

The \$hort Run

Student News & Views from the Humboldt State Economics Department

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How Inflation is Affecting Delivery Drivers

Evin Parker

In the past year, inflation has affected all of us in one way or another. The increase in the cost of gas and food is one area where most of us feel the inflation the most. Delivery service workers like Grubhub and Uber Eats drivers are feeling these effects harder than others. Many of these drivers depend on low gas and food prices not only get orders, but to make enough money to pay their bills. As food prices increase, people are cutting back on their food delivery purchases and gas prices are directly cutting into the take-home pay of the drivers.

Why are delivery drivers struggling?

As of March 2022, the inflation rate was 8.5%, which is the highest it has been since 1981 (bls.gov). Average gas prices were \$4.3 per gallon as of March 2022, which is the highest it has been for all of the 21st century, including the 2008 financial crisis (eia.gov). A combination of these rising prices and people not ordering delivery food as often is affecting these low-income earners relentlessly. According to Bloomberg, many people have cut back on their spending on delivery services as a result of the cost of staples going up and find that taking a trip to the grocery store or cooking at home is easier on their finances with little disruption to their daily lives. Many lower-income people started working as delivery drivers in the midst of the pandemic in order to replace their source of income that was lost. This new source of income is now dwindling amidst the inflation we are currently experiencing. This is affecting their ability to save and invest, which could be detrimental not only those individuals, but to the economy as a whole. It becomes more difficult for people to buy houses or start families. Overall, many of the changes can be attributed to changes in the supply and demand of the services provided. The supply of labor for delivery service jobs is decreasing, as people are finding it less viable to do delivery service work to meet their needs, especially those jobs where workers are contracted and pay for their own expenses. As mentioned earlier, this is partly due to the fact that gas prices are directly affecting their take-home pay, but also the demand for delivery services is decreasing as people focus their spending on things that are more necessary like groceries and other bills, which affects drivers abilities to get offered jobs. It is clear to see that the demand elasticity is quite high for delivery services, as many people are cutting back when the price rises not only for the service itself, but for other necessities.

What is being done to help?

During the pandemic, we saw the federal government and some state governments step in to help those who lost their jobs, but now as people are getting jobs again, the government's help has slowed. Some companies who employ delivery drivers are stepping in to help out this time. Uber Eats has begun charging customers 35 to 45 cents more per order to help drivers who are having to pay the higher gas prices, Grubhub has offered some incentive-based programs for drivers to make more at certain times, and Doordash is offering 10% cashback on gas if delivery drivers use their prepaid visa card (restaurantbusinessonline.com). Most of these incentives are helpful in combating the loss of take-home pay for drivers, however these companies may experience a decrease in revenue as more people stop using their services if prices continue to rise.

Interview With New Tenure Track Professor Will Fisher



Tell me about earning your tenure professorship

I was a lecturer for 8 years here. We've been asking for a tenure track professor position for a long time, especially after Steve Hackett retired (he was the previous environmental economist here). We have a pretty small department here, we only had two tenured faculty once he retired, so finally they approved a position last year, which took some time because of the decreased enrollment and things of that nature. It's exciting, being a lecturer was great in a lot of ways, you don't have to sit on committees, there's not as much emphasis on publishing. The thing that is the most important to me as part of being a tenured faculty is just having a lot more job security.

What is your favorite part about Cal Poly Humboldt?

The teaching and students. I personally love the environment, I like smaller towns. I've lived in big cities, they're kind of fun to visit every now and again but I'm kind of over big cities and traffic. The lifestyle around here is great, it's more mellow, you can get lost real easily. You can go out and go up a river and not see people or go to the beach whenever you want, you don't have to deal with traffic, I just like it. As far as the job goes, I get to teach a really broad array of environmental classes, very few economics departments would offer all 3 classes that we get to offer, which is great as an environmental economist. I get to teach environmental economics to a bunch of hippies and issues that are really important to a broad array of students that all care about it. There's nothing better than having students interested in the topics that you're teaching.

Are you looking forward to the changes coming with becoming a Polytechnic?

