

2019-2020

# ANNUAL REPORT

**INSTITUTE FOR THE STUDY OF  
FREE ENTERPRISE**

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INSTITUTE FOR THE  
STUDY OF  
FREE  
ENTERPRISE

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# LETTER FROM THE DIRECTOR

Dear Supporter,

The 2020 fiscal year (July 2019 through June 2020) was one of transition and change but also opportunity and accomplishment for ISFE. Thanks to the generous new gift from the Joseph W. Craft III Foundation and continued support from the Charles Koch Foundation, ISFE entered the year poised for success. However, the first challenge arrived quickly with the departure of the previous director and assistant director. I took over as director and my colleague Darshak Patel became associate director, both initially on an interim basis. We soon hired Kelsey Drury as administrative assistant and Nicolle Rhame as a contractor to expand our social media presence.

Our fall activities included a Research Day during which research grantees presented their results, an event on fiscal policy featuring Dr. Bill Gale, a colloquium on entrepreneurship, and a panel on socialism in Venezuela. The Junto Reading Group met regularly with a record number of students. We also began partnerships with the Von Allmen Center for Entrepreneurship and Lewis Honors College on student contests related to free enterprise.

The spring semester began strongly with the arrival of Daniel Di Martino – a panelist from the Venezuela event – as a visiting research associate, as well as a highly successful event featuring Steve Forbes. I moderated Lexington’s annual Economic Outlook Conference as part of our community outreach efforts. We also added a new Faculty Research Affiliate – Patrick Walker of the Lewis Honors College – to enhance our research capabilities on entrepreneurship and help us connect with students beyond the business school.

Unfortunately, the COVID-19 pandemic forced us to postpone our three remaining in-person events as well as our ongoing faculty search. We added online events, including two entrepreneurship webinars and a webinar on price transparency in health care featuring Senator Mike Braun and Drs. Art Laffer, Brian Blase, and Larry Van Horn. We also started a *Coronavirus Economics* video series. Our seven videos have combined for over 2700 views across YouTube, Facebook, and Twitter.

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 FY2020, our affiliates had twenty scholarly articles published or accepted, completed seven policy reports, made eighteen conference or seminar presentations, served on sixteen dissertation committees, held seven journal editorships, and received three external research grants and two consulting contracts. Our research was covered in numerous media outlets including the *Wall Street Journal*, CNN, Fox News, the *New York Times*, the *Washington Post*, *Forbes*, and Univision. Our Faculty Research Grant program, which emphasized market-oriented solutions to COVID-19 and racial inequality, received a record number of proposals. We also provided academic year funding for a PhD student and summer funding for another eleven.

ISFE also supports the *Southern Economic Journal*, which I edit. The journal is preparing a special issue entitled "Free Markets and Healthcare," which will be based on research presented at a recent virtual conference ISFE hosted with the Institute for Humane Studies. Another special issue, edited by Dr. Pete Boettke of the Mercatus Center and Dr. Ben Powell of Texas Tech's Free Market Institute, will be on the political economy of COVID-19.

In short, ISFE had an active and productive year in spite of the unusual circumstances. We look forward to building on this success in 2020-21.

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 – Student Programming**

- Junto Book Club
- Institute for Humane Studies Colloquium
- Entrepreneurship Contests
- Lewis Honors College Contests

## **Section II – Public Events**

- Fiscal Therapy
- The Fight for Freedom in Venezuela
- Economic Outlook Conference
- The Case for Freedom and Free Enterprise
- Lessons Learned from an Entrepreneur
- Virtual Entrepreneurship
- Can Healthcare Price Transparency Improve Patient Outcomes and Lower Costs?
- Coronavirus Economics


## **Section III – Research Support**

- Faculty Research Grant Program
- Graduate Student Fellowships
- Student Research Assistantships
- Conference Travel Support
- Working Paper Series
- *Southern Economic Journal*

## **Section IV – Key Accomplishments**

- Undergraduate Student Highlights
- Graduate Student Highlights
- Staff Highlights
- Outreach & Media Efforts

## **Section V -- Financials**

A group of four students is seated around a long, light-colored wooden conference table in a meeting room. The students are looking towards the right side of the frame. The room has a neutral-toned wall and ceiling. The text 'STUDENT PROGRAMING' is overlaid in large, bold, white, sans-serif capital letters across the center of the image. The word 'PROGRAMING' appears to be a misspelling of 'PROGRAMMING'.

# STUDENT PROGRAMING

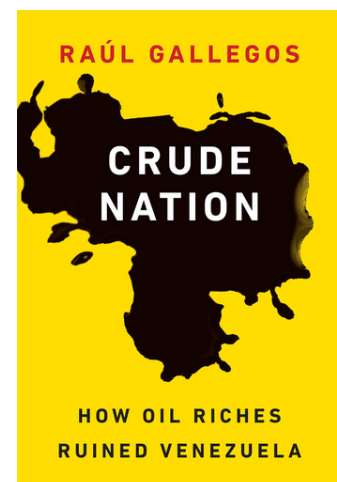
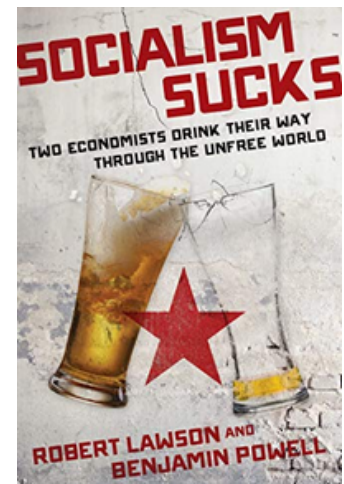
# JUNTO GROUP

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

We selected 22 students to participate in the fall 2019 reading group, up from 13 in the fall of 2018. Students ranged from freshmen to seniors and were roughly evenly split between Gatton College and non-Gatton College majors. The club read Milton Friedman's book *Capitalism and Freedom* and met six times during the fall semester to discuss it. ISFE Associate Director Darshak Patel oversaw the group. In the latter half of the semester, we experimented with a student-led model to cultivating leadership in the students and encourage more active learning.

In the spring of 2020, the group included 21 students, up from 15 in spring 2019. Visiting Research Associate Daniel Di Martino ran the group. Despite a mid-semester switch to an online format due to the pandemic, the group met seven times and read two books: *Crude Nation* and *Socialism Sucks*. Daniel used these books and his experience as a Venezuelan expatriate and economist to explain how socialism destroyed Venezuela's economy as well as those of other nations. The group also watched the Netflix show "Self Made" and met once to discuss it. The 4-part show tells the story of Madam C.J. Walker, the first African-American millionaire of the United States. The discussion centered around how markets can help lift up even the most marginalized members of society.

**20+**  
STUDENTS PER SEMESTER





*"Junto club has fostered a space in which I am completely comfortable discussing my opinions about economics, public policy, and everything in-between. I love it when a lively, respectful debate breaks out during a meeting—that is when I learn the most from my peers!"*

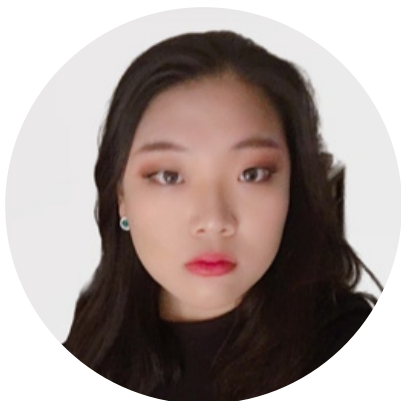
**Kate Joseph**

*"Being a part of Junto has been the most intellectually stimulating experience I've had at the University of Kentucky. I have been able to educate myself in a free and open environment alongside my peers in discussing current issues and free market solutions to modern problems. I have been able to expose myself to different ideas and points of view. Groups like Junto are why I attended UK."*



**Chase Robins**

*"By participating in Junto, I have learned numerous topics that I would have never discover by myself. Some of the most memorable topics that we discussed include the controversy of the Obamacare, licensing issues and the truth behind Socialism. It was a chance where everyone could sit down and discuss about what can make this world a better place. Thank you, Junto!"*

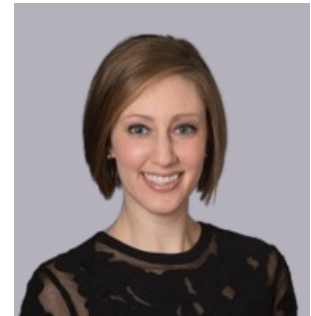


**Daisy Hong**

# INSTITUTE OF HUMANE STUDIES COLLOQUIUM

**October 5, 2019**

ISFE and IHS hosted a day-long Entrepreneurship Discussion Colloquium at the Gatton College. 12 UK students attended, with Dr. Meg Tuszynski of Southern Methodist University's O'Neil Center for Global Markets and Freedom serving as discussion leader.



