



2020-2021
**ANNUAL
REPORT**

**INSTITUTE FOR THE STUDY OF
FREE ENTERPRISE**



INSTITUTE FOR THE
STUDY OF
FREE
ENTERPRISE

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 University of
Kentucky



LETTER FROM THE DIRECTOR

Dear Supporter,

In fiscal year 2021 (July 2020 through June 2021), ISFE continued its mission of discovering and understanding how free enterprise affects peoples' lives and the well-being of society. Thanks to generous support from the Joseph W. Craft III Foundation and Charles Koch Foundation, ISFE is able to fulfill that mission through rigorous academic research and an array of student-focused programming including speaker events, a reading group, and contests related to free enterprise, entrepreneurship, and the stock market.

One highlight of the year was the successful recruitment of Ben Rosa to the economics faculty. In the fall, he will join Charles Courtemanche (economics) and Grant Clayton (finance) as ISFE-funded faculty hires. Ben's research is in industrial organization, particularly policies related to government procurement.

In FY '21, ISFE continued its hallmark student-oriented speaker events and reading group, although most of the programming was virtual due to the ongoing COVID-19 pandemic. In the fall, ISFE hosted three prominent speakers for virtual public events. The theme of our fall events was the potential for free enterprise to lift up African American communities. Author Clifton Taulbert discussed the development of Tulsa's "Black Wall Street" and how it was destroyed in race riots. Author A'Lelia Bundles gave a talk on her book on her great-great-grandmother Madam C.J. Walker, the first self-made female millionaire in America. Economist Gary Hoover discussed how economic freedom influences economic growth and racial disparities. In the spring, ISFE hosted Professor Keun Lee, who spoke on US-China trade conflicts. Next, Professor Joseph Sabia gave a talk on how minimum wages are an ineffective tool to lift people out of poverty. Finally, we returned to in-person programming towards the end of the semester, as Bob Lawson and Ben Powell visited campus to discuss their best-selling book "Socialism Sucks: Two Economists Drink their Way through the Unfree World."

ISFE also funded numerous other student-oriented initiatives led by other organizations whose missions align with ours. These included providing prize money for the Von Allmen Center for Entrepreneurship's Entrepreneurs Bootcamp, the finance department's Stock Pitch Competition, and Econ Games. We also funded the Danny Dollar program, which teaches financial literacy to elementary students. Finally, we co-sponsored speaker events on innovation and freedom, minority small business initiatives, Kentucky's economic outlook, free market medicine, and how true liberalism is non-slavery.

Research has always been a strength of the institute, with three of ISFE's faculty affiliates ranking among the top seven economics scholars in Kentucky according to Research Papers in Economics. In FY21, we continued our strong tradition of publishing articles in leading economics journals, presenting at conferences and other universities, and connecting our research to the general public through media citations, articles, and interviews. Additionally, ISFE hired three undergraduate research assistants as well as full-year PhD student research assistants Anh Le and Yaxiang Song.

Moreover, ISFE also supports the *Southern Economic Journal*, which I edit. In the spring of 2021, the journal published a special issue on the political economy of COVID-19, edited by Dr. Pete Boettke of the Mercatus Center and Dr. Ben Powell of Texas Tech's Free Market Institute. We are also preparing another special issue entitled "Free Markets and Healthcare."

In short, ISFE had an active and productive year in FY 2021. We look forward to building on this success in 2021-22.

Sincerely,



Charles Courtemanche
Director



OVERVIEW

The mission of the Institute for the Study of Free Enterprise is to generate intellectually rigorous research and an open dialogue to discover and understand how free enterprise affects peoples' lives and the well-being of society. We aim to fulfill that mission through a combination of student programming, public events, and support for faculty and student research. The rest of this report is organized based on those activities.

Section I - Staff and Affiliates

- Directors
- Staff
- Undergraduate Research Assistants
- Graduate Research Assistant
- Faculty Affiliates

Section II – Speaker Events

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- I Got My Start by Giving Myself a Start
- Innovation and Freedom
- Racial and Distributional Aspects of Economic Freedom
- Economic Outlook Conference
- Minority Small Business Initiative
- Assessment After the US-China Trade Conflicts
- Free Market Medicine: A Working Model
- True Liberalism is Non-Slavery
- Do Higher Minimum Wages Reduce Poverty?
- Two Economists Drink Their Way Through the Unfree World

Section III – Other Programming

- Junto Club
- Wall Street Journal
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- Econ Games
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Section IV – Research

- Faculty Research Grant Program
- Working Paper Series
- Scholarly Journal Articles
- Book Chapters
- Presentations
- Media Coverage
- *Southern Economic Journal*