I'm not exactly sure what the changes are, there will be more focus on the STEM areas. We'll certainly expand in engineering and things of that nature. I hope it boosts enrollment, it surprises me that we can't get more than 5300 students right now up here in a state with 50 million people. It's really one of the few universities that is like an out of state college in the state, because it doesn't have the feel of the central valley or SF or LA, it's really a unique experience. Hopefully with the transition we get a bunch more students. Hopefully it allows us to develop some more courses with different curriculums. I think with economics what is really cool, is this discipline, we have an opportunity to work really well with some other polytechnic disciplines. We're hoping to develop a quantitative pathway with economics. Who knows how it all unfolds, but it's really exciting to be a part of.

Has the return to in person classes been challenging or more exciting?

More exciting for sure. There were some benefits to teaching online, both from the professor and student perspectives, you didn't have to commute, you could take classes from wherever you were. When the shutdowns happened initially, I took off and taught from Montana from April to October, which was great, but I was stoked to be back in the classroom. Lecturing to a computer screen is just not fun, it doesn't have the same energy. To me becoming a professor wasn't about research, to me I like the teaching, it's what's fun about the job. You could do some stuff online, depending on the engagement students have you could have some dynamic conversation, but in the classroom there's just more energy. It's crazy to have students that I had never seen their faces before. Being in the classroom is far better, I think it gives a better education to students, there's less distractions. It's easy to just put the recording on and just go make coffee or look at something else on the internet. When you're in the classroom there's more social pressure to engage, which is harder to do on a screen. It's also a lot easier to gauge whether or not students are understanding the material or not, when in person.

What's your outlook on the future?

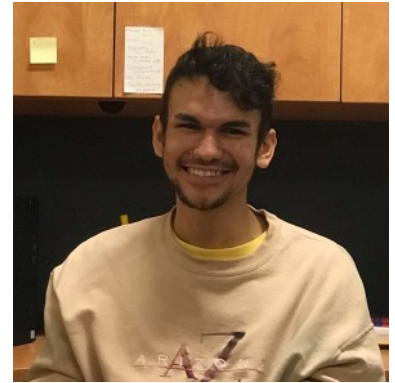
With regards to environmental issues and sustainability, it's tough to not get down about it, because we've known about these issues and were not making the headway we should be making. My mom always wonders how I don't get depressed with everything I read and teach, but there's a lot of great stuff. I love teaching, I have a lot of great friends, I love walking on the beach or going fly fishing. There's a lot to keep you up if you ever get down. If people care about the environmental stuff, there's ways to get involved. One thing to help me from getting down is to think about what it would have been like to be against the abolition of slavery in the 1850s, it was insurmountable, but it ended because people mobilized and demanded things change. We have a lot of work to do and it's tough to not be pessimistic about environmental issues, but there is some headway being made. From a personal level, I enjoy what I do. The professor lifestyle is a great lifestyle, I get to read and write about things I like and get to teach to a bunch of students that care about what I have to say, and we get a good chunk of time off which is really nice.

Interview With HSU's Scholarship Winners

Nick Salgado-Stanley (Kittleson Scholarship)

Why did you choose Cal Poly Humboldt and specifically economics?

I did not enter Cal Poly Humboldt as an economics major this is only my second semester in the program, in my 4th semester at Cal Poly Humboldt. I had a meeting with Beth [Wilson] about pursuing an economics minor and she was really proactive at looking at my courses that overlapped with my original wildlife major, especially statistics courses, and really suggested it would be possible to do the major in 4 years, it wouldn't be easy but definitely worth doing. She knew I wanted to pursue environmental policy or environmental law and mentioned how useful it would be and would give a really quantifiable angle to a lot of things so I wouldn't be seen as just an outdoorsy person but also someone who could work the innards of how everything works.



What motivates you to work so hard academically?

Most of the time it is to have less stress on test days or once I leave a class because I know I'm going to use it for the next one. In econ classes it feels very practical, the examples used in a lot of classes, talking about current events and kind of explaining why things are happening the way they are, so I feel like understanding the concepts helps a lot.

What are your plans for the future?