**Dr. Meg Tuszynski**

Before the program, students were given a reader including over a dozen academic research articles divided into four sections: Introduction to Entrepreneurship, Innovation and the Market Process, Sustainability and Entrepreneurship, and Economics and Entrepreneurship. During the colloquium, Dr. Tuszynski moderated an open discussion on each of these topics grounded in ideas from the readings, with additional discussions occurring over meals.

## **Student Reviews**

**"Thank you very much for your generosity. I thoroughly enjoyed discussing a wide range of topics with fellow students who have a diverse array of thoughts." Jack Boarman**

**"We were allowed to share our own thoughts and learn from each other while being treated like adults." Thomas Haggard**

**"Thank you for allowing me to have this wonderful opportunity to learn more about entrepreneurship, liberty, and free markets."  
Antonia Mordino**





In 2019-2020, ISFE began a new partnership with the Von Allmen Center (VAC) for Entrepreneurship. The staff of both units see natural alliances: ISFE traditionally has focused on the theory and evidence supporting economies driven by entrepreneurship, while the VAC provides training in the nuts-and-bolts of starting a successful enterprise. In other words, ISFE is the “why” behind entrepreneurship, while VAC is the “how”.

VAC runs an “Entrepreneurs’ Bootcamp” program where teams of individuals, typically students, 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 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.



While the program had a track record of success prior to our involvement, their prize pools were very small, limiting enrollment. By co-sponsoring the Bootcamp, ISFE was able to double their prize pool, help publicize the program, and provide input into the content to further emphasize principles of free enterprise. Program 1.0 was able to attract 48 participants, with 20 continuing on to Program 2.0. Further details about the program and winners are available at <http://vace.uky.edu/bootcamp/overview>.



# LEWIS HONORS COLLEGE CONTESTS

Another exciting partnership ISFE forged in 2019-2020 is with the Lewis Honors College. Professor Patrick Walker, the college's new Ruth Jones Lewis Faculty Scholar in Entrepreneurship & Free Enterprise, became an ISFE Faculty Affiliate and began promoting our events to a new audience while working with us on new programming. For instance, in final projects in his courses, interdisciplinary groups of students shadow and study existing small businesses, ultimately preparing an oral presentation to offer consulting-style recommendations. ISFE staff and affiliates serve as "Celebrity VIP Judges".



A photograph of a large audience seated in a lecture hall or auditorium. The audience members are diverse in age and appearance, and they are all looking towards the front of the room. The room has a modern design with wooden desks and chairs, and large windows in the background. The text "PUBLIC EVENTS" is overlaid in the center of the image in a large, white, sans-serif font.

# PUBLIC EVENTS

# FISCAL THERAPY

**SEPTEMBER 26, 2019**

Our first public event of the year featured Dr. Bill Gale of the Brookings Institution, who discussed findings from his new book *Fiscal Therapy: Curing America's Debt Addiction and Investing in the Future*. We distributed 30 copies of the book to students before the event, and they came prepared with thoughtful questions. 57 people attended the event, 23 Gatton College students, and 12 students from other colleges at UK.



# THE FIGHT FOR FREEDOM IN VENEZUELA

**OCTOBER 24, 2019**

## **Panelists:**

- **Daniel Di Martino, freedom activist and economist**
- **Francisco Marquez, former political prisoner and Harvard fellow**
- **Carlos Ponce, Victims of Communism Foundation Senior Fellow**

ISFE hosted a moderated discussion with three Venezuelans about how their country got to where it is today, what is happening now in the socialist-ruled nation, and the path forward for freedom and prosperity. Murray Bessette of the Victims of Communism Foundation moderated the discussion and over 50 students attended.



# ECONOMIC OUTLOOK CONFERENCE



**FEBRUARY 12, 2020**

## Panelists:

- **Dr. Mark Schweitzer, Federal Reserve Bank of Cleveland**
- **Dr. Michael Clark, UK Center for Business and Economic Research**
- **Dr. Kathleen Montgomery, UK Patterson School of Diplomacy and International Commerce**
- **Dr. Jessica Cunningham, Kentucky Center for Statistics**

ISFE was one of seven sponsors of the 31st Annual Economic Outlook Conference in the Lexington Convention Center. The purpose of the conference was to provide local business leaders insights about economic conditions and challenges -- including the novel coronavirus and its effect on global markets -- so that they could better plan for the coming year. Dr. Courtemanche served as moderator.

**205**  
ATTENDEES



# ENTREPRENEURSHIP WEBINARS

## Lessons Learned from an Entrepreneur - March 26



ISFE was a co-sponsor, along with the Von Allmen Center for Entrepreneurship, of a talk by Josh Konowe. Mr. Konowe is a UK graduate, serial entrepreneur, and award-winning leader of both national and international SaaS and media businesses; including GoCanvas, Silent Circle, eAgent, and Uppidy. He shared his perspectives with a group of students, largely from the Entrepreneurs' Bootcamp program, who are interested in starting their own businesses. Despite a last-minute change to a webinar rather than an in-person event due to the rapidly evolving pandemic, 27 people were able to attend.

## Virtual Entrepreneurship April 15



Switcher Studio

ISFE and the Von Allmen Center hosted another webinar on entrepreneurship, with the speaker being Nick Mattingly. He is the founder and CEO of Switcher Studio, a Louisville-based company that develops platforms for live online videos, most notably Facebook Live. He offered several insights from his experience, including how his company was positioning to take advantage of the increased demand for online content due to the pandemic. 86 people attended the webinar.



# THE CASE FOR FREEDOM AND FREE ENTERPRISE

**FEBRUARY 13, 2020**

**Speaker:**

**Steve Forbes, Chairman and Editor-in-Chief of Forbes Media**

ISFE's marquee event of the year, co-sponsored by Young America's Foundation and the Von Allmen Center for Entrepreneurship, featured Mr. Steve Forbes. This event drew approximately 300 people, including 230 students and dozens of individuals from outside the UK community. Unfortunately, this would prove to be the institute's last in-person event of the year, as the COVID-19 pandemic closed UK's campus less than a month later.





# PRICE TRANSPARENCY IN HEALTHCARE

**JUNE 16, 2020**

This webinar, which was funded by Patient Rights Advocate, discussed legislation requiring hospitals and insurers to publicly disclose negotiated rates in an effort to stimulate competition and bring down health care costs. Many of the live attendees were congressional and white house staff or think tank researchers. Dr. Courtemanche served as moderator.

**160**

LIVE ATENDEES  
ON ZOOM

**800+**

TOTAL VIEWS ON  
SOCIAL MEDIA



**SENATOR MIKE  
BRAUN**

U.S. Senator from Indiana  
and businessman



**DR. BRIAN BLASE**

President and CEO of  
Blase Policy Strategies,  
LLC and former Special  
Assistant to the President  
for Economic Policy



**DR. ARTHUR LAFFER**

Renowned economist and  
founder and chairman of  
Laffer Associates



**DR. LARRY VAN  
HORN**

Director of the Center for  
Healthcare Market at  
Vanderbilt University



Given ISFE's research strength in health economics, the coronavirus pandemic provided an opportunity to teach students the real-world relevance of economic concepts while also helping them better understand the emerging crisis and arguments for and against different policy responses. We recorded a series of seven videos from five different speakers, each examining a different issue. Collectively, the videos made the point that, while there is an economic rationale for aggressive government responses during a pandemic, those responses often also have unintended consequences. Together, the videos delivered over 75 minutes of content – essentially the equivalent of a public event.