Section V – Financials



DIRECTORS

Dr. Charles Courtemanche, Director

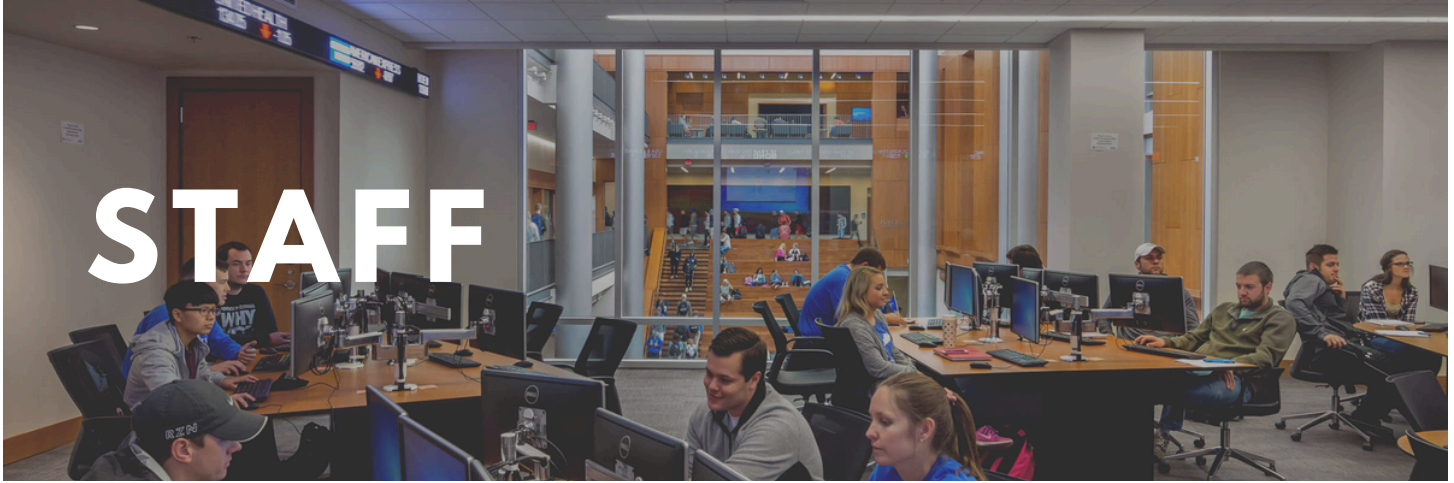
Charles Courtemanche is an Associate Professor of Economics at the Gatton College of Business who was hired in 2018 in an ISFE-funded faculty position. He became ISFE's director in 2019. He is a health economist and applied microeconomist with particular research interests in the economics of obesity and nutrition, health insurance, COVID-19, and big box retailers. Research Papers in Economics ranks him #1 in Kentucky in economics research productivity over the past ten years. He also holds research appointments with the National Bureau of Economic Research and Institute of Labor Economics.



Dr. Darshak Patel, Associate Director

Darshak Patel is the ISFE Associate Director, Senior Lecturer of Economics, and Director of Undergraduate Studies at the Gatton College of Business. He teaches many of the economics department's large introductory courses, which are taken by students from across the university. He therefore plays a key role in introducing students to the principles of free enterprise and encouraging them to participate in ISFE's events and programs.





STAFF



Alex McGlothlin

After receiving his PhD in Economics from the University of Kentucky in August 2020, Alex became the ISFE Post-Doctoral Fellow. When new working papers are released by ISFE, Alex creates a lay summary to accompany each paper. Alex is also the facilitator for the ISFE Junto Club. Additionally, he conducts his own independent research in the area of industrial organization and teaches in the economics and MBA programs.

Kelsey Drury

Kelsey was hired in December 2019 as the ISFE administrative assistant. She is the point person for all aspects of event planning, including visitor itineraries, schedules, payments, reimbursements, and meals. As our events moved online due to COVID, she developed new virtual skills, such as running Zoom webinars, and was essential to the smooth transition of our operations.



UNDERGRADUATE RESEARCH ASSISTANTS



Ben Davison

Ben was hired during the spring 2021 semester. He is now a junior double majoring in finance & Economics with a minor in Math.

Morgan Rohleder

Morgan worked for ISFE during the spring 2021 semester. She graduated from UK in May 2021 with a Math & Economics degree.



Brianne Thomas

Brianne was hired during the spring 2021 semester. She is a senior majoring in Economics. Brianne graduated from UK in May 2021.





Anh Le

Anh is a fifth-year Economics PhD student who served as an ISFE Research Assistant during the 2020-2021 academic year. ISFE Director Charles Courtemanche is her main advisor and former ISFE Director Aaron Yelowitz is a member of her dissertation committee. Anh is a co-author of Courtemanche and Yelowitz on their widely publicized studies of the effects of social distancing restrictions on the spread of COVID-19, including one published in *Health Affairs*, the top journal in the field of health policy.



Yaxiang Song

Yaxiang, a fourth-year student in the Economics PhD program during the 2020-2021 academic year, served as another research assistant. Yaxiang studies health and public economics. ISFE Director Charles Courtemanche is her main advisor. Her dissertation examines the impacts of expansions of government-provided health insurance and education in China.



FACULTY AFFILIATES

Upon its founding, one of ISFE's main initiatives was to hire faculty members in the Gatton College who would contribute to our understanding of how free enterprise affects society through their research while also helping to develop our student-oriented programming. UK currently employs two faculty members hired under this initiative: Charles Courtemanche (who has since become ISFE Director and was therefore discussed above) and Grant Clayton. We also had a successful search this year for a third: Ben Rosa (currently an assistant professor at Virginia Tech), who will join the economics department in fall 2021. ISFE is committed to paying all expenses associated with these faculty members for five years, including academic year and summer salary, benefits, travel, and other research-related expenses. Additionally, ISFE has a number of affiliated faculty members whose salary and benefits are funded by the university. **Together, ISFE faculty affiliates taught 30 course sections in 2020-2021 containing 2,587 students.**



Grant Clayton

Grant is an assistant professor in the finance department. He was hired in 2018. His research field is empirical corporate finance. Specifically, he studies the interaction between firm financial decisions and various aspects of its industrial environment, such as pricing frictions, taxes, labor, and regulations.

FACULTY AFFILIATES



David Blackwell

David is currently serving as provost of the University of Kentucky. He was the Gatton College dean from 2012-2018 and was instrumental in the founding of ISFE during his tenure.

David Bradshaw

David is a philosophy professor at the College of Arts & Sciences. Through his research, David examines the philosophical roots between the eastern and western branches of Christianity.



John Garen

John Garen is the BB&T Professor of Economics and was the founding director of ISFE. His research interests include labor and human economics.

Jim Fackler

Jim is a professor emeritus of economics whose research specialty is macroeconomics.





Wendy Liu

Wendy is a senior lecturer of finance at the Gatton College. She teaches both undergraduate and graduate-level corporate finance, international finance, and investment courses.

