From the Editor

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This issue opens with Jack Kleinhenz' address as outgoing president of NABE. His focus is on NABE's own long-term strategy, focusing on NABE's Roadmap and four major initiatives.

This year's Mennis Contributed Paper Award was won by three New York University graduate students, two of whom have gone on to pursue their professional careers. Didier Bruneel, Stephen Juneau, and Simiao Wang investigate the number of employee quits per month as a percent of total employment—the “quits rate”—to see whether it has followed its typical pattern in the wake of the Great Recession. Their results raise some interesting questions.

There was a two-way tie for this year's NABE Contributed Paper Award. One paper—by Gad Levanon, Michael Paterra, and Ben Cheng—is published in this issue. The other will be published in the January, 2015 issue. This issue's paper, again focusing on labor, investigates where labor shortages are likely to take place in the next decade by occupation and by industry. Taking not only the growth by occupation/industry into account but also the number of retirees and current entrants, it reaches some conclusions that may be unexpected by many.

In the fourth paper of this issue, Ray C. Fair raises the question of whether transfer payments (including tax cuts) are effective in stimulating the economy if the debt caused by these expenditures must eventually be paid back. His empirical results suggest that there is at best a minimal long-term gain.

Continuing with issues concerning macroeconomic stabilization, the fifth paper of this issue, by John Silvia and Azhar Iqbal, is an empirical investigation of the effectiveness of the federal funds rate as an instrument of monetary policy. The paper finds that the link between the fed funds rate and inflation and employment is not as straightforward as conventional theory would suggest.

Peggy E. Chaudhry explains and discusses the challenges to brand-name owners who find that their products are distributed through unauthorized channels—so-called gray markets. She looks at the legal underpinnings of gray markets and the actions that brand-owning firms may take to protect themselves from adverse consequences.

In this issue's Focus on Industries and Markets, Brian Reid and Emily Gallagher provide an overview of the U.S. regulated fund industry—mutual funds, exchange-traded funds, closed-end funds, and unit investment trusts. Their paper describes how these entities function, their growth and prospects, how they are regulated, tax law, and their fee structures.

In the first of this issue's two book reviews, John C. Goodman reviews Tyler Cowen's *Average is Over: Powering America Beyond the Age of the Great Stagnation*. Cowen puts some flesh on the reasons behind the often-observed bifurcation of the U.S. labor force, focusing on those occupations for which computers are complements and those for which they are substitutes. Goodman finds this book to be must-reading for economists to understand the future economy and even the nature of economics itself.

In the second book review, Devon M. Herrick reviews *Capital in the Twenty-First Century* by Thomas Piketty. Piketty, like Cowen, is concerned with growing inequality of income and wealth. Unlike Cowen, Piketty finds that growing inequality is not due to recent technological advance but is inherent in capitalism and is the result of a secular trend that has lasted for centuries, broken up occasionally by anomalous episodes of increasing equality. Herrick finds that this book is noteworthy for its scholarship and data but falls short on prescription. Also, he notes that its conclusions may be colored by political bias.

1. Gad Levanon Joins the *Business Economics* Editorial Board

I am pleased to welcome Gad Levanon to the Editorial Board. Gad is the director of macroeconomic

research at The Conference Board and has also worked at the Israeli Central Bank. He holds a Ph.D. in economics from Princeton University. As you will have noted in the third article of this issue, Gad and his colleagues won this year's NABE Contributed Paper Award. Also, he was an advisor to

Bruneel, Juneau, and Wang, who won the Mennis Award.

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