**2700+**

VIEWES ACROSS SOCIAL MEDIA

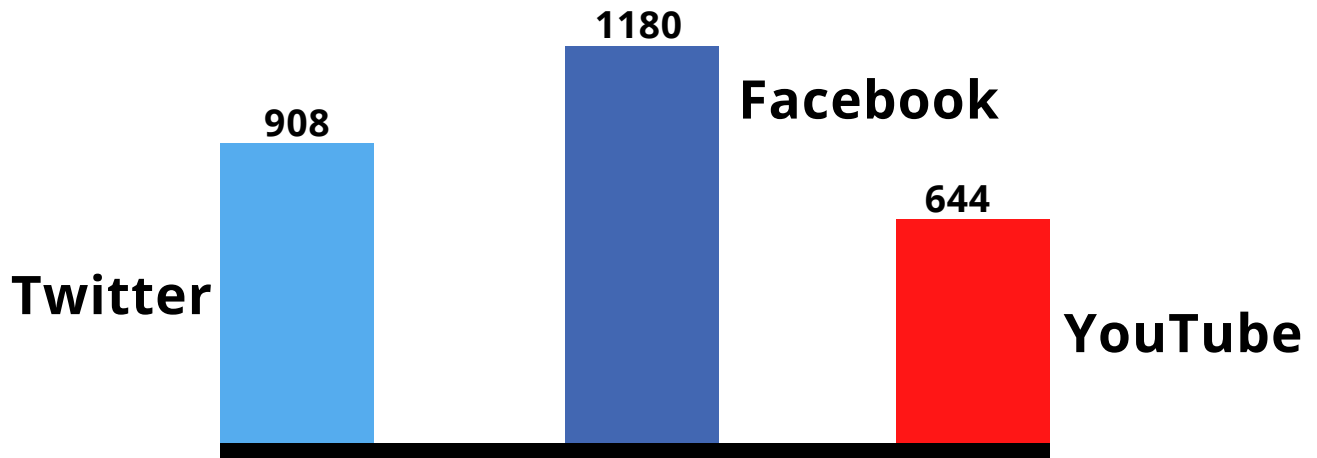


**390**

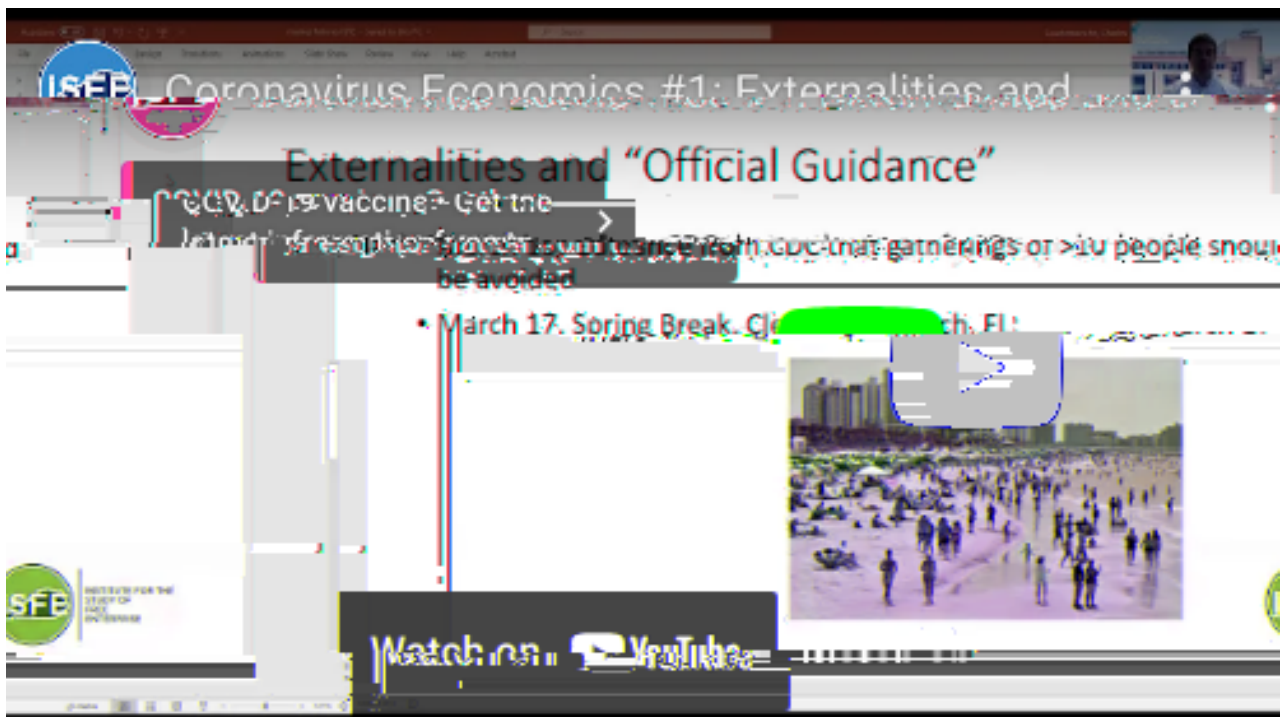
VIEWES PER VIDEO

# THE VIDEOS

## Total video views by source



### #1: ISFE Director Charles Courtemanche: “Externalities and Why Government Action is Necessary”



**#2: Dr. Art Carden, Samford University economics professor and Forbes columnist: “Government Failure in the Pandemic**



**#3: ISFE Research Associate Daniel Di Martino: “Why are there Shortages of Basic Goods?”**



**#4: ISFE Faculty Affiliate Grant Clayton: “The Effect on the Stock Market”**



**#5: ISFE Founding Director John Garen: “The Costs and Benefits of Government Action”**



**#6: ISFE Research Associate Daniel Di Martino: “Social Security and Medicare”**



**#7: ISFE Director Charles Courtemanche: “New Study Shows Government Restrictions are Stopping COVID-19”**





# RESEARCH SUPPORT

# FACULTY RESEARCH GRANT PROGRAM



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 two to three anonymous ISFE affiliates who did not themselves submit a proposal. ISFE Director Courtemanche then makes funding decisions based on the reviewers' scores and his own assessment. Awards are typically paid in July or August. Recipients are given a year to complete their research before presenting their findings at a Faculty Research Day early in the fall semester of the following year. Therefore, in any given fiscal year, three grant cycles are active at different stages.



## 2018 Grant Cycle – Closing Presentations

At the 2019 Faculty Research Day, held on September 13, recipients of the 2018 awards presented their final results. The presenters and their projects were:

- Leonce Bargeron (UK), “CEO Compensation and Corporate Acquisitions”
- Will Gerken (UK), “Born to Be Bad”
- John Garen (UK), “The Allocation and Exchange of Property Rights as a Way to Understand Comparative Economic Systems and Managerial Economics”
- Darshak Patel (UK), “Can Financial Literacy Predict the Participation and Attachment to Government Assistance Programs?”
- Jeff Payne (UK), “Relationship Bonding and Audit Quality: Evidence from Client CFO and Audit Firm Relations”
- Joe Benitez (UK), “The Effects of Medical Expansion on Source of Hospital Care”
- Antonios Koumpias (University of Michigan at Dearborn), “Do Medicaid Expansions Really Save Lives?”
- Timothy Harris (Illinois State University), “How will State-Run Auto IRA’s Impact Workers?”