Frank Scott

Frank is a Gatton Endowed Professor in Economics. His research interests include applied microeconomic theory, antitrust, and public policy.



Ken Troske

Ken is the Richard W. and Janis H. Furst Endowed Chair of Economics as well as a research fellow with the Institute for the Study of Labor (IZA). He specializes in labor and education economics.

Patrick Walker

Patrick is the inaugural Ruth Jones Lewis Faculty Scholar in Entrepreneurship & Free Enterprise at the Lewis Honors College. He teaches courses on entrepreneurship, free enterprise, and conscious capitalism.



Aaron Yelowitz

Aaron is a former director of ISFE. He is a professor of economics at the Gatton College and a senior fellow at the Cato Institute. His research fields are health and public economics.



SPEAKER EVENTS



TULSA'S BLACK WALL STREET

SEPTEMBER 10, 2020

Speaker: Clifton Taulbert



Due to COVID-19, most of our events in 2020-2021 were virtual. Our first event, co-sponsored by the Lewis Honors College and Martin Luther King Center, featured Clifton Taulbert. Taulbert discussed his research on the Greenwood District in Tulsa, Oklahoma, referred to as "Black Wall Street". This was a thriving African American community before it was destroyed in the Tulsa race massacre. Taulbert gave the audience an opportunity to see the many pathways that would eventually bring together the minds of the African Americans and native freedmen who dared to dream and live big.

I GOT MY START BY GIVING MYSELF A START

SEPTEMBER 29, 2020

Speaker: A'Lelia Bundles



ISFE hosted Ms. A'Lelia Bundles for another event co-sponsored by the Lewis Honors College and Martin Luther King Center. Ms. Bundles discussed her book "On Her Own Ground: The Life and Times of Madam C.J. Walker". This novel outlines the life of her entrepreneurial great-great-grandmother, the first female self-made millionaire in America. Netflix created a fictional four-part series named "Self Made" in March 2020 that is based on this book. ISFE ordered over 100 books to give to event attendees.

INNOVATION AND FREEDOM



NOVEMBER 5, 2020

Speaker: Matt Ridley



Matt Ridley is a best-selling author. Ridley has written several books related to science and human progress and has sold more than a million copies. During this event, Ridley discussed his latest book "How Innovation Works and Why it Flourishes in Freedom". The event was hosted by the University of Louisville Center for Free Enterprise. ISFE co-sponsored by helping to promote the event and encouraging turnout.



RACIAL AND DISTRIBUTIONAL ASPECTS OF ECONOMIC FREEDOM

NOVEMBER 12, 2020

Speaker: Gary Hoover



Dr. Gary Hoover was invited to speak on his research of economic freedom in relation to racial and distributional aspects. This event was co-sponsored by the Lewis Honors College and African American & Africana Studies. During this event, Dr. Hoover discusses the income gap between different races. After covering the data, Dr. Hoover addressed economic freedom and whether or not it can help close the gap. Findings include that financial deregulation, while promoting growth overall, also increases inequality.

ECONOMIC OUTLOOK CONFERENCE

FEBRUARY 3, 2021



251
REGISTERED
ATTENDEES

ISFE was a presenting sponsor of the 32nd Annual Economic Outlook Conference, which took place virtually. ISFE Director Charles Courtemanche served as moderator for this year's virtual conference. The purpose of the conference was to provide local business leaders insights from leading experts on the outlook for the local, state and national economy, financial markets, and current topics of interest like COVID-19.

MINORITY SMALL BUSINESS INITIATIVE

FEBRUARY 19, 2021

Speaker: John Pointer



John Pointer is a former professional football player, entrepreneur, author, and social activist. The Lewis Honors College, Von Allmen Entrepreneurship Center, and the University of Kentucky Salesforce Club co-sponsored this event. Pointer discussed his experience creating a multi-million dollar petroleum distribution firm, Pointer Oil Company. As an individual recognized as an expert on "specialized small business programs", Pointer was able to provide valuable insights to future entrepreneurs.



ASSESSMENT AFTER THE US-CHINA TRADE CONFLICTS

MARCH 11, 2021

Speaker: Keun Lee



Keun Lee is the Vice-Chairman of the National Economic Advisory Council, a professor of economics at Seoul National University, and head of the Center for Comparative Economic Studies at Seoul National University. During this virtual event, Keun Lee discussed findings from his book "The Art of Economic Catch-Up: Barriers, Detours and Leapfrogging into Innovative Systems". Lee analyzed developing countries and China's ability to overcome the common economic plateau to which others have fallen victim.

FREE MARKET MEDICINE: A WORKING MODEL

MARCH 18, 2021

Speaker: G. Keith Smith, MD



ISFE provided financial support for this virtual event hosted by the College of Charleston as part of their Adam Smith week. G. Keith Smith discussed the power and beauty of a medical free market through the story of the Surgery Center of Oklahoma. In 2009 Smith launched a website displaying all-inclusive pricing for various surgical procedures. Through his revolutionary approach to the pricing of healthcare, Smith continues to benefit self-funded, cost-sharing, and uninsured individuals.

TRUE LIBERALISM IS NON-SLAVERY

APRIL 6, 2021

Speaker: Dierdre McCloskey



160
LIVE ATTENDEES
ON ZOOM

Deirdre McCloskey was featured in the Lewis Honors College Virtual Speakers Series. ISFE sponsored her talk. McCloskey presented her view that true liberalism - not how it's popularly used in the US - requires that people be treated not as slaves of a master or to the state, local or federal, but granted social equality, economic liberty, and legal justice. It is proclaimed by McCloskey that liberalism makes us rich, raises up the "wretched" of the earth, and is not the worst system for our souls as well.

DO HIGHER MINIMUM WAGES REDUCE POVERTY?

