

2022-2023

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 2023 (July 2022 through June 2023), 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.

ISFE continued to fund three faculty positions in FY23: mine and Ben Rosa's in the economics department and Grant Clayton's in the finance department. Economics lecturer Darshak Patel continued as associate director. Seven other faculty members, including UK's former provost, were faculty affiliates of the institute. Erin Roessler continued as administrative assistant, while economics PhD student Marissa Hartsoe served as our full-year research assistant. Former ISFE post-doctoral fellow Alex McGlothlin, who now works full time as the lead economist at MITRE, stayed on board in a contractor role to write lay summaries and press releases for ISFE working papers.

In fall '22, ISFE co-hosted a major on-campus event featuring Chris Waller from the Federal Reserve Board of Governors. Dr. Waller spoke about interest rates and inflation and provided insights into the Fed's thinking regarding monetary policy decisions. ISFE also ran its inaugural free enterprise contest, named the "CEO Challenge." This contest allowed teams of both undergraduate and graduate students to compete against each other over multiple periods as "CEOs" of a major beverage company, learning important lessons about the free enterprise system in the process.

In spring '23, ISFE sponsored or supported several speaker events. The first was the annual Economic Outlook Conference, which featured talks on local, state, and national economic projections as well as the local real estate market. Next was a talk by Daniel McCarthy on the rise of populism in American politics. The third featured Kentucky state treasurer Allison Ball, who offered insights on the inner workings of the state government. Next, ISFE helped to promote a talk on economic and social policy by Turning Point USA founder Charlie Kirk. Finally, we hosted a Faculty Research Day in which scholars who received ISFE funding in prior years presented the results of their research.

Additionally, during 2022-23 ISFE continued its biweekly reading group called the Junto Club. In the fall semester, students read a book on health care systems around the world and debated the appropriate roles of private markets and the government in providing and financing health care. In the spring, the group read a book on the history of economic thought, which generated lively discussions on the importance of markets and the appropriateness of government intervention.

Throughout the year, 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 EconGames.

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 FY22, 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.

Moreover, ISFE also supports the *Southern Economic Journal*, which I edit. In addition to its regular articles, this year the journal published a special issue on Ludwig von Mises and F.A. Hayek, two of the leading proponents of free-market economics in the 20th Century. We are also preparing another special issue entitled "Free Markets and Healthcare."

In short, ISFE had an active and productive year in FY 2023. We look forward to building on this success in 2023-24.

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
- Faculty Hires
- Other Staff
- Faculty Affiliates
- Teaching

Section III - Research

- Working Paper Series
- Scholarly Publications
- Presentations
- Media Coverage
- *Southern Economic Journal*

Section II - Programming

- Christopher Waller
- CEO Challenge
- Economic Outlook Conference
- Daniel McCarthy
- Allison Ball
- Charlie Kirk
- The Econ Games
- Faculty Research Day
- Stock Pitch Competition
- Junto Club
- Entrepreneurship Contests



STAFF AND AFFILIATES

Meeting Times for your class and other info

Meeting Times for your class and other info

Meeting Times for your class and other info

Variable Name	Description	Package	Class of
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Meeting Times for your class and other info

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.



FACULTY HIRES

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. To date, three faculty members have been hired under this initiative: Charles Courtemanche (who has since become ISFE Director and was therefore discussed above), Grant Clayton, and Ben Rosa. 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.



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.

Ben Rosa

Ben is an assistant professor in the economics department. He was hired in 2021. His research fields are industrial organization and public economics. His specific research topics include government contracting and affirmative action policies.



OTHER STAFF



Erin Osborne, Administrative Assistant

Erin was hired in August 2021. She had previous experience working with ISFE events during her time as a student employee in the Gatton College Events Department from 2018-2020. As the ISFE administrative assistant, Erin runs our website and social media accounts, has a critical role in event planning, and handles day-to-day administrative tasks.

Marissa Hartsoe, Graduate Research Assistant

Marissa is a health economist whose dissertation examines disparities in healthcare utilization during the pandemic and the resulting impact on long-term health outcomes. Marissa's primary responsibility in the fall was learning and summarizing new advances in econometrics in order to benefit faculty and graduate student research and teaching. In the spring, she assisted Dr. Courtemanche on a project funded by the Mercatus Center that examines the effects of state health care regulations.



FACULTY AFFILIATES

Other faculty members are affiliates of ISFE. While their salaries and benefits are paid by the university, ISFE helps support their research-related activities such as conference travel and the purchase of data for research. Affiliates also can utilize ISFE's working paper series to disseminate their work.



