



ISSUES IN POLITICAL ECONOMY

Undergraduate Student Research in Economics

Volume 29
Issue 1 & 2
July 2020

Editor

Robert West, University of Mary Washington

Associate Editors

Tea Barndt, University of Mary Washington
Bailee Castillo, Elon University
Emily Eames, University of Mary Washington
Christopher Jesus, University of Mary Washington
Jacob Stern, Elon University
Caitlyn Wynn, Elon University
Brandon Williams, University of Mary Washington

Reviewers

Erin Byrne, Colin Emerson, Connor Falla, Brian Finca, Jacob Gavin
Zachary Heinle, Rakel Jonsdottir, Colleen Judge
Patricia Longo, Kelly Mahoney, Kathryn Pierson, Neil Ruggles
Alexander Schultz, Francesco Storm, Danato Tempesta
Marina Thornton, Charles Vosmik

Elon University

University of Mary Washington

Mission Statement

Issues in Political Economy is committed to supporting and encouraging quality undergraduate research in all areas of economics. 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 by simply 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.

Issues in Political Economy is edited and refereed entirely by students, with oversight from faculty at Elon University and University of Mary Washington. In order to maintain quality and objectivity, we follow a double-blind review process. 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

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

Faculty Sponsors:

Steven A. Greenlaw
Professor of Economics
University of Mary Washington
Fredericksburg, VA 22401
Email : sgreenlaw@umw.edu

Stephen B. DeLoach
Professor of Economics
Department of Economics
Elon University
Elon, NC 27244
Email: deloach@elon.edu

NOTE FROM THE EDITOR

Issues in Political Economy began over a decade ago with the goal of developing a forum to further 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 as one of only two undergraduate research journals, and has received submissions from all over the world.

The IPE not only focuses on promoting undergraduate research, but also is a student lead incentive. While faculty oversees the project, an editorial team of senior economic majors primarily leads the journal. Students review all submissions and the final decision-making rests in the hands of the editorial team.

We would like to thank Dr. Steve DeLoach from Elon University and Dr. Steven Greenlaw from the University of Mary Washington for their guidance and support. These faculty members steered much of the process, and the final result would not be possible without them.

The Journal also sponsors an undergraduate session every year, typically in conjunction with the Annual Eastern Economics Association Conference. This year's 27th annual IPE Conference was held in Boston, MA and was a great success, hosting many student papers and allowing students to serve as session chairs and discussants. We would also encourage any future submitters to consider presenting at the conference as well as submitting to the Journal, as the experience of a live presentation is not something to ignore.

It is out of hope that each year's *Issues in Political Economy* will build upon the success of the past and continue to be a creative and beneficial journal for all involved.

Robert West, Editor 2020

FOREWARD

From the University of Maryland, Erik Rosenbaum investigates the subleasing market for apartments and the time constraints that college students face when buying and selling. By focusing on two aspects of seller negotiation (time characteristics and pricing behavior), this paper finds that sellers who posted more frequently were more likely to find a deal before the sublease deadline and settled for higher prices.

Alexander Sefayan, from the University of California, Santa Barbara, observes China and its approach at internationalizing its domestic currency. The paper finds that the People's Bank of China have a long way to go before they can successfully internationalize the renminbi.

Donna Nguyen, from Miami University, provides an in-depth look at non-compete agreements and compensation structure in the technology industry. By observing pay structures in the technology sector, the paper concludes that states that enforce a higher number of NCAs produce lower monetary earnings.

From the University of Mary Washington, Brandon Williams takes a look at the inflation dynamics by observing the Philips Curve and whether the Philips Curve is experiencing a breakdown. By using OLS regression, the paper finds that the Philips Curve is not breaking down, but further research is needed in the sector level as well as a closer look at inflation dynamics.

Francesco Storm, Elon University, uses a merged panel dataset of the World Bank's World Development Indicators and Barro and Lee's Educational Attainment survey, to further examine the Kuznets's hypothesis. Using variations of regression analysis, the paper's findings suggest the Gini coefficient is negatively associated with GDP growth for countries in the bottom decile of the sample capital distribution, and positively associated with countries in the top decile.

From Covenant College. Christopher Chafin examines whether exchange rates are a determinant of foreign direct investments. The paper concludes that there is no statistically significant evidence of a relationship between exchange rates and foreign direct investment. There was significant evidence that volatility had a negative impact on FDI inflows.

Gustavus Adolphus College's Mitchell Munson looks at the current way minimum wage studies are conducted and their focus on only employment levels. The paper finds that current minimum wage studies fall short and this has detrimental consequences when looking at the results.

Lastly, Rylie Greene from American University observes women in the labor force and how years of schooling affects labor force participation in the service, industrial, and agricultural sectors across countries. The paper utilizes panel data regression with random effects and concludes that there is no causal relationship between mean years of schooling and labor force participation.

Robert West, Editor 2020