APRIL 21, 2021

Speaker: Joseph J. Sabia



Joseph Sabia is a labor and health economist whose research examines the economics of risky health behaviors, minimum wage policy, labor market discriminations, and much more. During this event, Sabia focused on the history of minimum wage rates and how it relates to poverty. Sabia examined the literature on whether raising the minimum wage is the most efficient and effective way to reduce poverty, concluding that it is not.

TWO ECONOMISTS DRINK THEIR WAY THROUGH THE UNFREE WORLD



MAY 6, 2021

Speakers: Bob Lawson and Ben Powell



119
IN-PERSON AND
VIRTUAL
ATTENDEES

In ISFE's first in-person event since the start of the COVID-19 pandemic, Bob Lawson and Ben Powell discussed their book "Socialism Sucks: Two Economists Drink Their Way Through the Unfree World". Lawson and Powell not only have data, but firsthand global experiences that show socialism has faults and is not an ideal solution to economic unrest. Their book delves into the promises socialism makes but fails to keep.

A group of people are seated around a long, light-colored wooden conference table in a meeting room. The room has a neutral, light-colored wall. The text 'OTHER PROGRAMMING' is overlaid in large, white, bold, sans-serif capital letters across the center of the image. The people are dressed in casual to business-casual attire, including a blue sweatshirt, a camouflage jacket, and a green sweater. One person on the right is resting their chin on their hand, appearing to be in thought.

OTHER PROGRAMMING



JUNTO CLUB

The Junto Club brings together University of Kentucky students on a biweekly basis to discuss free market-related readings and more.

We selected 16 students to participate in the fall 2020 reading group and 14 students to participate in spring 2021. Students ranged from freshmen to seniors and were roughly evenly split between Gatton College and non-Gatton College majors. Alex McGlothlin, the ISFE Post-Doctoral Fellow, facilitated the group. Different topics, all of which related to free enterprise, were discussed at each group meeting. At the beginning of each semester, the students were asked what areas of free enterprise they were interested in to help guide the topics chosen for discussion.





Thanks to a partnership between the Institute for the Study of Free Enterprise (ISFE) and the Student Government Association (SGA), all members of the University of Kentucky community now have access to the online version of the Wall Street Journal. This has a potential for high return on investment for the institute with over 30,000 students enrolled in UK in a given academic calendar year.

THE WALL STREET JOURNAL
WSJ

LEWIS HONORS COLLEGE CONTEST

ISFE faculty and staff served as “Celebrity VIP Judges” for Professor Patrick Walker's entrepreneurship courses in the Lewis Honors College. Professor Walker has groups of students shadow and study existing small businesses during the semester. After observing, the students prepared an oral presentation to offer consulting-style recommendations to the small businesses. ISFE affiliates and staff watched the students present their final projects and then judged their suggestions for each small business.



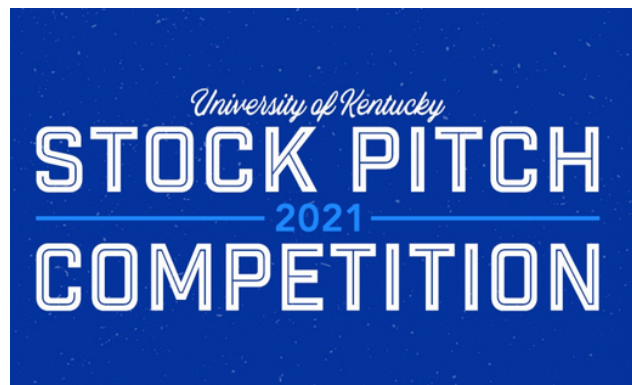
ECON GAMES

The institute sponsored prize money for the 2021 Econ Games. The Econ Games is a data competition cofounded by Dr. Abdullah Al-Bahrani, Northern Kentucky University Associate Professor of Economics, and Dr. Darshak Patel, ISFE Associate Director. Students are challenged by our corporate sponsor/partner to help them solve a business problem through data analysis. The students have 24 hours to solve the data challenge and present it to judges. In 2021, a total of 266 students from 18 different universities across the United States, Canada, and England participated. The 2021 Econ Games was hosted virtually on Zoom. The data sponsor was the Federal Reserve Bank of Cleveland.



STOCK PITCH COMPETITION

ISFE was a prize money sponsor for the 2021 University of Kentucky Stock Pitch Competition. The competition was organized by the Department of Finance and Quantitative Methods at the Gatton College of Business and Economics. Each team was comprised of 2-4 students in undergraduate and graduate programs at the University of Kentucky. A total of 18 teams participated. The competition was judged by a panel of industry experts. Each team gave a 10-minute presentation followed by a 20-minute Q&A session. The pitches were judged based on the quality of investment idea, quality of the presentation,



and the ability to effectively answer all questions during the Q&A portion. Out of the 18 teams, 7 finalists were selected. Out of the 7 finalists, two winning teams were awarded prize money. Both teams that won were made up of students enrolled in the Gatton College of Business and Economics. First place went to Chris Tan, a finance major, and Cooper Winrich, an accounting and finance major. Second place went to Trevor Payne, a finance and economics major, and Jake Keys, a finance and mathematics major.



In 2020-2021, ISFE continued its partnership with the Von Allmen Center for Entrepreneurship (VACE). VACE runs an "Entrepreneurs Bootcamp" program where teams of individuals compete for cash prizes by developing a real-world business concept with the goal of eventually bringing it to fruition. All participants meet every week for two hours during the fall and spring semester to learn a new business skill, then the teams meet separately during the week to apply it. The top teams advance to Program 2.0 in the spring. ISFE provided the prize pool, helped publicize the program, and provided input into the content to further emphasize principles of free enterprise. Bootcamp 1.0 of the Fall 2020 semester had 27 participants. Bootcamp 2.0 in the Spring 2021 semester had 26 participants.



In addition to the Entrepreneurs Bootcamp, ISFE also provided funding for the Von Allmen Center for Entrepreneurship "Wildly Possible" Virtual Startup Contest.