## 2019 Grant Cycle – Awards Issued

ISFE’s 2019 Summer Faculty Research Grant Program was announced at the end of the 2018-2019 fiscal year, with awards made during the 2019-2020 fiscal year. We received twelve proposals and made eight awards:

### \$10,000 funding level

- Will Gerken, UK Finance, “The Effect of Fractured Regulation on Consumer Protection: Evidence from Financial Services Professionals”
- Bill Hoyt, UK Economics, “Bio-fuels, Price Supports, Tariffs, and Urban Growth in the American Heartland”
- Rajeev Darolia, UK Martin School of Public Policy and Administration, “Student Loan Servicer Accountability”
- Chris Clifford, UK Finance, “Born to Be Bad”



### \$5,000 funding level

- Brian Bratten, UK Accounting, “The (Mis-) Measurement of Executive Compensation in Mandated SEC Disclosures”
- Igor Cunha, UK Finance, “The Real Effects of Analyst Bias”
- Russell Jame, UK Finance, “Non-Deal Roadshows, Informed Trading, and Analyst Bias”



## 2020 Grant Cycle – Awards Announced

Awards for ISFE’s 2020 Summer Faculty Research Grant Program were announced at the end of the 2019-2020 fiscal year. Given the unique circumstances during the spring and summer of 2020, we sought for market-oriented solutions to the COVID-19 pandemic and racial inequality. While proposals on any free-enterprise-related topic were encouraged, projects on those topics received preference on the margin. The special theme was successful as we received a record number of proposals (21) and made 12 awards:

### **\$15,000 funding level**

- Leonce Bargeron (UK Finance) and Russell Jame (UK Finance), “Quantifying the value of in-person investor relations: Evidence from COVID-19 travel cancellations”
- Aaron Yelowitz (UK Economics/ISFE Affiliate), “How Important are Racial Disparities in COVID-19? Evidence from 6 Large Cities”
- Ken Troske (UK Economics/ISFE Affiliate) and Paul Coomes (Louisville Economics), “Impact of the COVID-19 Virus on Kentucky”
- Chris Clifford (UK Finance) and Will Gerken (UK Finance), “Trust and Race: Evidence from the Market for Financial Advice”
- Michael Pesko (Georgia State), “Effect of E-cigarette Age Restriction Laws on Tobacco Use”



### **\$10,000 funding level**

- Patrick Walker (UK Lewis Honors College/ISFE Affiliate), “The Effect of COVID-19 on African American and Minority Participation in Entrepreneurial Ecosystems: A Case Study of Lexington, Kentucky”
- Igor Cunha (UK Finance) and Paulo Manoel (UK Finance), “The Real Effects of Politicians' Compensation”
- Darshak Patel (UK Economics), “The Impact of Relative Performance Feedback and Scrutiny on Student Performance in Large Enrollment University Classes”



### **\$10,000 funding level**

- Marc Painter (Saint Louis U.) and Tian Qiu (UK), “Political beliefs affect compliance with COVID-19 social distancing orders”
- Ben Ukert (Texas A&M), “The Effect of the Affordable Care Act on Racial Disparities in Emergency Department Use”
- Guanyi Yang (St. Lawrence), “Race-Blind Policies in Business Cycle: Evaluating Racial Gap in Model of Labor Market Search-and-Matching”
- Anita Lee-Post (UK Marketing): “Health, Economic, and Social Impact Assessment of COVID-19 Reopening Policy”



# GRADUATE STUDENT FELLOWSHIPS

ISFE also administers a summer research grant program for PhD students. These awards, referred to as “fellowships”, do not carry any work requirements besides the students’ own independent research. They are typically \$1,500. This year, we received seven high-quality research proposals and were able to make awards to all of them:

- Tian Qiu, Finance, “Filing Agents and Corporate Disclosure”
- Ryan Hanson: “Changes of Market Structure and Asymmetric Price Pass-Through”
- Samuel Ingram: “Occupational Licensing Regulations and EMTs”
- Andres Mira: “Heterogeneity in the Effect of the Deferred Action for Childhood Arrivals on Labor Market Outcomes”
- Lauren DiRago-Duncan: “Peer Effects in Academic Achievement and Risky Behaviors”
- Xiaozhou Ding: “College Location and Migration: Evidence from China’s Higher Education Expansion and Hukou Policy Reform”
- Jinwoo Song: “Does Regulating the Size of a Hen Cage Increase the Price of Eggs?”



# STUDENT RESEARCH ASSISTANTSHIPS

Our other type of funding for PhD students, typically those earlier in the program whose independent research agenda is less developed, is a research assistantship. These students help faculty affiliates with their research, usually by conducting literature reviews or gathering data. This allows faculty to leverage their time to improve the quantity and quality of their work. Students gain valuable experience in the process of conducting free enterprise-related research, and those who make an exceptional contribution can become co-authors of the resulting papers.

## Anh Lee, 2019-2020 Academic Year Research Assistant

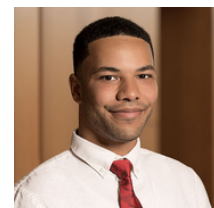
Anh worked with Dr. Courtemanche and Dr. Yelowitz on health economics and policy research, becoming co-author on two widely-publicized COVID-19 studies.



## Summer of 2020 Graduate Research Assistantships

ISFE also hired several research assistants for the summer of 2020. These positions typically pay \$1,500 for 75 hours of work:

- Richard Applin
- Kevin Atkinson
- Thomas Bollinger
- Hayden Grace
- Marissa Hartsoe
- Brian Redding
- Darby Todd



# CONFERENCE TRAVEL SUPPORT

ISFE also supports faculty affiliate and student research by funding trips to conferences to present their research. These conferences are valuable opportunities to both network and get feedback on one's work.

## PhD student conference travel funded

### "WHY Kentucky Symposium" Conference, Louisville, Kentucky

- Yaxiang Song
- Anh Le
- Alexander McGlothlim



## Faculty affiliate conference travel funded

Charles Courtemanche

- Southern Economic Association Annual Meeting, November 2019



John Garen

- Southern Economic Association Annual Meeting, November 2019
- Mount Perelin Society Conference, January 2020

Patrick Walker

- Small Business Institute Annual Conference, February 2020





# 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.

Additionally, when authors are interested in more aggressively pitching their research to the media, ISFE's Research Associate Daniel Di Martino writes research briefs aimed at summarizing technical research for a lay audience. He then works with the Gattton 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.



# Medicaid Coverage Across the Income Distribution under the Affordable Care Act

Charles Courtemanche, James Marton, and Aaron Yelowitz

July 2019

This paper documents an increase in improper enrollment in Medicaid following the Affordable Care Act. It received considerable media coverage -- including two op-eds in the Wall Street Journal written by Dr. Yelowitz and Dr. Brian Blase.

## WSJ | OPINION

OPINION | COMMENTARY

### *Why Obama Stopped Auditing Medicaid*

The share of recipients who aren't eligible has grown sharply since the expansion began in 2014.

OPINION | COMMENTARY

### *ObamaCare's Medicaid Deception*

States cover millions who exceed income thresholds, some quite well-heeled.

822 views | Nov 23, 2019, 01:34pm EST



## Improper Enrollment In Medicaid Soars



Grace-Marie Turner Contributor

Policy

Focusing on free-market ideas for health reform



### **New York City is a hot spot for illegal Medicaid enrollment**

By Brian Blase

November 30, 2019 | 8:10am | Updated

### **Cuomo must start explaining how he'll close New York's \$4B Medicaid gap**

By Post Editorial Board

December 2, 2019 | 6:05pm | Updated

# The Effects of E-Cigarette Taxes on E-Cigarette Prices and Tobacco Product Sales: Evidence from Retail Panel Data

Chad Cotti, **Charles Courtemanche**, Joanna C. MacClean, Erik Nesson, Michael Pesko, and Nathan Tefft

January 2020

This paper found that excise and ad valorem taxes on e-cigarettes are fully passed through to consumers and induce substitution from vaping to the more harmful cigarette smoking.

**NATIONAL REVIEW**

## Tax Vaping, Increase Smoking

By ROBERT VERBRUGGEN | February 3, 2020 8:49 AM

**B BREITBART**

## E-CIGARETTE TAXES MAY DRIVE VAPE USERS TO TRADITIONAL SMOKES, STUDY SAYS

**Forbes**

## New Study Suggests Raising Taxes On E-Cigarettes Could Encourage Traditional Smoking



Kelly Phillips Erb Senior Contributor ©

Taxes

# COVID-19 Social Distancing Measures and the Spread of COVID-19

Charles Courtemanche, Joseph Garuccio, Anh Le, Josh Pinkston, and Aaron Yelowitz

In April, ISFE released a working paper on the effectiveness of government-imposed social distancing restrictions on curbing the spread of COVID-19 in Kentucky. In May, a national version of the paper was accepted for publication by the prestigious journal *Health Affairs*. Both papers were covered by dozens of media outlets.

