

Forecasters hired to be scapegoats

Economic forecasters often are hired as scapegoats by businesses and government, said Barry Siegel, a University economics professor.

"They're covering their positions," he said. "Forecasters are hired to make the mistakes because the chief executive can't afford to. Then he can say 'I had the best advice and if the best scientific minds can't do it right, how can you expect me to?'"

Siegel, who has been "rum-maging around" in the area of economic forecasting, presented his findings at a Friday seminar attended by economics professors and students.

Historically, forecasters had a "spectacular failure" in the 1920s when they predicted the stock market would continue to rise, but instead it fell, he said.

Forecasters also "fell on their faces" after World War II when a depression with no inflation was

predicted and prosperity with inflation resulted, Siegel said.

"Forecasters tend to do well during stable periods," he said.

Considering the inaccuracy of many reports from economic forecasters, Siegel said it's remarkable how many of them are in the work force. He estimated thousands of forecasters work for business, industry and the government.

Biases of the forecasters may contribute to their mistakes, Siegel said. For example, forecasters who believe in Keynesian economic theories tend to base their predictions on that framework, he said.

But Siegel said in many cases, businesses don't just want the forecast, they also want the information, data and models the economist uses to make the predictions. They also may want the name and reputation of the economist to back them up, he said.

Bomb duo penalized

A University couple who admitted to making a campus bomb threat on Oct. 25 will receive 50 hours of community service and a year of student probation each, says Vernon Barkhurst, associate dean of students.

Barkhurst, who also is student conduct coordinator, sentenced the two students after they admitted to the misdeed and waived their right to a contested public hearing as set down in Oregon's code of student conduct.

The bomb threat, which was phoned to the EMU Main Desk and Campus Security, forced the evacuation of a midterm for an organic chemistry class. Both students were enrolled in the course.

Barkhurst sentenced the man and the woman to 100 hours of community service each with half those hours suspended. The suspended hours will be imposed if either of the students fail to complete the first 50 hours by the end of winter term,

he says.

Any further violations of student code within their one-year probationary periods would require consideration of more severe punishment, he says.

The couple was reported to security by a student who overheard them joking to one another about the incident, he says. The student had read previously an article about the incident in the Emerald, he says.

Although the bomb threat caused no damage or injury, Barkhurst considered the danger of a freak accident resulting from the evacuation of the threatened class a serious possibility, he says. The inconvenience to those whose midterms were cancelled because of the interruption also figured into Barkhurst's decision.

But Barkhurst also weighed the students' admission of guilt and willingness to cooperate in his decision.

"What it amounts to is a dumb stunt," he says.

Interested in finance?

When University senior Tom Boyle tried to join the campus finance club, he found there wasn't one to join. So he is starting his own club.

More than 20 students have expressed interest in joining the club so far, he says.

"That's just about right for the beginning," Boyle says.

He says they are not sure where they will get funding. They will apply for incidental fee monies, but they also may look at charging an initiation fee and having fundraising events.

Boyle says the club's purpose

will be to give students interested in finance a chance to meet with each other, talk with professors and give people a better grasp of finance.

"You say the words 'finance major' to the average person, and they see you as one hop and a skip away from a pinstripe suit and Wall Street," says Boyle. "But finance is a very wide field."

Boyle stresses the Finance Club will be open to anyone, not just finance majors. The club will hold a meeting today at 7 p.m. in Room 338 Gilbert.

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Vegetarian Spaghetti
Garlic Toast



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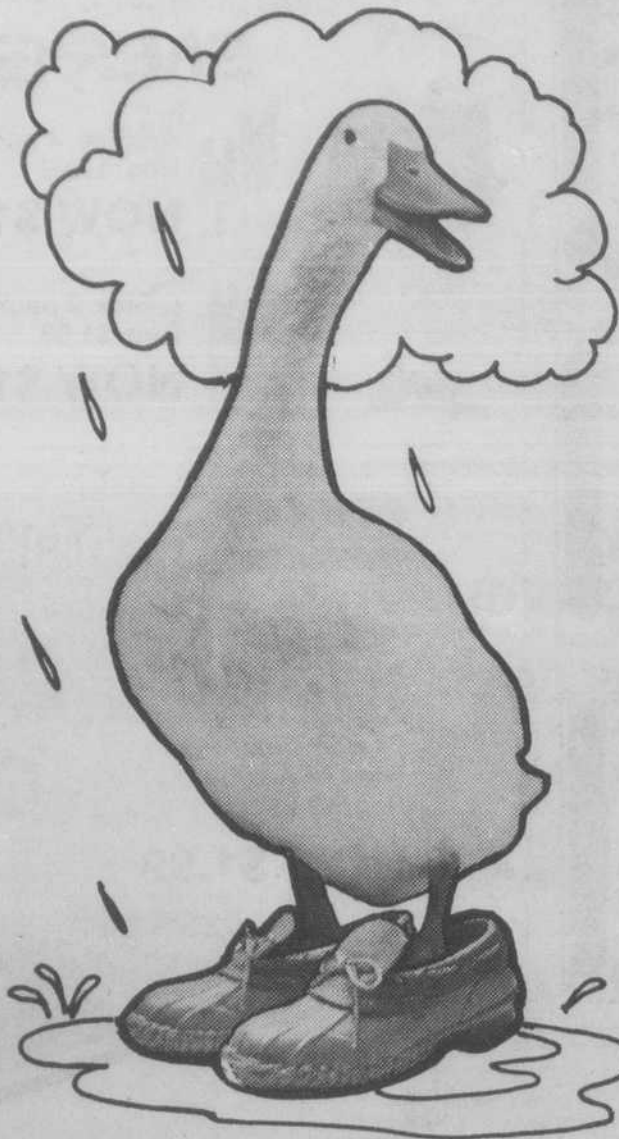
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