The Virtual Startup Contest pitches took place on July 20th, 2020. This contest was open to all Kentucky entrepreneurs. Any student, graduate, individual with an idea, or current registered company located in Kentucky was able to participate. The top 5 finalists were selected out of over 150 applicants. The top finalists were teams GreekTrack, Synaptek, Quench & Temper, Sol Kendamas, and TalPort. After presenting their pitches in front of judges, the teams were ranked from 1st to 5th place and all received prize money.

1st Place: Synaptek

2nd Place: Quench & Temper

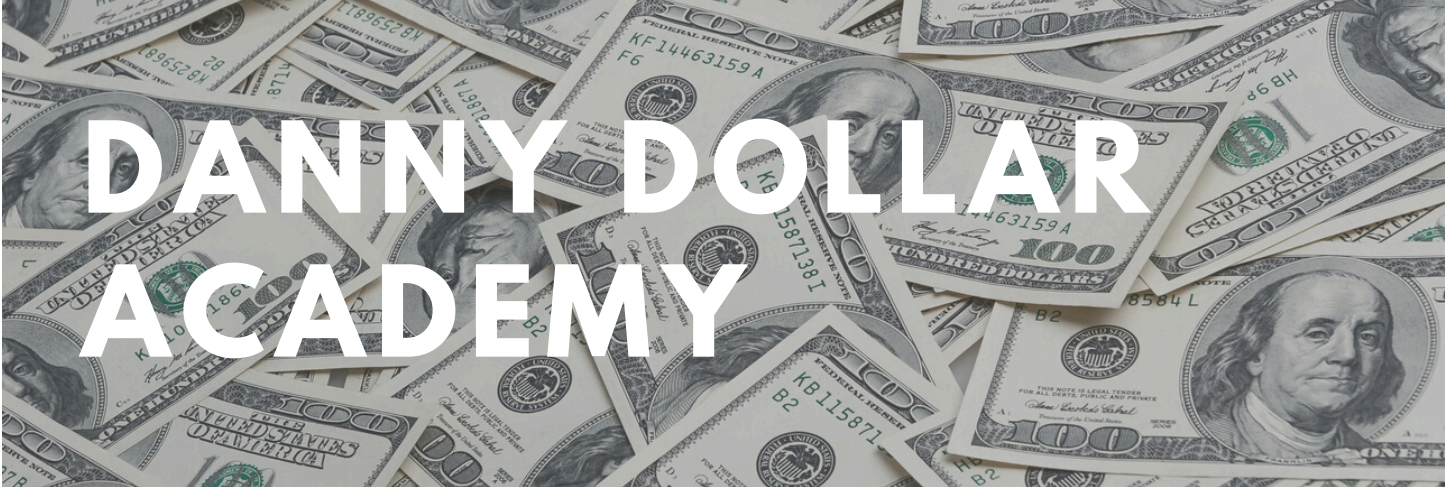
3rd Place: GreekTrack

4th Place: TalPort

5th Place: Sol Kendamas

The Institute was happy to sponsor the awards for this event. We look forward to keeping up with the progress of their companies.





ISFE partnered with the NKU Center for Economic Education on the Danny Dollar program to reach 3,800 students during the academic year 2020-2021. The program provided 103 educators with professional development on how to teach entrepreneurship, financial literacy, and economics for 3rd to 5th graders. Danny Dollar Academy is a revolutionary financial literacy, economics, and entrepreneurship program created for elementary school students to learn the basics of finance, free enterprise, and economics. The program is based on the best-selling children's book "Danny Dollar Millionaire Extraordinaire: The Lemonade Escapade". Students read the book and over the course of the program learn the principles of credit, debit, banking, how to start a business, and marketing.



FACULTY RESEARCH GRANT PROGRAM

The background of the header features several stacks of gold coins of varying heights, arranged from left to right in increasing order of height. The coins are stacked on a dark surface against a light grey background.

The first way in which ISFE fulfills our research mission is by providing financial support for research related to free enterprise. Relevant topics include, but are not limited to, comparative economic systems, entrepreneurship, business strategy and financing, and consequences (both intended and unintended) of government interventions such as taxation and regulation.

Our Faculty Research Grant Program provides small grants (up to \$15,000) toward summer salary for faculty at UK or other universities whose research is academically promising and fits within the scope of our mission. We typically issue a call for proposals in late spring. Proposals are scored – taking into account both scholarly merit and institute fit – by anonymous ISFE affiliates who did not themselves submit a proposal. ISFE Director Charles Courtemanche then makes funding decisions based on the reviewers' scores and his own assessment. Awards are typically paid in July or August. Upon completing their research, scholars present their findings at a Faculty Research Day.

Research Grant Closing Presentations

At the 2021 Faculty Research Day, held on April 16th, recipients of research grant awards presented their final results. The presenters and their projects were:

- Aaron Yelowitz (University of Kentucky), "How Important are Racial Disparities in COVID-19? Evidence from 6 Large Cities"
- Mike Pesko (Georgia State University), "Effect of E-cigarette Age Restriction Laws on Tobacco Use"
- Bill Hoyt (University of Kentucky), "Bio-fuels, Price Supports, Tariffs, and Urban Growth in the American Heartland"
- Rajeev Darolia (University of Kentucky), "Student Loan Servicer Accountability"
- Leonce Barger (University of Kentucky), "Buying Publicly Traded Stock at a Premium? The Curious Case of Premium PIPES"
- Tian Qiu (University of Kentucky), "Filing Agents and Corporate Disclosure"
- Brian Bratten (University of Kentucky), "Measurement of Executive Compensation in Mandated SEC Disclosures: Implications for the CEO Pay Ratio"
- Chris Clifford (University of Kentucky), "Trust and Race: Evidence from the Market for Financial Advice"
- Will Gerken (University of Kentucky), "Slipping Through the Regulatory Cracks"
- Russell Jame (University of Kentucky), "Non-Deal Roadshows, Informed Trading, and Analyst Bias"



