



UNIVERSITY OF WASHINGTON

Economics Undergraduate Board

THE ECONOMIZER

VOLUME 34, NUMBER 01

DEPARTMENT OF ECONOMICS

AUTUMN 2024

Bringing Experience, Passion, and “Spark” to UW Economics: Introducing Professor Ali Karimirad

ZAYNA AARBI

From the libraries of Iran to the halls of the University of British Columbia comes Professor Ali Karimirad. With experience in advanced macroeconomic research and policy analysis, Dr. Karimirad brings with him a unique appreciation for Economics that he aspires to share with his students.

Professor Karimirad was born and raised in Iran, where he witnessed the consequences of economic frictions in a developing society. From a young age, he was intrigued by Iran’s persistent inflation, government deficit, and low female labor participation rate. In search of answers, young Ali Karimirad often spent his breaks in the library among history books, learning about the impacts of various economic systems in practice. When it came time to choose an academic path, his affinity for math naturally pushed him towards engineering, and he earned a Bachelor of Science in Electrical Engineering from Amirkabir University of Technology. Professor Karimirad describes how he enjoyed modeling but instead of machinery he would rather have used models to analyze human behavior, an activity that is

fundamental to the field of Economics. This shift marked the start of a twelve-year journey to earning a Master’s and PhD in Economics from the Sharif University of Technology and the University of British Columbia, respectively. As he gained skills and knowledge within Economics, Dr. Karimirad developed a special interest in real economic frictions, including the complexities of the production network. His research is centered around the interconnectedness of various sectors and the chain reactions that occur when crucial sectors default.

Before joining the faculty of UW, Professor Karimirad worked for the British Columbia Government as an economist. He recalls his experience there as rewarding and interesting and found that the government of B.C. actively worked to benefit the people and valued their economists’ analyses. He says that they provided a steady stream of projects regarding various economic questions and thoroughly weighed costs and benefits. For these reasons, he highly recommends working in policy analysis.

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Housing Affordability, Not Just Personal Vulnerability, Drives Homelessness: A Summary of Gregg Colburn's Lecture on the Structural Roots of Homelessness

PATRICK CLANCY

On October 22nd, 2024, at the Seattle Public Library, Gregg Colburn gave an insightful lecture based on his recent book (co-authored with Clayton Page Aldern), titled Homelessness is a Housing Problem. He is currently a professor teaching at the University of Washington within the Runstad Department of Real Estate. At his lecture, Colburn presented his research he and his colleagues gathered while writing the book. This research examines the statistical relationship between several individual factors often linked to homelessness such as mental illness, drug use, and individual poverty

and the rates of homelessness across major U.S. cities. The results were telling of a broken system in need of a major change and a rather obvious but often overlooked driver of the homelessness crisis across the country.

Colburn began his lecture by emphasizing that his book focuses on cities more so than individuals. While understanding who becomes homeless is an important question, it fails to help understand what is causing the regional variation discovered in the data they collected.

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To answer this question, Colburn started with the more “popular” explanations for homelessness: mental illness and drug use. After performing a statistical analysis on Substance Abuse and Mental Health Services Administration (SAMHSA) data taken at the state level across the U.S. comparing mental illness to rates of homelessness, Colburn came to a conclusion that to many would be quite surprising: while mental illness may help explain who becomes homeless within a given location, it does not explain variation seen across different regions. Mental illness does have a part to play in the homelessness crisis, but it alone fails to explain why some cities in the U.S. have such high rates of homelessness and others do not. Colburn conducted a similar analysis of the SAMHSA data this time paying specific attention to drug use compared to homeless rates and came to a similar conclusion observing no significant relationship between the two variables that could explain the variance in states’ rates of homelessness. Having crossed off mental illness and drug use as direct causes of our homelessness crisis, Colburn moved on to several other likely culprits.

Other important factors to consider when trying to identify the driving factor of our homelessness crisis are a region's generosity (welfare spending), weather, and more progressive political leanings. Colburn analyzed data on all three and still came to the same conclusion. Despite stereotypes, the research indicated that neither a region's generosity nor its weather significantly impacts homelessness rates. Furthermore, while many attribute homelessness to political leanings, Colburn highlighted that some of the country's largest cities with high homelessness rates have Democratic leadership, but so do cities like Cleveland and Chicago, which face fewer challenges. So what is driving the homelessness crisis in the U.S.? The data pointed to one major conclusion: affordable housing, or rather, the lack thereof.

