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Finding Structure in Variability : Introducing Professor Jackson Bunting

VINCENT LIEN

As the UW Department of Economics continues to expand and specialize in recent years, we are very pleased to welcome a new addition to our distinguished faculty. From the University of Melbourne, Australia, Professor Jackson Bunting arrives at the University of Washington with consummate ardor and a most impressive list of achievements both in and out of the classroom.

As an undergraduate, Professor Bunting studied Commerce and Science. In Australia, college students have the opportunity to explore different fields of specialization within the major. Atmospheric Science stood out to Professor Bunting during this period of discovery as the issue of environmental health grows more prevalent each day. While on the Commerce side, Professor Bunting tried his hand in numerous subjects such as Finance and Accounting before realizing the different ways Economics

can help solve market failure surrounding the environment, which ultimately led him to pursue it. Driven and curious, Professor Bunting demonstrated his outstanding mastery of the subject and received several awards of recognition such as the KPMG Award in Environmental Economics and the AG Whitlam Honours Scholarship. After his graduation with First Class Honors, Professor Bunting took up work in environmental and public policy in a think tank, then later on a congressional budget office known as Productivity Commission. According to Professor Bunting, this line of work involved significant political engagement, which impeded and impinged on the discretion of economists like himself. Gradually, reckoning with this political reality, he made the momentous decision to pursue academia. It was with this new found direction that Professor Bunting moved to the United States and earned a PhD in Econometrics at Duke University in 2021.

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Indirect Gambling as an Economic Institution

ANSH S. CHAVDA

Chance-based products have been quietly reshaping modern consumer behavior. These items don't pay out money like traditional gambling, yet they rely on the same thrill of uncertainty to drive participation and profit. This phenomenon, which I've chosen to refer to as indirect gambling, appears everywhere from Pokémon card packs, to Labubu blind boxes, to digital gacha games like Genshin Impact. This article will examine how psychology, social interaction, and market structures sustain this growing economic system.

Economic Frameworks

Across trading cards, blind boxes, and gacha systems, the indirect gambling structure unifies them, as consumers must engage with a randomized reward mechanism to obtain desired outcomes. Rather than purchasing a specific good, they pay for the chance to receive it. This uncertain exchange generates a cycle of anticipation, consumption, and repetition.

According to Douglass North, "Institutions are the humanly devised constraints that structure political, economic, and social interaction." Indirect gambling functions as one such institution, with an informal system of rules and incentives that governs spending. Three particular interconnected points explain why indirect gambling remains such a powerful and persistent institution globally: behavioral biases, network effects, and secondary markets.

Framework Analysis

In researching the behavioral biases that affect indirect gambling, Kahneman and Tversky (1979)'s *Prospect Theory* stands out. In short, it suggests that agents may irrationally overweigh low-probability outcomes while underweighing high-probability outcomes. This can explain why consumers may overestimate their likelihood of getting rare items. It also introduces the concept of loss aversion, where failing to obtain a rare item is experienced as a loss relative to expectations. That also encourages purchasing more in order to get lucky and actually win the desired item. Blind boxes demonstrate these effects particularly clearly. Each box promises a small chance of obtaining an especially rare design, and consumers often believe they can "beat the odds" through repeated purchases. By convincing themselves they're just one box away from finally winning, consumers mirror the mindset of direct gamblers.

While prospect theory can explain the individual mindset behind engaging in indirect gambling, the social popularity of the institution can be explained using engagement maximization and network effects. Katz and Shapiro (1985)'s *Network Externalities* defines the network effect as one arising when consumers derive greater happiness from a product as the number of other users grows. This can be well observed in gacha gaming, particularly in Genshin Impact, where limited-time character "banners" drive large-scale social excitement and participation. In these limited banners, players rush to

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obtain exclusive characters before they get replaced by a different character. When players showcase their successes on social media or within the game itself, it reinforces desirability, encouraging others to participate.

Once items acquire measurable social and functional value, some consumers begin to treat them as assets rather than just collectibles. Coase's (1937) *The Nature of the Firm* features a theory of transaction costs that explains why secondary markets naturally emerge. As the costs of exchanging goods fall, agents organize dealings through structured mechanisms to maximize efficiency. Arunkundram and Sundararajan's (1997) *Economic Analysis of Electronic Secondary Markets* shows exactly how this process is made easier through digital environments, where such infrastructures already exist. One particularly powerful example of this is the Pokémon TCG.