2021 Grant Cycle – Awards Announced

Awards for ISFE’s 2021 Summer Faculty Research Grant Program were announced at the end of the 2020-2021 fiscal year. We received 21 proposals and made 14 awards:

\$15,000 funding level

- Mike Pesko (Georgia State University), "Effect of E-Cigarette Age Restriction Laws on Tobacco Use"



\$10,000 funding level

- Aaron Yelowitz (University of Kentucky), "The Impact of School Reopenings on Mobility and Return-to-Work"
- David Sovich (University of Kentucky), "How Did Expanded Unemployment Insurance (UI) Benefits Affect the Job Search Incentives Throughout the COVID-19 Pandemic (March 2020 to Summer 2021)"
- Timothy Harris (Illinois State University) and Aaron Yelowitz (University of Kentucky), "Paid Sick Leave and Absenteeism"



\$7,500 funding level

- Darshak Patel (University of Kentucky), "Impacts of ISFE Initiatives: Danny Dollar, Econ Games, and the Wall Street Journal"
- Catherine Maclean (Temple University), "The Effect of E-Cigarette Taxes on Smoking Cessation Medications: Quasi-Experimental Evidence from Insurance Claims and Retail Sales Data"
- Moiz Bhai (University of Arkansas at Little Rock), "Does Occupational Licensing Reform Save Lives"
- Will Gerken (University of Kentucky) and Morteza Momeni (University of Kentucky), "Third Party Quality Certification in the Market for Financial Advice"



\$5,000 funding level

- Bibek Adhikari (Illinois State University), "The Largest Sin Taxes Have Smaller than Average Pass-Through"
- Conor Lennon (University of Louisville), "Employer-Sponsored Health Insurance and Labor Market Outcomes for Gay Men: Evidence from the Advent of Pre-Exposure Prophylaxis"
- Darshak Patel (University of Kentucky) and Abdullah Al-Bahrani (Northern Kentucky University), "Financial Literacy Education Mandates and the Growth of Entrepreneurship"
- Russell Jame (University of Kentucky), "Place your Bets? The Market Consequences of Investment Research on Reddit's Wallstreetbets"
- Stefan Bird-Pollan (University of Kentucky), "Taxation and Utilitarianism"
- Tyler Kleppe (University of Kentucky), "The Effects of Changes in Auditor Regulation on Corporate Tax Behavior"



WORKING PAPER SERIES



ISFE provides a platform for early dissemination of free-enterprise-related research through our working paper series. This allows time-sensitive results to reach the academic community, policymakers, the media, and the general public much faster than they would otherwise. It often takes years for studies to work their way through the publication process at economics and business journals, and pre-print dissemination has become increasingly necessary for scholars' work to have maximum impact. ISFE faculty affiliates, their students, and grant awardees are eligible to include their research in the ISFE Working Paper Series.

For each working paper, ISFE staff write research briefs aimed at summarizing technical research for a lay audience. For particularly promising papers, ISFE works with the Gatton College's PR staff to craft a press release, which we then promote through social media, our website, and personal outreach to media contacts. This strategy led to media coverage for several of this year's studies.

ISFE Working Papers Released in FY 2021

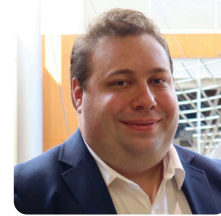
Working Paper No. 30, July 2020. Benitez, Joseph (pictured), **Charles Courtemanche**, and **Aaron Yelowitz** "Racial and Ethnic Disparities in COVID-19: Evidence from Six Large Cities"



Working Paper No. 31, September 2020. **Garen, John** (pictured) "Some Basics of Capitalism and Socialism and Implications for Human Liberty, Morality, and Fairness"



Working Paper No. 32, October 2020. Elzinga, Kenneth and **Alexander McGlothlin** (pictured) "Has Anheuser-Busch Let the Steam Out of Craft Beer? The Economics of Acquiring Craft Brewers"



Working Paper No. 33, October 2020. Darolia, Rajeev (pictured) and Andrew Sullivan "Federal Student Loan Servicing Accountability and Incentives in Contracts"



Working Paper No. 34, October 2020. **Troske, Kenneth** (pictured) and Paul Coomes "Measuring the Spread of COVID-19 in Kentucky: Do We Have the Right Data?"



Working Paper No. 35, November 2020. Coomes, Paul (pictured) "Some Regional Economic Perspectives on Covid-19 Impacts"



Working Paper No. 36, November 2020. Harris, Timothy (pictured), **Aaron Yelowitz**, and **Charles Courtemanche** "Did COVID-19 Change Life Insurance Offerings?"



Working Paper No. 37, December 2020. **Garen, John** (pictured) "Facts and Trends Regarding Performance and Funding of K-12 in Kentucky"



Working Paper No. 38, January 2021. **Yelowitz, Aaron** and Samuel Ingram (pictured) "How Does Occupational Licensing Affect Entry into the Medical Field? An Examination of EMTs"



Working Paper No. 39, January 2021. Bollinger, Christopher (pictured) and **Aaron Yelowitz** "Targeting Intensive Job Assistance to Ex-Offenders by the Nature of Offense: Results from a Randomized Control Trial"



Working Paper No. 40, May 2021. **Courtemanche, Charles, Anh Le, Aaron Yelowitz**, and Ron Zimmer (pictured) "School Reopenings, Mobility, and COVID-19 Spread: Evidence from Texas"