David Blackwell

David recently returned to the finance department faculty after serving as provost from 2018-2021. He was the Gatton College dean from 2012-2018 and was instrumental in the founding of ISFE during his tenure. He is currently Gatton's Associate Dean for Professional Graduate Programs.

David Bradshaw

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



Jim Fackler

Jim is a Professor Emeritus of Economics whose research specialty is macroeconomics.



John Garen

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

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.

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.



TEACHING FALL 2022

Instructor	Course Name	Level	Enrollment
Blackwell	Real Estate Finance	Undergraduate	45
Bradshaw	Metaphysics and Epistemology Seminar	Graduate	6
Patel	Business Economics	Undergraduate	65
	Principles of Economics I	Undergraduate	380
	Sports Economics	Undergraduate	45
Rosa	Applied Econometrics	Undergraduate, Graduate	18 undergraduate, 4 graduate
	Market Structure and Anti-Trust Policy	Undergraduate	16
Scott	Law and Economics Seminar	Undergraduate	19
	Managerial Economics	Graduate	30
Troske	Labor Economics	Undergraduate	42
	Managerial Economics	Graduate	41
Yelowitz	Health Economics	Graduate	8
	Health Economics	Undergraduate	45



TEACHING SPRING 2023

Instructor	Course Name	Level	Enrollment
Blackwell	Real Estate Finance and Investment	Undergraduate, Graduate	60 undergraduate, 5 graduate
Bradshaw	Seminar in Ancient Philosophy	Graduate	4
Clayton	Investment Analysis	Undergraduate	100
Courtemanche	Research Seminar in Economics	Graduate	6
Patel	Business Analytics (joint class with Leeds University)	Undergraduate	24
Yelowitz	Health Economics	Undergraduate	40
	Advanced Health Policy	Undergraduate	22





PROGRAMMING



CHRISTOPHER WALLER

OCTOBER 6, 2022

The Institute for the Study of Free Enterprise and the Department of Economics co-hosted Federal Reserve Board Governor Christopher Waller for a lecture on current monetary policy and economic outlook. Students, faculty, staff, and community members attended the event.

During his visit, Governor Waller also visited two economics classes and met with the Junto Club and the Economics Society.

Governor Waller held the Gatton Endowed Chair of Macroeconomics from 1998-2003, and subsequently was on the faculty at Notre Dame and then as Vice President for Research at the St. Louis Fed. He was confirmed to the Board of Governors by the U.S. Senate in December 2020.





Meeting with the Junto Club & PhD Students



Meeting with the Economics Society



Lecture on current monetary policy and economic outlook



CEO CHALLENGE

NOVEMBER 17-18, 2022

105
UNDERGRADUATE
STUDENTS

20
GRADUATE
STUDENTS

In November, ISFE hosted its inaugural CEO Challenge. This two-day event was open to both undergraduate and graduate students enrolled at the University of Kentucky. Students participated in a computer-based simulation that was designed to build a deeper comprehension of financial reporting and metrics, and to further develop a strategic mindset. The simulation was developed specifically for us by the company Advantex. Teams of two to four students acted as CEO for a consumer beverage goods company called Fizz. Over the course of the simulation, teams faced a dynamic environment and made day-to-day operational business decisions to help generate more revenue, manage cash flow, turn a profit, and build shareholder value. Prize money was awarded to the top three undergraduate and graduate teams.

WINNING UNDERGRADUATE TEAMS



First Place: Edison Shipley and Aidan Mike



Second Place: Bilal Chhadh, Andrew Rodriguez, Ellie Kiper, and Neima Moaven



Third Place: Michael Morgan and Daniel Dailey

WINNING GRADUATE TEAMS



First Place: Corbin Kirksey, Sylvia Justice, and Shivang Patel



Second Place: Luis Carrillo, Joseph Adu, Jesse Kitoko, and Pedro Oliveira



Third Place: Noah Jones, Laura Turner, and Karthik Vardharajan

CEO CHALLENGE PARTICIPANT TESTIMONIALS

"I liked the ability to utilize what we learn in the classroom to real life decisions."

"It was nice recreation with low stakes of making us understand the decisions that go into improving businesses."

"The simulation was a great learning experience. I like that it was autonomous and hands off, with us getting to just be in the simulation and working with our teams."

"I loved the amount of decisions that could be made across all categories of the business model."