One of the key insights Colburn discovered was how high housing demand, paired with restrictive housing policies, constrains housing supply, creating in effect a housing crisis. He used Seattle as a case study, pointing out that areas with stringent zoning laws, such as the majority of Seattle's land that is zoned for single-family homes, face particular difficulty in expanding the amount of affordable housing available. In markets with high demand and limited housing supply elasticity (that is the measure of the change in the supply of housing to a change in price, driven by regulations and topography), homelessness spikes, while cities with more adaptable housing markets tend to experience less strain, even with similar population growth. Ultimately, it comes down to the amount of affordable housing stock available, and the

ability of a city to adequately increase that stock to appropriately accommodate an increase in population.

To address homelessness effectively, Colburn proposes a dual approach of providing our cities and regions two types of investments: operating investments to fund housing support, maintenance, and services, and capital investments to construct housing. He also addresses that where housing is difficult to construct, changes to regulations and land use policy are needed. However, he underscored that the U.S. lacks a preventative framework for addressing homelessness; instead, current approaches often merely mitigate the problem temporarily. Colburn highlights how the shelter system is a response not a solution and that in order for a solution to be implemented, we must “turn the water off”.

Colburn ended with a call to action, encouraging students and community members to show up and participate in their local governments advocating for legislative reforms that support housing accessibility. He emphasized the need for policies that reflect modern economic realities of growing urban populations and reminded attendees that housing is a basic human need and that overlooking structural solutions perpetuates the homelessness crisis.

Overall, as housing affordability becomes a major issue in political discourse, Colburn's research presents an urgent reminder: without significant structural changes, homelessness will continue to affect communities across the United States. By understanding homelessness through a systematic lens, as Colburn advocates, cities can adopt a more effective, humane, and preventive approach to addressing this ongoing crisis.

I urge readers to conduct their own independent research and read the book for themselves.

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With quite an impressive resume, Professor Karimirad offers an abundance of wisdom for students in Economics. He greatly encourages any student pursuing Economics to take supplementary coursework in mathematics, statistics, and computer science. These fields provide skills and tools that are useful in the industry as well as higher-level education. He stresses the importance of data science and programming in most positions and the substantial use of mathematical concepts such as real analysis and linear algebra in graduate programs. Dr. Karimirad also recommends working in the industry for a few years before enrolling in a PhD program. This allows students to gather up savings, enjoy their life (which he amusingly admits PhD students cannot do), and garner industry experience that will supplement the academia, research, and writing involved in the program. He also cautions students to consider the opportunity cost of a six-year degree, which is what most PhD's in Economics incur.

Professor Karimirad also offers advice about writing research papers, which Economics students, particularly those in the Honors program, may find useful. He asserts that writing is a difficult process that involves time, advice, and editing. In his opinion, the best way to improve writing ability is to read relevant pieces. By consuming literature in similar fields, especially those by renowned authors, one can make observations about word choice, sentence structure, and logical flow. He points out that the best writers steer away from overreferencing, repeating, and being lengthy. He also reiterates the importance of editing and even suggests rewriting the introduction and abstract with each edit. Lastly, Professor Karimirad shares his own experience in the writing process, explaining how he learned to take criticism. He says, “In the academic world, everyone is trying to provide comments and criticize you, not because they have a problem with you, they just want to improve you.” He added that taking critique is crucial to developing writing.

Professor Karimirad is very excited to join the faculty of UW Economics. Having just moved to Seattle in September, he looks forward to exploring Washington. He currently teaches ECON 301 and hopes to encourage students to become enthusiastic about Economics as well as teach them the intuition behind modelling phenomena. Smiling, he says that when students are paying attention to the lecture and are truly enjoying it, they develop a noticeable “spark” in their eyes. Professor Karimirad admits that this “spark” is very rewarding and makes his day.

Overall, we are very lucky and grateful that Professor Ali Karimirad has found his way to us, and we welcome him to the UW Economics Department. He brings with him ample experience in Economics and a true passion for this field, and we have no doubt he will inspire that “spark” in all of us.

ANNOUNCEMENTS

Economics Tutoring:

The EUB offers free tutoring every weekday at various times every quarter! Check the schedule on the EUB website to see tutoring times. If you need help with an upper-level class, however, make sure you check the website to see which tutor can help.