SCHOLARLY JOURNAL ARTICLES

- Al-Bahrani, Abdullah, **Darshak Patel**, and Jamie Weathers (2020). "Can Financial Literacy Education Reduce the Use of Medicaid and SNAP?" *Financial Services Review*, 20(4): 303-314.
- Al-Bahrani, Abdullah, Whitney Douglas-Buser, and **Darshak Patel** (2020). "Early Causes of Financial Disquiet and the Gender Gap in Financial Literacy: Evidence from College Students in the Southeastern United States." *Journal of Family and Economic Issues*, 41: 558-571.
- Barrus, David and **Frank Scott** (2020). "Single Bidders and Tacit Collusion in Highway Procurement Auctions." *Journal of Industrial Economics*, 68(3): 483-522.
- Benitz, Joseph, **Charles Courtemanche**, and **Aaron Yelowitz** (2020). "Racial and Ethnic Disparities in COVID-19: Evidence from Six Large Cities." *Journal of Economics, Race, and Policy*, 3: 243-261.
- Choi, Sun-Ki and **John Garen** (2021). "The Federal-Private Wage Differential: How Has it Evolved?" *Applied Economics*, 53(5): 536-554.
- Courtemanche, Charles**, James Marton, Ben Ukert, **Aaron Yelowitz**, and Daniela Zapata (2020). "The Impact of the Affordable Care Act on Health Care Access and Self-Assessed Health in the Trump Era (2017-2018)." *Health Services Research*, 55(S2): 841-850.
- Courtemanche, Charles**, James Marton, and **Aaron Yelowitz** (2020). "The Full Impact of the Affordable Care Act on Political Participation." *Russell Sage Journal of the Social Sciences*, 6(2): 179-204.
- Courtemanche, Charles**, Joseph Garuccio, **Anh Le**, Josh Pinkston, and **Aaron Yelowitz** (2020). "Strong Social Distancing Measures Reduce the COVID-19 Growth Rate." *Health Affairs*, 39(7): 1237-1246.
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PRESENTATIONS

David Bradshaw

- Orthodox Theological Society of America
- Orthodox Scholars Association



Grant Clayton

- University of Kentucky Finance Seminar
- Kent State University Firestone Lecture Series



Charles Courtemanche

- Southern Economic Association Conference
- Foundation for a Smoke Free World
- University of Virginia



John Garen

- Kentucky Economic Association
- Southern Economic Association Conference



Alex McGlothlin

- Southern Economic Association Conference



Darshak Patel

- National Economics of Teaching Association
- Kentucky Economic Association Conference
- St. Louis Fed Professors Annual Conference
- Center for Teaching and Learning Economics (CTaLE) Seminar
- American Economic Association Conference
- Mission College
- West Valley College
- University of Wisconsin, Milwaukee
- Bethel University
- Midwest College
- Stony Brook College



Yaxiang Song

- Chinese Economists Society North America Conference
- Kentucky Economic Association Conference
- Western Economics Association International Annual Conference
- American Society of Health Economists Annual Conference



Patrick Walker

- Small Business Institute Annual Conference





MEDIA COVERAGE

Benitez, **Courtemanche**, and **Yelowitz** study on racial and ethnic disparities in COVID-19

- The Hill, March 30, 2021, "Child care tax credit can end no-win choice for working parents"
 - Gabrielle Pepin

Courtemanche, Le, Yelowitz and Zimmer study on COVID-19 spread with school reopenings and mobility

- Marginal Revolution, May 10, 2021, "Texas Covid and school reopenings"
 - Tyler Cowen
- Forbes, May 10, 2021, "School Reopenings 'Substantially' Increased Covid-19 Spread in Texas, Economic Study Finds"
 - Alison Durkee
- El Paso Times, May 11, 2021, "Resuming in-person learning accelerated spread of COVID-19, study says"
 - Marissa Martinez
- Washington Post, May 12, 2021, "The economic recovery is getting messy. Just ask working women"
 - Hannah Denham, Taylor Telford, and Andrew Van Dam
- Yahoo!, May 14, 2021, "School Report Card: SC governor and department of education at odds over masks in schools, public schools are mixed on mandating vaccines"
 - Korin Miller
- ABC News, May 20, 2021, "Rapid school reopenings may have led to thousands of COVID cases, hundreds of deaths"
 - Marlene Lenthang
- New York Times, June 22, 2021 "She Fought to Reopen Schools, Becoming a Hero and a Villain"
 - Dana Goldstein
- Fox 7 Austin, June 29, 2021, "Some Texas students with disabilities thrived on remote learning, but have few options this fall"
 - Izz Scott Lamagdeleine

Courtemanche, Harris, and Yelowitz study on COVID-19's effect of on life insurance offerings

- Market Watch, December 14, 2020, "Has COVID-19 made life insurance more expensive? These researchers say they have the answer"
 - Andrew Keshner

- Wall Street Journal, June 25, 2021, "Covid Isn't Done Changing the Life Insurance Industry Just yet"
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Courtemanche, Garuccio, **Le**, Pinkston, and **Yelowitz** study on COVID-19 growth rate in relation to social distancing measures

