerful union can make concessions and still wind up owing the company. It's a good time to be a union member. ~KR

## Professor Profile - Dr. Danny Ihara

Professor Danny Ihara has been teaching at Humboldt State University since 1992. He finished his graduate studies at the University of Oregon, with an emphasis on global warming, spent two years teaching in Wisconsin and returned to Humboldt County. Since then he has contributed to many discussions and panels on the subject of environmental economics. Most recently Ihara traveled to Wittenburg, Germany to discuss the



Professor of Economics  
Dr. Danny Ihara

the Economic Future of Climate Policy Conference. Dr. Ihara has also been

harmonization of green house gas and emission market, which has to do with a cap and trade policy on green house gas and emissions. In December Dr. Ihara hopes to travel to the Copenhagen to discuss his views at

active in the local community. In 2007 he was elected the President of the Community Services District Board in Manila, and in the past has been active in the un-dam the Klamath project. He has just finished a project of cost account for electronic waste which was contracted by the Integrated Waste Management Board. On a personal note Dr. Ihara is proud to say he has recently become a grandfather for the first time. His daughter gave birth to a baby girl this spring. ~SF

## Student Profile - Vivian Helliwell

Vivian hails from Oak Ridge, TN where her father was associated with the Manhattan Project and her mother was the Regional Director of Planned Parenthood. Though she spent many years as a salmon fisherwoman, she is now the very busy Watershed Conservation Director of the Institute of Fisheries Resources in San Francisco. Vivian was interested in attending Humboldt State, in part because of her involvement with HSU's extended education Institute of Study

of Alternative Dispute Resolution, as well as the low student/teacher ratio in the Economics Department. Her favorite class has been Professor Hackett's Environment and Natural Resources where she developed insight's into the dynamics of market externalities. When she's at home, she relaxes with her husband, Dave, her dog Honey and sometimes rides a trail with Ruby, her mare. Vivian's essay "How Majoring in Economics Enhances My Career Goals" won her this year's Homer Balbanus Scholarship.

After graduating HSU, class of '11, she plans to continue to advocate for salmon habitat and fishing communities on the state level. ~ KR

From her essay:

*"I worked professionally for twenty years as a commercial salmon fisherwoman off the California Coast. What a magnificent time that was!"*

## 2009 Economic Department Awards

The winners of the 2008-2009 economics awards were presented to students on April 23, 2009. The awards are presented every year by the economics faculty of Humboldt State University. The awards dinner was held in conjunction with the senior dinner at Rita's Mexican Res-

taurant. The four awards given to students include the *Adam Smith Award* this year given to **Louis Pavia**, the *Kittleson Scholarship* went to **Teri Grunthanner**, and the *Academic Excellence Award* for the second year in a row was earned by **Casey O'Neill**, and the

*Balbanis Scholarship* given to **Vivian Helliwell**. All these students are being recognized for their outstanding achievements' within and contributions' to the HSU economics department. ~SF



From left to right: Louis Pavia, Teri Grunthanner, Casey O'Neill, and Vivian Helliwell



## Economics Department Events

Senior Dinner: April 23

Finals week: May 11- May 15

Graduation Ceremony: May 16th Noon

To contact the Economics Department here at HSU

Phone: 707-826-3204

Economic department web page :<http://www.humboldt.edu/>

### **TSR Economics Term: Equilibrium**

Equilibrium is some balance that can occur in a model, which can represent a prediction if the model has a real-world analogue. The standard case is the price-quantity balance found in a supply and demand model.

Source: [economics.about.com](http://economics.about.com)

## **Farewell to Seniors – Dr. Erick Eschker**

Dear Graduating Economics Major,

Congratulations on this important accomplishment in your life! For some of you, the hard work and sacrifice is something that you are well aware of. For others, the challenges pale next to the pride and fulfillment that you experienced while at Humboldt State. No matter whether the struggles or the successes are more in your thoughts at this time, please take a moment to reflect on your achievement. You've got great opportunities ahead of you. Some of you know where you

will be in a year, while others have no idea. Like any good economist, the optimist in you will look forward and not focus on sunk costs of the past. Approach your future with purpose and bring excellence to all your efforts. Always be able to say that you did the best that you were able to do, and while you are at it, smile and laugh as much as you can. And if possible, make future generations jealous that they didn't live with you during this great time in human history!



Professor Erick Eschker

Economics Department Chairperson

## **Congratulations Graduating Seniors of 2009**

Whether you are going on to post-graduate work or planning to enter the work force, the staff of TSR wishes you the best of success! Please feel free to e-mail us with details of your future achievements.

\*Lance Baldwin

\*Arthur Osorio

\*Dawne Abdul Al-Bari

\*Casey O'Neill

\*Steven Dixon

\*Louis Pavia

\*Jeffrey Engels

\*Keith Rice

\*Skye Frison

\*Anne-Marie Robles

\*Danny Gibbs

\*Christine Stuckey

\*Erica Delgado

\*Kyle Taylor

\*Enrique Leyva

\*Brigid Wall

\*Lacey McIntire-Campbell

\*Brooke Winterton

\*Chad Locke

\*Andrew Wyatt

\*Tai-Aqua Morgan-Marbet