"I liked the camaraderie formed between teammates and felt the competition element made for a great time."

"The simulation was incredibly impressive and was helpful to understand how business markets work."

"It was super engaging throughout: well paced, competitive, fun."

"I loved the simulation at the end of each round getting to see how you scored compared to other teams, and also being able to discuss with other teams your strategy and stock value. It became very competitive and fun to participate in."

All quotes were collected through an anonymous feedback form.

ECONOMIC OUTLOOK CONFERENCE

FEBRUARY 7, 2023

The Institute was a presenting sponsor of the 34th Annual Economic Outlook Conference. The conference took place in downtown Lexington at the Central Bank Center. ISFE's Director, Dr. Courtemanche, served as the moderator for this year's conference. National, regional, and local experts provided local business leaders insights on the outlook for financial markets, local, state, and national economies, and current topics of interest, like higher education.

This year's speakers included Dr. Mark E. Schweitzer, Federal Reserve Bank of Cleveland, Dr. Michael Clark, Gatton College of Business, Dr. William Hoyt, Gatton College of Business and Martin School of Public Policy, and Erin Hensley, Lexington-Fayette Urban County Government.



160
ATTENDEES

DANIEL MCCARTHY

FEBRUARY 14, 2023



35
ATTENDEES

Daniel McCarthy was invited to speak in the Lewis Honors College Colloquium Series. ISFE and the Lewis Honors College John Locke Society co-sponsored this event. During his talk "*The Rise of the Populist Right*", McCarthy spoke on the history of the post-World War II American political right and the recent rise of populism on both the left and right.

The institute provided a lunch with Daniel McCarthy for students in both the John Locke Society and the ISFE Junto Club. The students were able to gain insight on his work in publishing to use for their society's newsletter.

Daniel McCarthy is Vice President of the Intercollegiate Studies Institute, Editor-in-Chief of *Modern Age*, and Editor-at-Large of *The American Conservative*.



Caleb Waters, John Locke Society and Junto Club member, introducing Daniel McCarthy



Daniel McCarthy speaking on the history of the post-World War II American political right and rise of populism





FEBRUARY 15, 2023

ISFE and the University of Kentucky Economics Society co-hosted Kentucky State Treasurer Allison Ball for an event called "*A Discussion on Public Service and Unsung Heroes*". Treasurer Ball shared how her childhood pencil business in Eastern Kentucky led her to a role in public service. During this event, Treasurer Ball spoke to current students about the need for unsung heroes in public service and encouraged them to seek government jobs.



Treasurer Ball is a University of Kentucky College of Law graduate and the 38th State Treasurer of the Commonwealth of Kentucky. Since she has been in office, Treasurer Ball has focused on returning unclaimed property, spending transparency, and eliminating fraud attempts within the Commonwealth.





CHARLIE KIRK



MARCH 8, 2023

The University of Kentucky Turning Point USA chapter hosted Charlie Kirk at the Central Bank Center for his "*Live Free*" tour. Kirk analyzed the modern political and cultural landscape. Topics included religion, school curriculum, and environmental issues. After sharing his views, a questions-and-answer session gave attendees the opportunity to ask Kirk questions, seek advice, or debate his viewpoints.



While ISFE was not an official sponsor of the event, the institute helped promote it, and Dr. Courtemanche attended the event with several members of the Junto Club.



Charlie Kirk is the Founder and President of Turning Point USA, a national student movement dedicated to identifying, organizing, and empowering young people to promote the principles of free markets and limited government.





MARCH 23-24, 2023

The institute was excited to be able to sponsor a portion of the prize money for the Econ Games 2023 competition. The Econ Games is a data competition cofounded by ISFE's Associate Director Dr. Patel and Dr. Abdullah Al-Bahrani from Northern Kentucky University. Students are challenged by the corporate sponsor to help them solve a business problem through data analysis. MiddleGround Capital was the 2023 data sponsor. The students have 24 hours to solve the data challenge and present it to judges. In 2023, a total of 105 students from 12 universities participated. Teams from the University of Kentucky won 1st place, 2nd place, and the Most Engaged Team award. Northern Kentucky University won 3rd place.