**15**  
TELEVISION HITS



**Vox**



**The Washington Times**

**SPECTRUM NEWS**



**UNIVISION**

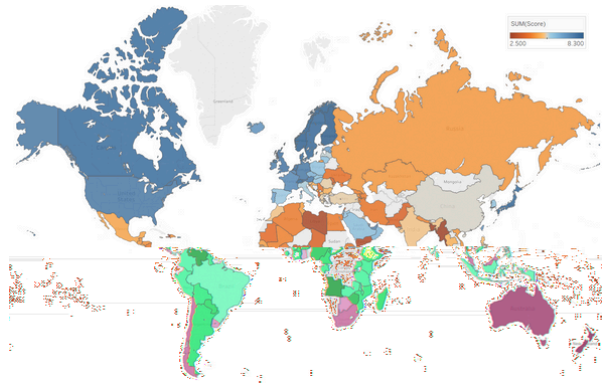
LEXINGTON **HERALD LEADER**

**50+**  
TIMES FEATURED ON  
OP-EDS AND ARTICLES



## Other ISFE Working Papers Released in FY 2020

- Garen, John (July 2019). "The Allocation and Exchange of Property Rights as a Way to Understand Comparative Economics Systems and Managerial Economics."



- Courtemanche, Charles, Joshua C. Pinkston and Jay Stewart (January 2020). "Time Spent Exercising and Obesity: An Application of Lewbel's Instrumental Variables Method."



- Courtemanche, Charles, David Frisvold, David Jimenez-Gomez, Mariétou H. Ouayogodé and Michael Price (March 2020). "Chain Restaurant Calorie Posting Laws, Obesity, and Consumer Welfare."



# SOUTHERN ECONOMIC JOURNAL

On July 1, 2019, the *Southern Economic Journal* - the flagship journal of the Southern Economic Association - "moved" to the University of Kentucky, with ISFE Director Courtemanche becoming the new lead editor. ISFE Faculty Affiliate Ken Troske also joined the board as a co-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. Two such symposia are currently in preparation:

- Free Markets and Healthcare: edited by Drs. Courtemanche and Yelowitz
- 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).



# SOUTHERN ECONOMIC JOURNAL

As a first step towards the "Free Markets and Healthcare" symposium, ISFE and the Institute for Humane Studies held a two-day workshop in June 2020. Reimagined as a webinar instead of an in-person event in Washington, DC, the workshop involved presentations and discussions of ten papers that are candidates for inclusion in the symposium. Fifteen participants from universities across the U.S. attended. The titles of papers presented were:

- Regulatory Review Time and Pharmaceutical R&D
- The Effects of Occupational Licensing Reform for Nurse Practitioners on Children's Health
- How does Occupational Licensing Affect Entry into the Medical Field? An Examination of EMTs
- Does Telemedicine Save Lives? Evidence on the Effect of Telemedicine Parity Laws on Mortality Rates
- Is Tinkering with Safety Net Programs Harmful to Beneficiaries? Evidence from the Medicaid Notch and the Minimum Wage
- Employer-Provided Health Insurance: Are Two Options Too Many?
- Do State Medicaid Expansions Really Save Lives? Are the Costs of Employer-Sponsored Health Insurance Passed on to Workers at the Individual Level?
- The Location of Urban Healthcare Services: Evidence from Phoenix Yelp Reviews
- The Effect of E-Cigarette Indoor Vaping Restrictions on Infant Mortality





**KEY**

**ACHIEVEMENTS**

# UNDERGRADUATE STUDENT HIGHLIGHTS

## Jack Boarman

A senior double-major in finance and accounting, he was an active participant in nearly all ISFE programming during the 2019-2020 year. Jack emerged as one of the key leaders in the Junto Group during the student-led second half of the fall semester. He graduated summa cum laude and just started a job as a Finance Management Analyst at Bank of America



## Qwenton Briggs

A junior economics major, Qwenton emerged as the other main student leader in the Junto Group. Since February, he has been an ISFE Research Assistant working with Faculty Affiliate and Lewis Honors College Professor Patrick Walker on a number of projects and initiatives related to business and entrepreneurship in African American communities.

## Parker Bowman

A junior economics major, Parker is the founding chairman of UK's chapter of Young Americans for Freedom (YAF). He played an important role in our event featuring Steve Forbes in February, which was co-sponsored by YAF. In addition to introducing Mr. Forbes at the event, he also recruited YAF chapter members to participate in meals and meetings during Mr. Forbes' visit. Parker's spending the summer as an Academy Fellow with the Heritage Foundation.





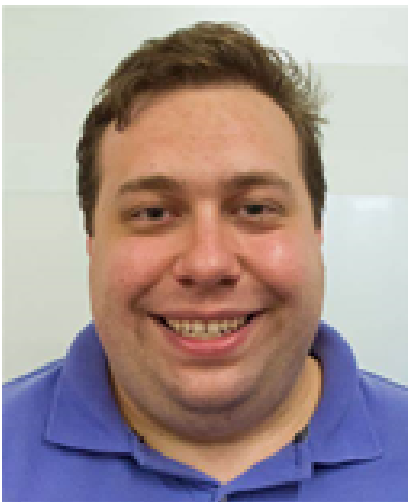
# GRADUATE STUDENT HIGHLIGHTS

## Anh Le

Anh is a rising fifth-year Economics Ph.D. student who was an ISFE Research Assistant during the 2019-2020 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.



She also recently released her first solo-authored study, which shows that the Affordable Care Act's Medicaid expansion had the unintended consequence of contributing to the opioid epidemic.



## Alex McGlothlin

Alex completed his PhD in Economics in the spring of 2020. ISFE Faculty Affiliate Frank Scott was his primary advisor and Dr. Courtemanche was on his dissertation committee. He will become ISFE's new Research Associate in the fall. In that role, he will conduct research with ISFE Faculty Affiliates and help publicize the institute's scholarly work. Alex's primary research interest is industrial organization, and he has conducted empirical analyses of strategic decisions in the airline and craft beer markets.

## Yaxiang Song

Yaxiang is a rising fourth-year student in the Economics PhD program at the University of Kentucky. She studies health and public economics, and Dr. Courtemanche is her main advisor. Her dissertation examines the impact of expansions of government-provided health insurance in China, with her first paper showing that it did not lead to the hoped-for improvements in access to health care or health outcomes.



## Samuel Ingram

Samuel completed his PhD in Economics in the spring of 2020. He published three papers this past year. The first two were on his primary research interest of labor market inefficiencies from occupational licensing. The third, co-authored with two UK faculty members and published in *Health Affairs*, examined the health effects of the SNAP program. In the fall, Sam will start a position as an economist at the Federal Housing Finance Agency.

## Adam Blevins

Adam graduated from UK in the spring of 2019 and began the MPA program at UK's Martin School this past year. He was active with ISFE during his time as an undergraduate, and this past year he became an ISFE Research Assistant. He worked with ISFE Founding Director John Garen on several free-enterprise-related research projects.



# STAFF HIGHLIGHTS

## Dr. Charles Courtemanche

ISFE Director and Associate Professor of Economics Charles Courtemanche is a health economist who was hired away from Georgia State in 2018 in one of the ISFE-funded faculty positions. He also holds research appointments with the National Bureau of Economic Research and Institute of Labor Economics.

According to Research Papers in Economics, Dr. Courtemanche ranks #1 among economists in Kentucky in research productivity over the past ten years and #7 across all years. In FY 2020, he published six peer-reviewed papers, had another six accepted for future publication, and wrote an article for VoxEU and three policy reports for the Kentucky Department for Public Health. He also appeared on CNN, several local TV and radio shows, and the podcast Kentucky Politics Weekly. His studies on COVID-19 restrictions, improper Medicaid enrollment, and e-cigarettes taxes were covered by dozens of media outlets. He also received funding from two research grants from the National Institutes of Health and one from the United States Department of Agriculture.