Contribute to the Economizer:

The Economizer will be seeking guest writers for our Winter quarter issue. Interested writers should check their emails from the department in the early Winter quarter for submission instructions.

The Economizer is a quarterly newsletter published by the Economics Undergraduate Board. The articles herein do not necessarily reflect the views of the department or its faculty.

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Economists are (Potentially) Detectives

KEJIE XU

I recently attended the Annual Nobel Prize Lecture about Claudia Goldin, whose bio on the Nobel Prize webpage comes with a captivating title - "The Economist as Detective". I could imagine her thrill when she haunted down the threads of evidence, those invaluable data that later contributed to her masterpiece, buried deep down in the basement at Penn. Broadly speaking, that's exactly what detectives do, researching, digging out evidence, putting together those pieces, and illustrating the truth. Individuals with remarkable perceptions might argue that the subject matter is drastically different, which sadly is only partially true, for academic economists have already reached their invisible hands to the field of criminology.

Before diving into how economic approaches are used in criminal studies, I would like to introduce a four-book mystery series published by two economists, William L. Breit and Kenneth G. Elzinga (with the pseudonym Marshall Jevons). Those books were named after concepts that every student in our department should be familiar with. As an avid mystery reader, those books not only provide me with intellectual satisfaction in an academic environment but also because they illustrate how economists perceive the world, even in a fictional realm with an overly dramatic crime. The assumptions of rational decision and utility maximization are the fundamentals of our subject and of solving the crime. In the story, the key evidence is that when other things being equal, the suspect does not choose the option that maximizes its utility.

Of course, a perceptive student may quickly realize that a fictional world is not comparable to the complexity of our reality. Touché. Our world is packed with randomness and it is rare for police to arrest a suspect just because he or she does not pick the utility maximization option. Nevertheless, one only needs to reflect on Milton Friedman's pool simile, and our story about criminal economics can finally begin.

The first rigorous economic study of criminal behaviour was presented by Gary S. Becker in 1968. Although many criminologists believe the work to be oversimplified, it still greatly influenced later economists and gradually expanded into a new subject. Though the mathematical analysis is quite complicated, the ideas are simple. Economists propose that criminals possess no different traits than ordinary people because it is the preferences and laws that distinguish them. Thus, individuals obsessed with heroin are no more special than those addicted to tobacco. Furthermore, if there were no legal restrictions on heroin, the price would not have been drawn up so drastically and impelled those drug addicts to commit other crimes to maximize their purchasing power. Obviously, as economists usually do, the discussion above is under the *ceteris paribus* assumption as if heroin causes the same level of addiction and harm as tobacco do. Given the assumption

that criminals are ordinary people with anomalous preferences, many economic properties could be applied to criminal behaviour analysis.

For example, why does crime even exist? Since criminals are no less rational than ordinary people, and given the fact that crimes do happen now and then, the only solution is that criminals can gain something, whether tangible or not, from those actions. With more economic jargon, they maximize their utility through criminal actions. If we denote utility with U as we usually do, then we could derive a general utility relationship between the payoff of honest work $U(W)$, legal punishment $U(S)$, and a successful and complete crime $U(W \text{ subscript } c)$ with probability of being captured as:

$$(1 - q) U(W \text{ subscript } c) - q U(S) > U(W), 0 \leq q \leq 1$$

This inequality states that a criminal's payoff of a successful crime must strictly outweigh the benefit of doing honest work by their psychological and/or physical loss due to legal punishment. Perhaps this is why there have always been jokes about students studying criminology should pack their bags, go home, and urge the government to 1. increase the probability of police capturing criminals, and 2. increase the severity of punishment.

Nowadays, many impactful literatures are written in this field, and some modifications to the models are made to better fit the reality. In short, economic approach and rational analysis are becoming more important than ever to study and deter criminal actions, examples can be found in top-tier economic journals. Perhaps one day, economists would actually dig things that are deemed as genuine detective works.

Now, dear Watson, the game is afoot.

OPPORTUNITIES

Study Abroad in Economics:

UW's Econ Dept. offers students the opportunity of going to 6 different Study Abroad programs: 4 in Europe and 2 in Asia. January 31st is the deadline to be considered for Study Abroad programs that start in August/September. Learn more about these programs, including how to apply, at <https://econ.washington.edu/study-abroad>. For more information, email Patrick Pineda at econadv@uw.edu for an appointment.