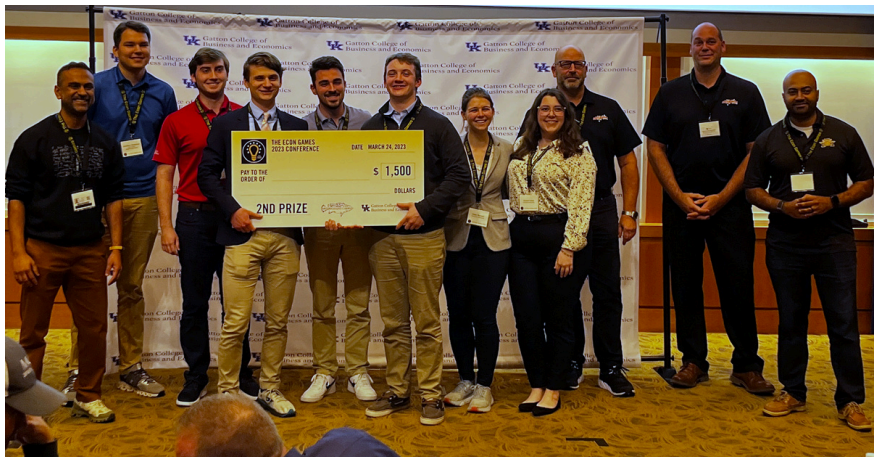
105
STUDENTS

12
UNIVERSITIES



First Place: University of Kentucky

Shria Holla, Paul Schlowak, Jonah Heck, Edison Shipley, Ali Al Alawi, Wilson Insko, Eric Hua, and Juan Trujillo



Second Place: University of Kentucky

Nicholas Relich, Kyndal Davis, Katherine Niewald, John Mackey, Harrison Hill, and Dylan Drummey



Third Place: Northern Kentucky University

Allyson Kunkel, James Blazina, Reach Thearith, Maryu Merklin, Jamen Walz, and Mariam Sidiahmed



Students gathered for the Data Drop



Judges deliberating after the final presentations



Jonathan Dressman, MiddleGround Capital ESG Analyst, announcing winners

ECON GAMES PARTICIPANT TESTIMONIALS

"I liked working in a team on an open ended project where we had to come up with an answer that is not as straight forward as a school assignment."

"I thoroughly enjoyed the skills I refreshed and also picked up along the way."

"I love the collaborative aspect of the Econ Games; having all the data skills necessary to perform substantive analysis is certainly important, but being able to work on a project as complicated as this with a group of peers, and learning how to come to decisions when members have different perspectives, and dividing work in such a way that best utilizes everyone's strengths is a huge learning experience from the Games. I also loved connecting with students of different universities."

"I enjoyed that the Econ Games were a simulation of what we may experience in our future careers in that we are given a problem and very little time to solve that problem."

"I really liked the pressure of limited time with the data. This felt like it led to more creative solutions and answers."

"I loved how the competition merges both pure data analytics with the communication skills necessary to express those results to others; I think it gives a helpful perspective into what applied economics in the real world is like."

All quotes were collected through an anonymous feedback form.

FACULTY RESEARCH DAY

APRIL 14, 2023



The institute's spring 2023 Faculty Research Day featured summer grant recipients from previous years who have finished their research. The presenters and their projects were:

- Will Gerken and Morteza Momeni, "Third Party Quality Certification in the Market for Financial Advice"
- Russell Jame, "Place Your Bets? The Market Consequences of Investment Research on Reddit's Wallstreetbets"
- Russell Jame, "Confederate Memorials and the Housing Market"
- Stefan Bird-Pollan, "Taxation and Utilitarianism"
- Tian Qiu, "Political Beliefs Affect Compliance with COVID-19 Social Distancing Orders"
- Anita Lee-Post, "Health, Economic, and Social Impact Assessment of COVID-19 Reopening Policy"

STOCK PITCH COMPETITION

APRIL 20, 2023

ISFE was a prize money sponsor for the 2023 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. This competition gives students the opportunity to carry out creative, valuable research in stock investing. Each team was comprised of 2-4 students in undergraduate and graduate programs at the University of Kentucky. Teams gave a 10-minute presentation that was followed by a 20-minute Q&A. Gatton alumni in the field of investments judged each presentation. Winners were selected based on presentation quality and judging criteria. Jake Keys and Trevor Payne, Gatton undergraduate students, won 1st place. Joshua Tuman and Sam Shroder, Gatton graduate students, won 2nd place.





First Place:
Jake Keys and Trevor Payne



Second Place:
Joshua Tuman and Sam Schroder



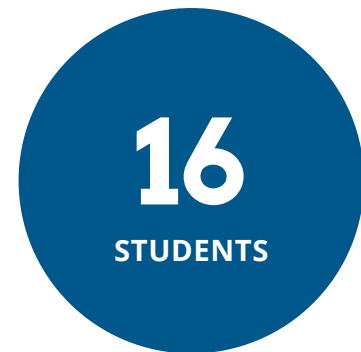
The Junto Club brings together University of Kentucky students on a biweekly basis to discuss free market-related readings and more.