National Institutes  
of Health

## **Dr. Darshak Patel**

ISFE Associate Director and Senior Lecturer of Economics Darshak Patel 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 in encouraging them to participate in ISFE's events and programs.



In FY 2020, he taught two sections of Principles of Microeconomics with a total of 890 students. He also taught 45 students in Sport Economics and another 48 in Managerial Economics for Healthcare Professionals. He was one of only six professors from across UK to be awarded the Alumni Association's 2020 Great Teacher Award.

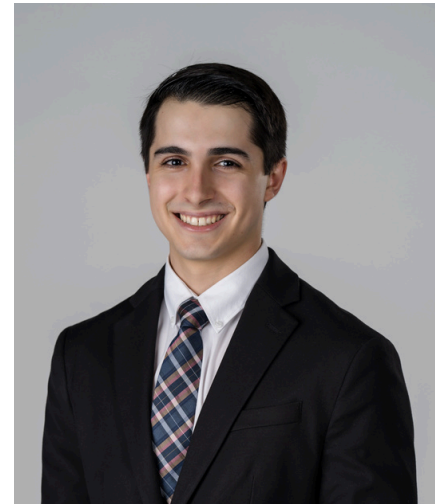


## **Kelsey Drury**

A recent University of Kentucky graduate, Kelsey was hired in December as the new administrative assistant. She is the point person for all aspects of event planning, including visitor itineraries, payments and reimbursements, meals, locations, and schedules. As our events moved online, she had to develop new skills like running Zoom webinars, and was essential to the smooth transition of our operations. Kelsey also runs our website and handles day-to-day administrative tasks.

## Daniel Di Martino

From Venezuela and just out of college in Indiana with a degree in Economics, Daniel was hired at the end of January 2020 as a Visiting Research Associate. He will be leaving us in the fall to begin the Economics Ph.D. program at Columbia University. He is currently working on research with Dr. Courtemanche and Dr. Yelowitz about COVID-19 in Brazil that will continue after his departure.



Daniel's primary responsibility at ISFE was to lead our public relations efforts. This included writing press releases for new research, advising our social media strategy, arranging interviews, and making TV appearances. Daniel also led the Junto reading group in the Spring, produced the Coronavirus Economics video series, and "starred" in two of its episodes.

Daniel has also helped to build the institute's profile by speaking at major events and on national media about a variety of economic and international topics from a free-market perspective. This includes speaking at CPAC 2020, writing op-eds for major news outlets, and appearing on Fox News to discuss the ways socialism destroyed his home country's economy and its implications for the U.S. He also participated in a debate hosted by the Daily Caller about President Trump's executive order to restrict employment-based immigration.





# FACULTY AFFILIATE HIGHLIGHTS

## Scholarly Publications in FY 2020

- **Courtemanche, Charles**, Andrew Friedson, Andrew Koller, and Daniel Rees. "The Affordable Care Act and Ambulance Response Times." *Journal of Health Economics*, 67: Article 102213.
- **Courtemanche, Charles**, Rusty Tchernis, and Xilin Zhou. "Maternal Employment and Childhood Obesity: Evidence Using Instrumental Variables Related to Sibling School Eligibility." *Journal of Human Capital*, 13(4): 553-584.
- **Courtemanche, Charles**, Augustine Denteh, and Rusty Tchernis. "Estimating the Associations between SNAP and Food Insecurity, Obesity, and Food Purchases with Imperfect Administrative Measures of Participation." *Southern Economic Journal*, 86(1): 202-228.
- **Courtemanche, Charles**, Art Carden, Xilin Zhou, and Murugi Ndirangu. "Do Walmart Supercenters Improve Food Security?" *Applied Economic Perspectives and Policy*, 41(2): 177-198.
- **Courtemanche, Charles**, James Marton, Ben Ukert, **Aaron Yelowitz**, and Daniela Zapata. "Effects of the Affordable Care Act on Health Behaviors after Three Years." *Eastern Economic Journal*, 45: 7-33.
- **Courtemanche, Charles**, Andrew Friedson, and Daniel Rees. "Association of Ambulance Utilization in New York City with the Implementation of the Affordable Care Act." *JAMA Network Open*, 2(6): e196419.
- Gonzalez, Luis, Marco Castaneda, and **Frank Scott**, "Solving the Simultaneous Truel in The Weakest Link: Nash or Revenge?" *Journal of Behavioral and Experimental Economics* 81, 56-72.
- **Garen, John**, Steven Gordon, and J.R. Clark, "The Growth of Government, Trust in Government, and Evidence on Their Coevolution," *Journal of Economics and Finance*, 43(3), July 2019, 456-480.

## Papers Accepted in FY 2020 for Future Publication

- **Courtemanche, Charles**, James Marton, Ben Ukert, **Aaron Yelowitz**, and Daniela Zapata. "The Five-Year Impact of the ACA on Health Care Access and Self-Assessed Health." *Health Services Research*.
- **Courtemanche, Charles**, Joseph Garuccio, **Anh Le**, Josh Pinkston, and **Aaron Yelowitz**. "Strong Social Distancing Measures Reduced the COVID-19 Growth Rate." *Health Affairs*.
- **Courtemanche, Charles**, James Marton, and **Aaron Yelowitz**. "The Full Effect of the Affordable Care Act on Voter Turnout." *Russell Sage Journal of the Social Sciences*.
- Wehby, George, Carol Guarnizo-Herreno, and **Charles Courtemanche**. "Contextual Economic Changes over the Past Decade and the Rise in Children's Obesity." *Maternal and Child Health*.
- **Courtemanche, Charles**, Ishtiaque Fazlul, James Marton, Ben Ukert, **Aaron Yelowitz**, and Daniela Zapata. "The Impact of the ACA on Insurance Coverage Disparities after Four Years." *Medicaid: Enrollment, Eligibility, and Key Issues*.
- **Courtemanche, Charles**, James Marton, and **Aaron Yelowitz**. "Medicaid Coverage across the Income Distribution under the Affordable Care Act." *Medicaid: Enrollment, Eligibility, and Key Issues*.
- Ingram, Samuel and **Aaron Yelowitz**. "Real Estate Agent Dynamism and Licensing Entry Barriers," *Journal of Entrepreneurship and Public Policy*.
- **Fackler, James** and Doug McMillin. "Nominal GDP Versus Price Level Targeting: An Empirical Evaluation." *Journal of Economics and Business*, 109, May-June.
- AL-Bahrani, Abdullah, Whitney Douglas-Buser, and **Darshak Patel**. "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*.
- Barrus, David and **Frank Scott**, "Single Bidders and Tacit Collusion in Highway Procurement Auctions." *Journal of Industrial Economics*.
- "The Allocation and Exchange of Property Rights as a Way to Understand Comparative Economics Systems and Managerial Economics," *Journal of Private Enterprise*.
- "Social Security and Medicare Spending Growth: Is It Just More Seniors or More Per Senior?," in Merrifield, John (ed.), *Perspectives on the U.S. Federal Debt Crisis*, Cato Institute, Washington, DC.

## Policy Reports

- Clark, Mike, Jenny Minier, **Charles Courtemanche**, Bethany Paris, and Michael Childress. “The Effects of Opioids on Kentucky’s Workforce.” Center for Business and Economic Research Report.
- Clark, Mike, Jenny Minier, **Charles Courtemanche**, Bethany Paris, and Michael Childress. “The Effect of Smoking on Kentucky’s Workforce.” Center for Business and Economic Research Report.
- Clark, Mike, Jenny Minier, **Charles Courtemanche**, Bethany Paris, and Michael Childress, “Economic Impact of Diabetes in Kentucky.” Center for Business and Economic Research Report.
- **Garen, John**, “Competition and Certificate-of-Need Laws,” Pegasus Institute Policy Brief.
- Blase, Brian and **Aaron Yelowitz**. “The ACA’s Medicaid Expansion: A Review of Ineligible Enrollees and Improper Payments.” Mercatus Research, Mercatus Center at George Mason University, Arlington, VA.
- **Yelowitz, Aaron**, “Improper Medicaid Enrollment Following ACA Expansion,” Health Affairs Blog.
- **Yelowitz, Aaron**, “Evaluating Cities’ Experiences With Local Minimum Wages” Fighting for \$15? An Evaluation of the Evidence and a Case for Caution, Washington, DC: Employment Policies Institute, 2019.