Certain cards are strong against others, and a deck of 60 cards must be held by a player to play 'legally' according to official rules. This creates continuous demand for specific cards, especially those that are competitively advantageous or synergize with new releases. As a result, players trade or purchase individual cards to complete decks efficiently, forming an organic marketplace. The Pokémon TCG market functions as an almost perfect example of the classical supply and demand framework. Prices and quantities on the market shift on their own as cards gain and lose popularity. Online platforms such as eBay and TCG player have become the de facto exchange to connect sellers and buyers, who end up shifting supplies and demands until cards can be purchased at an equilibrium price. This form of secondary market leads to two additional outcomes. First, it provides an alternative method of possessing goods for risk-averse consumers that are still interested in the hobbies. Second, it brings forward a new question; if indirect gambling leads to the birth of secondary markets where participants can sell their supply for monetary benefits, is the institution ultimately a convoluted guise to jump through legal regulations and normalize gambling behavior in modern society?

Findings

To complement the theoretical aspects, I conducted a short survey through Google Forms between October 16 and 18, 2025. The survey was distributed via Instagram and received fifteen responses. First, the majority of respondents indicated that their main motivation for purchasing randomized products such as Pokémon packs, blind boxes, or gacha pulls was the chance of obtaining something rare (33%) or the excitement and thrill of randomness (27%), aligning with the Prospect Theory. Second, more than half of respondents (53%) reported feeling more motivated to buy or play when friends were also collecting or posting their results, showing a network effect. Finally, nearly half of respondents (47%) indicated that they had traded, resold, or considered reselling randomized items, reflecting the early development of secondary-market behavior even within a small social group.

Conclusion

Indirect gambling represents a unique and detailed economic institution that combines entertainment, consumption, and risk-taking. Whether viewed as innovation or normalization, indirect gambling reflects humanity's fascination with uncertainty, and the economy's ability to turn that fascination into monetary value.

CAREER EVENT WITH NICKERSON AND ASSOCIATES

On October 11th the EUB hosted members of the consulting firm Nickerson and Associates. Undergraduate economics students were given the opportunity to engage with industry professionals and learn about the intersection between economics, data analysis, and law.



HALLOWEEN SOCIAL EVENT

The EUB held a halloween social event on October 28th where majors and non-majors alike were invited to play economics themed games with halloween candy!



WANT TO JOIN UW ECON'S EUB?

We are the EUB, a group of UW undergrad Econ majors that advocate on behalf of the Econ majors and communicate with students, faculty, and staff. Although applications to join the club occur for the 2025-2026 year have passed, they shall reopen in Spring of 2026.

Looking at the Effects of Abortion Bans on Female Economic Outcomes 2021-2023

MEERA NAMBIAR

Introduction

In the 1973 U.S Supreme Court case *Roe v. Wade*, the Court ruled that abortion was part of the constitutional right to privacy, preventing states from having abortion bans. However, since the *Dobbs v. Jackson Women's Health Organization* ruling overturned *Roe v. Wade*, access to abortions now varies by state (Oyez, 2021). Nineteen states have abortion bans with very limited exceptions or bans before the 24-week viability mark established in *Roe v. Wade*. Thirty-one states and the District of Columbia have abortion protections, where the legal limit is at 24 weeks or later (Walker, 2025).

Abortion access is deeply tied to social, economic, and health outcomes for women. Studies have shown that loosening abortion restrictions can increase female labor force participation, and a higher female labor supply improves economic growth (Bergman et al., 2023). Furthermore, abortion restrictions are associated with higher maternal mortality rates and higher rates of pregnancy-associated hypertension (Gardner, 2024). This study aims to investigate the relationship between abortion access and female economic outcomes and compares states with and without abortion restrictions before and after the *Dobbs* decision. Previous studies have shown that many states with the lowest female employment growth had also banned abortion access after the *Dobbs* decision.

Data and Methodology:

Data from this study was taken from the American Community Survey, using Table S2301 on employment status and Table B20002 on median earnings in the past 12 months by sex. I used the annual one year estimates from 2021, 2022, and 2023, looking at data before and after the *Dobbs* Decision. I focused on three economic measures — female labor force participation, female median wages, and median female wages as percentage of median male wage. The data was split by geography, and included estimates for all 50 states and the District of Columbia and margins of error. I also included abortion access as a dummy variable, with 19 states with abortion bans or heavy restrictions being assigned 0 and the other states and D.C. being assigned 1.

$$Y = \text{Intercept} + \beta_1 \text{Access} + \beta_2 \text{Post} + \beta_3 \text{Access} * \text{Post}$$

I used a difference-in-difference regression to see both the effects over time and due to treatment. The variable *Access* was used as the treatment. Because the abortion restrictions were established in 2022, data from 2022 and 2023 had the *Post* variable equal to 1, while it was 0 in 2021. However, every state has its own unique abortion restrictions or protections, and passed laws regarding abortion access at different times. This nuance is not reflected in the regression.