Sixteen students were selected to participate in the fall 2022 reading group. Students ranged from freshmen to seniors and were roughly evenly split between Gatton College and non-Gatton College majors. ISFE Director Dr. Courtemanche, facilitated the group. The fall 2022 semester reading group discussed the book *Which Country Has the World's Best Health Care?* by Ezekiel J. Emanuel. Each chapter of the book covers a different country's healthcare system. Every week students read a new chapter of the book and discussed the role of government vs. private markets as it relates to the country's healthcare system.

Which Country
Has the
World's Best
Health Care?

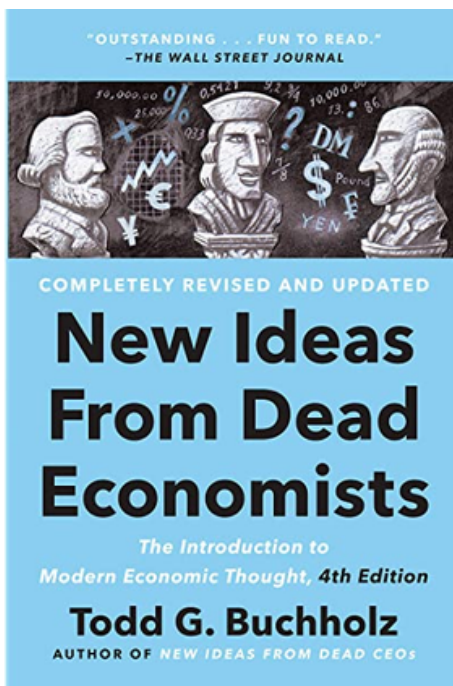


EZEKIEL J.
EMANUEL





JUNTO CLUB SPRING 2023



16
STUDENTS

The Junto Club continued during the spring 2023 semester with Dr. Courtemanche again serving as the facilitator. After some club members graduated in December 2022 and new students applied, the club again ended up with 16 students. The students were enrolled in the Gatton College of Business and Economics, College of Arts and Sciences, and College of Social Work. The spring 2023 group read *New Ideas from Dead Economists* by Todd G. Buchholz. Each chapter of the book covers a different economist and their theories. The group learned about Adam Smith, Thomas Malthus, David Ricardo, John Stuart Mill, Karl Marx, and Alfred Marshall. Reading this book allowed the group members to create a strong understanding of the evolution of economic theory as it relates to the importance of markets and the role of government.

"My experience with the Junto group at UK has been nothing short of wonderful. While most economics classes deal with theory, Junto gives us the opportunity to explore its real-world implications. Through its lively and intelligent discussions, Junto has been a superb complement to the material we learn in class. The group's members are some of the most insightful and thought-provoking people that I've had the privilege to meet at UK. I cannot stress how much I enjoyed each meeting and how much I recommend the group to any economics student."



**William DuVall,
Sophomore**



**Molly Tierney,
Senior**

"Junto encouraged me to look into economic topics outside of what we learned in class. I regret not joining it sooner. Connecting the oldest economic theories to modern issues like the shortages of the U.S. healthcare system isn't something I'd do on my own, but the other Junto members' passion made me want to be a part of the conversation. Discussions about economics can be a risky venture because of how entwined it can be with politics, and having a set space and set time to discuss economics with a group of people who understand or want to understand what economics actually means is absolutely invaluable today."

"I am a biology major, but I started coming to Junto because I was invited by a friend of mine who was an economics major. I'm glad he did so and that I kept coming because if not, I would have never gained a broad knowledge of healthcare systems around the world and of different economic schools of thought. Junto was also the first time as a biology major that my preexisting economic beliefs were respectfully challenged by the reading and by fellow members. On top of that, I received a scholarship from it as well as lasting friendships. It is certainly a highlight of my academic career."