## Selected Media Coverage

- **Courtemanche, Le, and Yelowitz' *Health Affairs* COVID-19 Study**
  - CNN, May 18, 2020 • Erin Burnett's Out Front
  - CNN, May 18, 2020 • Wolf Blitzer's The Situation Room
  - CNN, May 18, 2020 • News Desk with Kate Bolduan
  - Univision, March 18, 2020, discussion of Health Affairs study
  - Univision, June 5, 2020, discussion of COVID-19 spread
  - Vox, May 18, 2020, "Lockdowns worked. Now what?" • Dylan Scott
  - New York Times, May 16, 2020, "Coronavirus Cases Slow in U.S., but the Big Picture Remains Tenuous." • Julie Bosman, Amy Harmon, and Mitch Smith
  - New York Times, May 20, 2020, "All 50 states are now reopening. But at what cost?" Sarah Mervosh and Amy Harmon.
  - New York Times, May 26, 2020, "The Most Patriotic Thing You Can Do Right Now." • Editorial Board.
  - FoxNews, May 15, 2020, "Places without social distancing have 35 times more potential coronavirus spread, study finds" • Christopher Carbone
  - The Hill, May 15, 2020, "Areas that fail to social distance face 35 times more virus cases, study suggests" • J. Edward Moreno
  - U.S. News and World Report, May 15, 2020, "In Iowa, No Stay-at-Home Order May Have Increased Cases of COVID-19" • Gaby Galvin
  - Washington Post, May 15, 2020, "Places without social distancing have 35 times more potential coronavirus spread, study finds" • Timothy Bella
  - Washington Post, May 20, 2020, "The Health 202: Some social distancing policies worked better than others to step Covid-19"
  - Inverse, May 21, 2020, "When will social distancing end? The 3 major risks of reopening too soon" • Ali Pattillo
  - Miami Herald, May 19, 2020, "Which social distancing measures work the best? Here's what a new study found" • Summer Lin

## Selected Media Coverage

- **Courtemanche, Le, and Yelowitz'** Kentucky COVID-19 Study
  - Lexington Herald-Leader, April 29, 2020, "New UK study backs up KY policy: Healthy at home has saved 2,000 lives in state so far" • Linda Blackford
  - KET Kentucky Tonight, May 11, 2020, "Restarting Kentucky's Economy" • Renee Shaw
  - WKYT, Lexington, April 29, 2020, "UK Professors Study Impact of Social Distancing" • Shelby Smithson
  - LEX18, Lexington, April 29, 2020, "New Study Shows Thousands of Kentuckians Spared Thanks to Social Distancing" • Katherine Collins
  - Kentucky Health News, May 27, 2020, "COVID-19 updates" • Melissa Patrick and Al Cross
  - AP News, April 29, 2020, "Beshear offers plan for phased May reopenings in Kentucky" • Bruce Schreiner and Dylan Lovan
  - Gov. Andy Beshear, April 29, 2020, "Update on COVID-19 in Kentucky"
- **Courtemanche and Yelowitz'** research on Medicaid fraud
  - Wall Street Journal, November 19, 2019, "Why Obama Stopped Auditing Medicaid" • Brian Blase, **Aaron Yelowitz**
  - Wall Street Journal, September 11, 2019, "How to Think About Health Coverage" • Editorial Board
  - Wall Street Journal, August 15, 2019, "ObamaCare's Medicaid Deception" • Brian Blase, **Aaron Yelowitz**
  - New York Post, December 2, 2019, "Cuomo must start explaining how he'll close New York's \$4B Medicaid gap" • Editorial Board
  - New York Post, November 30, 2019, "New York City is a hot spot for illegal Medicaid Enrollment" • Brian Blase
  - Los Angeles Times, January 14, 2020, "Despite Almost No Evidence of Abuse, Trump Plans to Narrow Medicaid Eligibility" • Michael Hiltzik
  - National Public Radio, January 24, 2020, "Medicaid Expansion Costs Hit New York – And Other States Are Watching" • Brian Mann
  - Forbes, November 23, 2019, "Improper Enrollment in Medicaid Soars" • Grace Marie Turner
  - National Review, August 16, 2019, "The Medicaid Expansion's Fraud Problem" • Robert Verbruggen

## Selected Media Coverage

- **Aaron Yelowitz'** other research on social safety net programs
  - Wall Street Journal, March 12, 2020, "Paid Sick Leave is a Failed Cure" • **Aaron Yelowitz**, Michael Saltsman
  - KET Kentucky Tonight, August 26, 2019, "Public Assistance and Government Welfare Programs" • Casey Parker-Bell
  - Modern Healthcare, January 16, 2020, "Nebraska Could Pave the Way Forward for Medicaid Work Requirements" • Michael Brady
- **Charles Courtemanche's** research on e-cigarette taxes
  - National Review, February 3, 2020, "Tax vaping, increase smoking" • Robert Verbruggen
  - Breitbart News, February 10, 2020, "E-cigarette taxes may drive vape users to traditional smokes, study says" • UPI Wire
  - Forbes, Feb. 10, 2020, "New study suggests raising taxes on e-cigarettes could encourage traditional smoking" • Kelly Phillips Erb
  - Kentucky Politics Weekly, Feb. 26, 2020, podcast • hosts Tres Watson and Tom Stephens
- **Charles Courtemanche's** research on Walmart Supercenters
  - VoxEU, July 18, 2019, "Walmart Supercenters fight food insecurity" • Charles Courtemanche, Art Carden, Xilin Zhou, and Murugi Ndirangu.
- **Miscellaneous**
  - Wall Street Journal, letter to the editor, May 22, 2020, "Biden Can Get Progressive Vote, but at a Cost" • **James Fackler**
  - Bloomberg, April 2, 2020, "Good Luck Policing the Massive Virus Relief Fund" • Joshua Green, quotes from **Ken Troske**
  - Bloomberg, June 17, 2020, "Trillions in Stimulus Go Unchecked With Watchdogs Kept Toothless" • Laura Davison, quotes from **Ken Troske**
  - Louisville Courier-Journal, May 18, 2020, "Kentucky likely to need big federal loan to pay unemployment benefits" • quotes from **Ken Troske**

## External Grants and Contracts

- **Charles Courtemanche**

- United States Department of Agriculture via University of Kentucky Center for Poverty Research, “A Comprehensive Evaluation of the Impact of SNAP on the Health of Seniors,” Local Principal Investigator. Subcontract amount: \$65,619 across 2019-2022.
- National Institutes of Health, “The Impacts of Vaping Regulations on Perceptions, Access, Prices, and Tobacco Use,” Local Principal Investigator. Subcontract amount: \$274,775 across 2018-2022.
- National Institutes of Health, “Understanding the Effect of Calorie Menu Labels on Obesity: Producer and Consumer Responses to the ACAs Calorie Posting Requirement,” Local Principal Investigator. Subcontract amount: \$1,338,408 across 2015-2020.

- **Darshak Patel**

- “3rd Annual EconGames” Charles Koch Foundation; Dates: 03/27/20; Amount \$22,000

- **Frank Scott**

- Consultant and Expert Witness for the Attorney General of West Virginia in a civil lawsuit involving monopolization and market allocation, State of West Virginia, ex rel. Patrick Morrissey, Attorney General, et al. v. CRH, plc, et al., CA No. 17-C-41 (Cir. Ct. Kanawha Cnty. -- Business Court), May 2015--, deposed 11/22/19, 12/16/19.
- Consultant and Expert Witness for Frost Brown Todd LLC and Jones Day in a civil lawsuit brought by the Attorney General of Kentucky involving possible price gouging by a major vertically integrated petroleum company, Commonwealth of Kentucky v. Marathon Petroleum (Commonwealth of Kentucky-Franklin Circuit Court: Civil Action No. 07 CI 00751), July 2007-August 2019, deposed 1/24/19.