Results:

Looking at the 2023 labor force participation (LPF) data, nine of the ten states with the lowest female LPF implemented abortion restrictions after the *Dobbs* decision. Meanwhile, seven of the ten states with the highest female LPF do not have restrictions. This is true for both 2021 and 2023 data. The average female LPF for states without restrictions was higher compared to states with restrictions, but the average LPF increase from 2021 to 2023 was the same for both states with and without restrictions. In the regression, there were negative coefficients for the *Access* (-3.69) and *Post * Access* (-0.13) variables, suggesting that having abortion restrictions was associated with a lower LPF. However, the *Post * Access* variable is not statistically significant, with a large standard error, but the *Access* variable is extremely significant. While the change in 2022 did not cause a decrease in LPF, states with abortion restrictions already have much lower LPF.

Similarly for female median wage, seven of the ten states with the lowest female wage have abortion restrictions. The average female median wage in states with abortion restrictions was lower than the national average, and the increase in median wage from 2021 to 20223 was smaller for states with abortion restrictions compared to states without them. Similarly to the LPF data, the *Post * Access* (-358.9) variable has a negative coefficient, but there is not any statistical significance. The coefficient for *Access* is negative (-6297) and statistically significant, so states with abortion restrictions have lower median female wages.

The average female wage as a percentage of male wage, or wage gap, for states without abortion restrictions is .75 for all three years of data, and the wage gap for states with restrictions is 0.71 in 2021 and goes to 0.72 in 2023. The only statistically significant variable in the regression is *Access* (-0.033). *Post * Access* was close to 0, so it had no effect on the wage gap. Unlike the LPF and median wage data, the wage gap did not improve over time, and the *Post* variable was not significant.

Conclusion:

The results from all 3 economic measures showed a similar pattern. While there was no significance due to the abortion restrictions, states that did establish abortion bans or restrictions in 2022 had lower female LPF, median wage, and percentage of female wage compared to male wage at a statistically significant level. So states with abortion restrictions had worse economic outcomes for women. More research is needed as data from 2024 and 2025 is released to see if these results are the same over time.

IMPORTANT EVENTS

Paul Heyne Seminar
Thursday, November 20th
Savery 166
5:30 PM

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With a passion for education along with his degree, he became an Assistant Professor at Texas A&M University where he came to prove his expertise as an acclaimed scholar and instructor. In today's tumultuous job market, making the decision to pursue higher education is no trivial matter. With his innumerable accomplishments in the field, Professor Bunting has accumulated many insights in academia. For those who are interested in pursuing the academic path, Professor Bunting believes in the practice of keeping options open. "It is good to aim high," he says, "and to at the same time have the discipline to diverge when lower is better." Additionally, with the countless excellent opportunities out there, he believes there is bound to be something that aligns with one's interests, which is why he recommends trying to do the harder things. "It is invaluable to be willing to put oneself out there," he says, this includes taking the challenging classes to get a taste of the subject matter— how else would one unearth one's fascinations? With that being said, for those who are truly committed to this noble road less-traveled, Professor Bunting believes in a general principle: starting small. While many might be eager to prove themselves and put their learnings to work, it is important to keep in mind the vast existing research out there that can provide valuable information as well as inspirations. Professor Bunting suggests aspiring grad students to look into such research and take "one-step deviation" from them in their own research as a start. "A successful scholar does not seek only to contribute," says Professor Bunting, "but to learn constantly in the process what has been done and why."

With extensive research experience in the subject, Professor Bunting will be teaching ECON 488: Causal Inference in the following Winter Quarter and strongly encourages students to sign up for it. The course offers students a formal introduction to the intricate methods of structural economics that are fundamental to higher studies of economics. As an expert in Econometrics, Professor Bunting acknowledges it as the mathematics-heavy side of Economics, which, though arguably less popular among the undergrads, is absolutely imperative to the field, a truth all PhD students can heartily attest to. Professor Bunting believes in the importance of thinking properly and precisely about causation using data and numbers. What assumptions have led us to this conclusion? How do we interpret this result? What kind of policies does this warrant? These are the central questions Professor Bunting crowns as the core of econometrics. For those who would love to learn more about the works he is involved in, Professor Bunting recommends a book titled *The Book of Why* by Judea Pearl and Dana Mackenzie, which explores the subject of causality and causal inference. With such said, it is with much enthusiasm and gratitude we welcome Professor Bunting to the department who is certain to inspire current and prospective students in the major.



Professor Bunting is the newest addition to the Economics department

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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