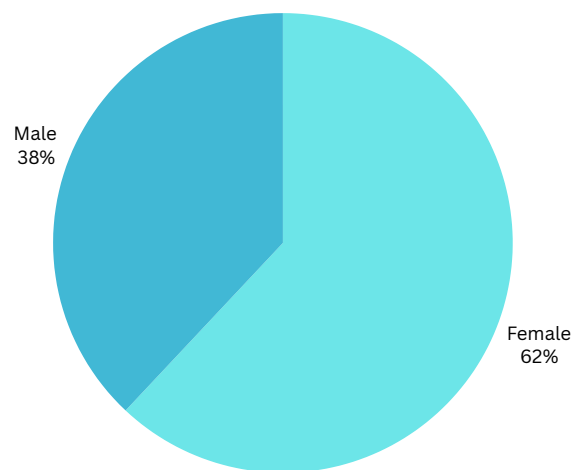
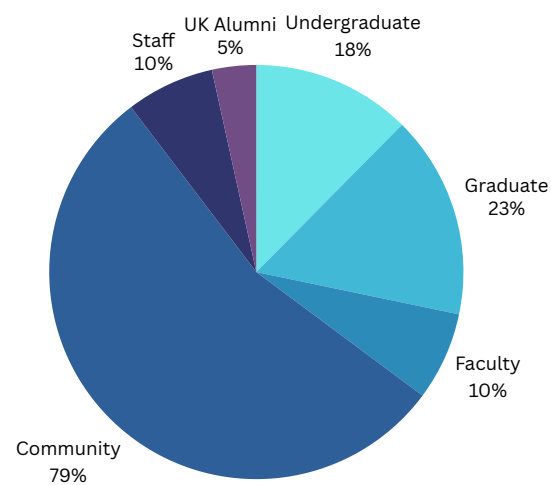


**Bradley Gaines,
Senior**



ENTREPRENEURSHIP CONTESTS

ISFE continued its partnership with the Von Allmen Center for Entrepreneurship (VACE) during the fall 2022 semester. 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 semester to learn a new business skill. ISFE provided the prize pool, helped publicize the program, and provided input into the content to further emphasize principles of free enterprise. Since the Entrepreneurs Bootcamp has a history of a large number of applicants, the program is now offered on two nights during the week. This allows for a larger number of individuals to participate and experience the program. The fall 2022 Bootcamp 1.0 had 34 teams apply to participate. Out of 68 individuals who applied, 39 graduated from the program. The top teams advanced to Program 2.0 in the spring.





RESEARCH

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.

"School Choice and Competition: Has There Been Enough Enabling Legislation to Generate Broad-Based Effects?"

Working Paper No. 49

John Garen

School choice initiatives and charter schools have grown substantially in the past two and a half decades. Economists argue that this is a move toward more competition and should lead to improved school system performance. However, school choice and charter school enabling laws can be quite restrictive and are limited to relatively few children. Can this limited degree of competition have a noticeable effect on an entire state's overall K-12 performance, i.e., beyond that of for the children in the programs? This paper quantifies the underlying laws that have enabled (or impeded) school choice and charter schools from 1990 to 2019 and conducts an initial empirical analysis to address this question. The basic findings indicate strikingly large test score gains for states that have adopted voucher programs and/or Education Savings Accounts (ESAs). Though per pupil spending on K-12 has a positive effect on test scores, its magnitude is very small and is swamped by the effect of having a voucher or ESA program. Moreover, vouchers and ESAs are associated with less per pupil spending. These effects are robust and are not dependent on outlier states, specific time periods, or pre-existing trends in states.

"Effects of E-Cigarette Minimum Legal Sales Ages on Youth Tobacco Use in the United States"

Working Paper No. 50

Michael Pesko

In the United States, individual states established a minimum legal sale age (MLSA) for e-cigarettes between 2010 and 2016 when a federal MLSA came into place. These policies provide a natural experiment from which we can better understand the effect that e-cigarettes have on youth combustible tobacco use. This paper uses National Youth Tobacco Survey data to estimate the effect of the gradual roll-out of e-cigarette MLSAs in the United States on youth e-cigarette use, cigarette use, and cigar use (i.e., cigars, cigarillos, or little cigars). Using an estimator designed to correct for dynamic heterogeneity in treatment effects, e-cigarette MLSAs are estimated to reduce lifetime e-cigarette use by approximately 25% and increase daily cigarette use and daily cigar use by approximately 35%. Therefore, these MLSAs operate as intended in reducing e-cigarette use, although at the expense of more dangerous combustible tobacco use. The Food and Drug Administration should consider the impact of e-cigarette availability in reducing youth combustible tobacco use as an important public health benefit of e-cigarettes in their regulatory activity.