## Conference and Seminar Presentations

- **Grant Clayton**
  - Kent State University
  - Northern Finance Association Meeting
  - University of Kentucky
- **Charles Courtemanche**
  - Southern Economic Association Annual Meeting
  - San Diego State University
  - University of Missouri
  - University of Kentucky (webinar)
- **John Garen**
  - Kentucky Board of Education
  - Mount Perlin Society Meeting
  - Southern Economic Association Annual Meeting
- **Darshak Patel**
  - National Economics of Teaching Association
  - University of Kentucky
- **Patrick Walker**
  - Small Business Institute Annual Conference (2)
  - University of Kentucky Lewis Honors College
  - University of Kentucky MLK Jr. Center, Lunch and Learn
  - University of Kentucky MLK Jr. Center, Men of Color Conference
  - Fredrick Douglas High School
- **Aaron Yelowitz**
  - University of Kentucky (webinar)

## Courses Taught

- **David Bradshaw**
  - Philosophy of Human Nature: 30 students
  - Seminar on Ancient Philosophy: 8 students
  - PhD Independent Study: 5 students
- **Grant Clayton**
  - Investment Analysis: 3 sections, total of 93 students
- **Charles Courtemanche**
  - PhD Independent Study: 2 students
- **John Garen**
  - Social Economic Organization, 44 students
- **Wendy Liu**
  - Corporation Finance: 2 sections, ~800 students total
- **Darshak Patel**
  - Principles of Microeconomics: 2 sections, total of 890 students
  - Sports Economics: 45 students
  - Managerial Economics for Healthcare Professionals: 48 students
- **Frank Scott**
  - MBA Managerial Economics: 3 sections, total of 152 students
  - PhD Seminar in Industrial Organization: 11 students
- **Patrick Walker**
  - Awakening the S.O.U.L. of Free Enterprise, ~20 students
  - Law, Ethics, and Entrepreneurship, ~20 students
  - The New C.E.O.: Chief Entrepreneurial Officer, ~20 students
- **Aaron Yelowitz**
  - Health Economics: 50 students
  - PhD Public Economics: 15 students
  - Capstone Health Policy: 20 students

## Ph.D. Students Mentored

- **Grant Clayton**
    - Dissertation Committee Member
      - Ang Li
  - **Charles Courtemanche**
    - Dissertation Chair
      - Anh Le
      - Yaxiang Song
      - Joseph Garuccio (Georgia State)
      - Jordan Jones (Georgia State)
    - Dissertation Committee Member
      - Alex McGlothlin
      - Xueting Deng
      - Arjun Teotia (Georgia State)
      - Muhamad Fathurrohman (Georgia State)
      - Samuel Asare (Georgia State)
    - Dissertation Outside Examiner
      - Samane Zarebanadkoki
  - **John Garen**
    - Dissertation Chair
      - Samuel Ingram
  - **Frank Scott**
    - Dissertation Chair
      - Alex McGlothlin
    - Dissertation Committee Member
      - Sam Ingram
  - **Aaron Yelowitz**
    - Dissertation Chair
      - Robert Perez
    - Dissertation Committee Member
      - Samuel Ingram
-

## Journal Editorships

- **Charles Courtemanche**

- *Southern Economic Journal* (lead editor)
- *Journal of Policy Analysis and Management* (co-editor)
- *Economics and Human Biology* (editorial board member)

- **Ken Troske**


- *Southern Economic Journal* (co-editor)

- **Aaron Yelowitz**

- *Public Finance Review* (associate editor)
- *Journal of Labor Research* (editorial board member)
- *Inquiry* (editorial board member)



# 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

Period	Schnatter	Koch	Craft	Other	Expenditures	Balance
FY 2016	\$ 300,000	\$ 200,000			\$ 93,675	\$ 406,325
FY 2017	\$ 380,228	\$ 253,485			\$ 290,393	\$ 749,645
FY 2018	\$ 378,124	\$ 252,083			\$ 413,987	\$ 965,865
19	\$ 986,365	\$ 1,000,000	\$ 50,000		\$ 975,571	\$ 2,026,660
20		\$ 1,000,000	\$ 33,500		\$ 1,003,790	\$ 2,056,369

The column labeled "other" includes the following gifts:

- \$50,000 from Jill Ramsey in FY 2019;
- \$6,500 from Cynthia Fisher in FY 2020;
- \$20,500 from Northern Kentucky University to support the EconGames program that was scheduled for spring 2020 but ultimately postponed until 2021 due to the pandemic;
- and \$6,500 from the Southern Economic Association to help offset administrative costs for the Southern Economic Journal, which is edited at ISFE.

## Overview of Expenditures for FY 2020

<b>ISFE-Funded Faculty Positions</b>		
Charles Courtemanche (Economics)	\$ 210,788	Academic year salary
	\$ 29,866	Summer salary
	\$ 45,588	Benefits
Grant Clayton (Finance)	\$ 222,191	Academic year salary
	\$ 50,000	Summer salary
	\$ 51,716	Benefits
<b>Subtotal</b>	<b>\$ 610,149</b>	
<b>Faculty Support</b>		
Summer Research Grants	\$ 55,000	Payments to awardees from 2019 cycle
Faculty Travel	\$ 3,512	Garen/Walker/Courtemanche
Miscellaneous	\$ 3,618	Data, computers, association and journal fees
Faculty Research Day	\$ 327	Travel expenses, meals, promotional materials
Faculty Recruitment Expenses	\$ 9,763	Advertising, travel expenses, meals
<b>Subtotal</b>	<b>\$ 72,220</b>	
<b>Graduate Student Support</b>		
Research Assistants	\$ 33,207	Le/Blevins
Fellowships	\$ 17,064	Six 2020 summer fellows
Travel	\$ 1,218	Le/McGlothlin/Song
Miscellaneous	\$ 451	Software, association and journal fees
<b>Subtotal</b>	<b>\$ 51,940</b>	
<b>Undergraduate Student Support</b>		
Junto Club	\$ 2,788	Scholarships, books, meals
IHS Colloquium	\$ 191	Dinner
Miscellaneous support	\$ 1,538	Food for LEAD Summit
Entrepreneurship contests	\$ 20,657	Prize money for fall and spring contests
Research Assistants	\$ 3,223	Briggs
<b>Subtotal</b>	<b>\$ 28,397</b>	
<b>Public Events</b>		
Fiscal Therapy	\$ 4,886	Speaker fees, meals, reception, books, security, photographer, videographer, promotion
The Fight for Freedom in Venezuela	\$ 5,896	
Case for Freedom/Free Enterprise	\$ 9,731	
Healthcare Price Transparency	\$ 5,000	Speaker fees for Dr. Laffer and Dr. Van Horn
Coronavirus Economics	\$ 500	Speaker fee for Dr. Carden
Advance expenses for 2020-21	\$ 1,151	Pre-paid expenses for events that were postponed
<b>Subtotal</b>	<b>\$ 27,164</b>	

## Overview of Expenditures for FY 2020 (continued)

<b>Institute Administration Expenses</b>		
Director/Associate Director stipends	\$ 78,503	Courtemanche/Patel
Administrative Assistant	\$ 21,322	Drury
Research Associate	\$ 27,877	Di Martino
Benefits	\$ 23,379	For the above stipends and salaries
Contractors	\$ 35,145	Rhame (social media), Wyatt (Southern Economic Journal), Fontinelle (proofreader), Kegebein (administrative assistance prior to Drury's hiring)
Operating expenses	\$ 27,694	Communications, marketing, outreach, technology, administrative travel, supplies
<b>Total</b>	<b>\$ 213,920</b>	
<b>Total Amount Spent in 2019/20</b>	<b>\$ 1,003,790</b>	