- Vox, July 8, 2020, "Why Arizona is suffering the worst Covid-19 outbreak in the US"
 - German Lopez
- Vox, July 9, 2020, "I'm an epidemiologist and a dad. Here's why I think schools should reopen."
 - Benjamin P. Linas
- Vox, July 17, 2020, "Florida now has more Covid-19 cases than any other state. Here's what went wrong."
 - German Lopez
- Vox, July 30, 2020, "San Francisco's lonely war against Covid-19"
 - German Lopez
- Vox, August 11, 2020, "America's uniquely bad Covid-19 epidemic, explained in 18 maps and charts"
 - German Lopez
- Vox, August 13, 2020, "Drug overdoses were increasing before Covid-19. The pandemic made things worse."
 - German Lopez
- Vox, September 14, 2020, "Why Covid-19 case numbers are falling in the US"
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 - Catherine Clase
- Vox, November 18, 2020, "The next Covid-19 superspreading event: Thanksgiving"
 - German Lopez
- NPR, November 24, 2020, "How Do We Stop This Surge? Here's What Experts Say Could Help."
 - Will Stone
- The National Interest, January 5, 2021, "Seat Belts and Smoking Rates Show Mask-Wearing is Not a Lost Cause"
 - Randy P. Juhl
- NPR, January 31, 2021, "Did Closing Schools Save Lives Or Cost Lives? The Debate Continues"
 - Anya Kamenetz
- Centers for Disease Control and Prevention, March 12, 2021, "Association of State-Issued Mask Mandates and Allowing On-Premises Restaurant Dining with County-Level COVID-19 Cases and Death Growth Rates – United States, March 1-December 31, 2020"
- Vox, April 6, 2021, "New data disproves a big concern about Covid-19 lockdowns"
 - German Lopez
- Vox, June 3, 2021, "California mandated masks. Florida opened its restaurants. Did any of it matter?"
 - Dylan Scott

Miscellaneous

- The Disruption Zone, August 5, 2020, "[Free Markets are the Answer, Not the Problem](#)"
 - Leland Conway
 - **John Garen** interviewed
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 - George Will
 - **John Garen** mentioned
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 - **John Garen** and Gary Houchens
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 - **John Garen** and Gary Houchens
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 - **John Garen** and Gary Houchens
- State Journal, Frankfort, January 15, 2021, "[Helping parents with their kids' schooling](#)"
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 - **John Garen** and Gary Houchens
- Time Tribune, January 22, 2021, "[Helping parents with their kids' schooling](#)"
 - **John Garen** and Gary Houchens
- California Healthline, February 3, 2021, "[A Recipe for Trouble? Reversal of California Outdoor Dining Ban Has Heads Spinning](#)"
 - Anna Almendrala
 - Quotes from **Aaron Yelowitz**
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 - **Aaron Yelowitz**
- California Healthline, May 24, 2021, "[Corporations Encourage Employee Vaccination but Stop Short of Mandates](#)"
 - Anna Almendrala
 - Quotes from **Aaron Yelowitz**
- CT Post, June 10, 2021, "[CT law could leave more workers with fewer hours](#)"
 - **Aaron Yelowitz**
- Morning Consult, June 10, 2021, "[How to Beat the Tobacco Smoking Epidemic: Set E-Cigarette and Snus Taxes Significantly Lower Than Combustible Tobacco Taxes](#)"
 - **Charles Courtemanche**, Catherine Maclean, and Michael Pesko
- The Disruption Zone, June 16, 2021, "[Why You Should Care About Inflation](#)"
 - Leland Conway
 - **John Garen** interviewed


SOUTHERN ECONOMIC JOURNAL

The *Southern Economic Journal* - the flagship journal of the Southern Economic Association - is "housed" at the University of Kentucky, with ISFE Director Charles Courtemanche being the lead editor. As part of UK's agreement with the association, ISFE pays half the cost of the journal's part-time editorial assistant, Ms. Hayley Wyatt. In return, the journal provides ISFE with instant credibility for our research mission, as well as a platform to disseminate peer-reviewed free-enterprise-related research.

In particular, at the editor's discretion, the journal can publish "symposia", or parts of an issue devoted to a particular topic. For instance, a symposium entitled "The Political Economy of COVID-19 Restrictions", edited by Drs. Pete Boettke (George Mason University Economics Department and Mercatus Center) and Ben Powell (director of Texas Tech University's Free Market Institute, was published in April 2021. Another symposium, entitled "Free Markets and Healthcare", edited by Charles Courtemanche and Aaron Yelowitz, is in preparation.



FINANCIALS



\$3,500,000
\$3,000,000
\$2,500,000
\$2,000,000
\$1,500,000
\$1,000,000
\$500,000



Grants Received and Total Expenditures by Fiscal Year

	<i>Payments</i>						<i>Total</i>
	<i>Actual</i>						
	FY16	FY17	FY18	FY19	FY20	FY21	
Schnatter	300,000	380,228	378,124	-			1,058,352
Koch	200,000	253,485	252,083	986,365			1,691,933
Craft	-	-	-	1,000,000	1,000,000	1,000,000	3,000,000
Jill Ramsey & Other Gifts				50,000	33,500	5	83,505
	500,000	633,713	630,207	2,036,365	1,033,500	1,000,005	5,833,790

	FY16	FY17	FY18	FY19	FY20	FY21
Beginning Balance	-	406,325	749,645	965,865	2,026,660	2,056,369
Gifts	500,000	633,713	630,207	2,036,365	1,033,500	1,000,005
Revenue	500,000	1,040,038	1,379,852	3,002,230	3,060,160	3,056,374
Expense	93,675	290,393	413,987	975,571	1,003,790	1,201,436
Ending Balance	406,325	749,645	965,865	2,026,660	2,056,369	1,854,938

Schnatter refers to the John H. Schnatter Foundation

Koch refers to the Charles Koch Foundation

Craft refers to the Joseph W. Craft III Foundation

Overview of Expenditures for FY 2021

Personnel

Faculty	
Economics Assoc Professor	180,106
Finance Asst Professor	222,191
Economics Asst Professor	
Miscellaneous Personnel	
Summer Research Grants	170,194
Administrative Stipends	60,000
Other Faculty Expense	28,561
Staff	
Administrative Assistant	49,908
Research Associate	19,816
Trainees (Research Assistants)	68,302
Fringe	101,856
	<hr/>
	900,934
<u>Operating</u>	
Course Buyout	22,224
Enterprise Competition	30,387
External Research Grants	30,000
Faculty recruiting expenses	
Independent Contractors	46,114
Outreach	32,000
Operating expenses	63,002
Scholarships	21,070
Speaking events	55,706
Travel	-
	<hr/>
	300,502
Total Expense	1,201,436