“Diversity versus Equity in Government Contracting”

Working Paper No. 51

Benjamin Rosa

Many governments aim to give disadvantaged firms an equal opportunity to compete for government contracts and will use diversity in awards as a measure of success. I show theoretically that, when ex ante identical disadvantaged firms differ in an identifiable but irrelevant characteristic, diversity in awards may not translate into equity in opportunity—as buyers may discriminate within the disadvantaged group. Subcontracting data on Disadvantaged Business Enterprises in New Mexico show that inequities can arise in practice.

“Free Enterprise, Employer Vaccine Mandates, and Bans on Employer Mandates”

Working Paper No. 52

John Garen

Private companies have often mandated COVID-19 vaccines for employees, with workers facing vaccination or loss of their job. State legislatures have considered bills that limit private mandates. Is this anti-free enterprise? I conclude that private sector COVID-19 vaccine mandates can be legitimately called into question from a free-enterprise perspective. There are two primary reasons: (1) many private firms are incentivized and/or pressured into following government “recommendations” for such mandates and; (2) there are serious common law contract rights for employee privacy and autonomy that are likely violated. Due to the widespread adoption of vaccine mandates, employees have reduced options to avoid vaccination. This raises the issue of whether legislatures should intervene and limit private mandates. I discuss various options in this respect and, though all are imperfect, they may be the “lesser of evils.”

“Revisiting the Connection Between State Medicaid Expansions and Adult Mortality”

Working Paper No. 53

Charles Courtemanche, Jordan Jones, Antonios Koumpias, and Daniela Zapata

This paper examines the impact of Medicaid expansions to parents and childless adults on adult mortality. Specifically, we evaluate the long-run effects of eight state Medicaid expansions from 1994 through 2005 on all-cause, healthcare-amenable, non-healthcare-amenable, and HIV-related mortality rates using state-level data. We utilize the synthetic control method to estimate effects for each treated state separately and the generalized synthetic control method to estimate average effects across all treated states. Using a 5% significance level, we find no evidence that Medicaid expansions affect any of the outcomes in any of the treated states or all of them combined. Moreover, there is no clear pattern in the signs of the estimated treatment effects. These findings imply that evidence that pre-ACA Medicaid expansions to adults saved lives is not as clear as previously suggested.



SCHOLARLY PUBLICATIONS

Abouk, Rahi, **Charles Courtemanche**, Dhaval Dave, Bo Feng, Abigail Friedman, Catherine Maclean, Michael Pesko, Joseph Sabia, and Samuel Safford (2023). "Intended and Unintended Effects of E-cigarette Taxes on Youth Tobacco Use." *Journal of Health Economics* 87: 102720.

Bradshaw, David (2023). "What Does It Mean to be Contrary to Nature?" *Christian Bioethics* 29, 58-76.

Bradshaw, David (forthcoming). "The Essence/Energies Distinction." *Oxford Handbook of Eastern Orthodox Theology*, ed. Andrew Louth and Andreas Andreopoulos. Oxford University Press.

Bradshaw, David (forthcoming). "Background and Sources of the Essence-Energies Distinction." *The Encounter between Palamas and Akindynos*, ed. Katharina Heyden and Renate Burri. De Gruyter.

Carden, Art, **Charles Courtemanche**, and Reginald Harris (2022). "The Vital Two: Judgment and Expertise in General Merchandise." *Essays in Economic and Business History*, 40:188-209.

Cotti, Chad, **Charles Courtemanche**, Catherine Maclean, Erik Nesson, Michael Pesko, and Nathan Tefft (2022). "The Effects of E-Cigarette Taxes on E-Cigarette Prices and Tobacco Product Sales: Evidence from Retail Panel Data." *Journal of Health Economics*, 86: 102676.

Ederington, Josh, Jenny Minier, and **Kenneth Troske** (2023). "Trade and Labor Market Segregation in Columbia." *Review of International Economics*, Revise and Resubmit.

Garen, John (2023). "Enhancing Economic Freedom via School Choice and Competition: Have State Laws Been Enabling Enough to Generate Broad-Based Effects?" *American Journal of Economics and Sociology*.

Harris, Timothy, **Aaron Yelowitz**, Jeffery Talbert, and Alison Davis (forthcoming). "Adverse Selection in the Group Life Insurance Market." *Economic Inquiry*.

Hoyt, Gail, Roisin O'Sullivan, and **Darshak Patel** (forthcoming). "Advice to New Economic Educators from the Profession: If You Only Had Five Minutes." *Journal of Economics Education*.

Rosa, Benjamin (2022). "Subcontracting Requirements and the Cost of Government Procurement." *RAND Journal of Economics*, Accepted.

PRESENTATIONS

David Bradshaw

- St. Andrew's Theological College - Sydney, Australia, September 2022
- Notre Dame Seminary - New Orleans, Louisiana, November 2022



Charles Courtemanche

- Virginia Tech, August 2022
- Southern Economic Association Conference, November 2022
- Georgia Tech University, February 2023
- Tobacco Online Policy Seminar, April 2023



Darshak Patel

- Southern Economic Association Conference, November 2022



Ben Rosa

- Vanderbilt University, September 2022
- ZEW Mannheim, October 2022
- Southern Economic Association Conference, November 2022
- University of Michigan, December 2022
- Boston College, April 2023



Aaron Yelowitz

- Individual Finance and Insurance Decisions Conference, April 2023
- Ball State University - Institute for the Study of Political Economy, May 2023





MEDIA COVERAGE

- Commonwealth Education Opportunities of Kentucky, July 11, 2022, "Can School Choice Reduce Social Tension?"
 - **John Garen**
- WVLK Radio, July 19, 2022, "Inflation and the Impact on Retirement Plan Income"
 - Larry Glover
 - **John Garen** interviewed
- Kentucky Tonight, July 25, 2022, "Work, Wages, and Welfare"
 - Renee Shaw
 - **Aaron Yelowitz** interviewed
- Richmond Register, July 29, 2022, "The Essence of Accountability"
 - **John Garen**
- Link NKY, July 31, 2022, "Report Confirms Need for Reforms in Newport Schools, More Options for Parents"
 - **John Garen**
- The State Journal, August 2, 2022, "Report Focuses on Newport but Problems in Schools are Statewide"
 - **John Garen**
- Georgetown News Graphic, August 4, 2022, "Kentucky Schools Need Accountability"
 - **John Garen**
- Bluegrass Institute, August 8, 2022, "Report Confirms Need for Reforms in Newport Schools, More Options for Parents"
 - **John Garen**

- WVLC Radio, August 9, 2022, "The Inflation Reduction Act"
 - Larry Glover
 - **John Garen** interviewed
- Ed Choice Podcast, August 18, 2022, "Researcher Profile"
 - Drew Catt and John Kristof
 - **John Garen** interviewed
- Ball State PBS, September 20, 2022, "The Roundtable: Episode 30"
 - Michael Hicks
 - **John Garen** interviewed
- Brownstone Institute, October 12, 2022, "Private Sector Vaccine Mandates are Contrary to Free Enterprise"
 - **John Garen**
- Kentucky Tonight, October 31, 2022, "Inflation and the Economy"
 - Renee Shaw
 - **John Garen** interviewed
- Marginal Revolution, January 10, 2023, "How much did pre-ACA Medicaid expansions matter?"
 - Tyler Cowen
 - Covers **Charles Courtemanche** et al. study on the ineffectiveness of state Medicaid expansions in reducing adult mortality
- Kentucky Politics Weekly, January 20, 2023, "Stay Away From the Denny's"
 - Tres Watson, Jared Smith, and Abby Piper
 - **Charles Courtemanche** interviewed
- WVLC Radio, March 16, 2023, "Silicon Valley Bank"
 - Larry Glover
 - **John Garen** interviewed
- Kentucky Today, March 30, 2023, "School Choice, School Politicking, and School Legislation"
 - **John Garen**

- Richmond Register, March 31, 2023, "School Choice, School Politicking, and School Legislation"
 - **John Garen**
- Maysville Ledger-Independent, April 1, 2023, "School Choice, School Politicking, and School Legislation"
 - **John Garen**
- Frankfort State Journal, April 3, 2023, "School Choice, School Politicking, and School Legislation"
 - **John Garen**
- Butler County Banner, April 5, 2023, "School Choice, School Politicking, and School Legislation"
 - **John Garen**
- WVLC Radio, May 2, 2023, "Economic News: Mortgage Fee Pricing, First Republic Bank"
 - Larry Glover
 - **John Garen** interviewed
- Forbes, May 2, 2023, "Cleaning Up Medicaid Rolls After COVID"
 - Brian Blase
 - **Aaron Yelowitz** mentioned

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 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.

The journal published four articles in FY2023, containing a total of 48 articles and 1,267 pages. Among the articles was a five-paper symposium on Ludwig von Mises and Friedrich A. Hayek discussing free markets and socialism, edited by Dr. Art Carden at Samford University.