Environmental law or environmental policy, just some way to combine the practical science aspects of a wildlife major and the numbers and relationships that economics brings. Anyway to make those two intertwined, because they already do feel intertwined, like stuff like the endangered species act and how it's been used especially in Humboldt county. There's a lot of eco-

Elizabeth Redfern (Balabanis Scholarship)



Why did you choose Cal Poly Humboldt and economics specifically?

My brother goes to this school, so I toured it when I visited him and I really fell in love with the community and the Humboldt charm, like the plaza, the people, and the free spirits. For economics, I had a high school economics class that I really liked, so I came to Humboldt with a psychology major and I took a psych class and an econ class to see what I liked more and I liked the econ class better.

What motivates you to work hard academically?

I think in my experience, when I worked really hard it paid off. So, to keep going and keep working hard is rewarding. Keeping a good track record really motivates me.

What are your plans for the future?

My minor is financial accounting, so in the future, my goal is to work in a company or industry like fashion. I want to work in the backside with their accounting and their marketing in terms of where the economy is. Definitely somewhere in apparel of fashion.



Interview with Academic Excellence Award Winner - Eliza Jones



What made you choose Cal Poly Humboldt and specifically economics?

I went to a college fair at my old CSU, Dominguez Hills, and on my way out my dad asked about Humboldt, and so I went to the Humboldt booth and started talking to them. He answered all my questions and gave me his full attention, because all the big schools were really busy with all the students. And, I thought this school was really cool. I wanted to go to a small school and there were really good things said about the faculty and business department. When I transferred here, I was talking to my business advisor and she recommended a double major and I asked what the 2 hardest concentrations were and she recommended economics because I was already doing finance. I had taken economics classes before and I liked them so I figured this would be fun. It was really hard, but I like challenges so it was really rewarding. I wanted to go to school to learn things that I couldn't teach myself on my own.

What motivates you to work so hard academically?

My dad always said anything worth doing is worth doing well, so for me it's a testament of character if you try hard at everything you do. Since I'm paying for my own education and I work so I can go here, I want my work to mean something. I'm not working all these jobs so I can blow off my classes. So, that motivates me to succeed. I graduated early from high school, and my younger brothers are thinking about doing the same thing. I want to show them it's not impossible, it's just really hard, but you can do it. I want to motivate them to try hard and do more. It doesn't really matter what people say, your age doesn't need to hold you back. If you work hard enough you can do it.

What are your plans for the future?

In the future I want to go to grad school and get my Ph.D. in economics. I'm interested in macroeconomics specifically, on the developmental side, and working for the World Bank is something that I want to do. I might change my mind, but working in that field in general seems like something that I would really enjoy doing. My dad has a friend with his own company and they work with social development from an economic standpoint and I got to interview him, which was really interesting. I think that is something that I could do, it's really challenging but I like challenges because I don't know how to sit still. I just like growing and learning and finding out what I can do. I like proving people wrong and I'm really competitive.

Interview with Adam Smith Award Recipient - Liam O'Brien

What made you choose Cal Poly Humboldt and specifically economics?

For Cal Poly Humboldt, I was casually looking at schools that were the furthest north, because I knew I liked the climate here and that was the main reason why I chose Cal Poly Humboldt. And I wanted to kind of get away from home while staying in California. For economics, I chose that because in my HS I had an econ class where we played jeopardy before every test and if you won the jeopardy, you would get extra credit on the test. I won every single jeopardy game, which I am still so proud of. I felt like I was born for this. I also really like listening to the marketplace on NPR which was always really fascinating to me. I started as a kinesiology major but switched before any of the classes started and have been in economics ever since.

What motivates you to work so hard academically?

My parents never pressured me to get super good grades, but I guess it's something I've kind of done without thinking about it. I am terrified of getting bad grades, so a little bit of fear. Having a good GPA would make it easier to get into grad school, but I'm not sure if I'm going to do that. I ask myself the same question, but I don't know why I work as hard as I do. I think I just have a strong work ethic, it's one of the things that my friends know me as. I'm lucky I don't have to motivate myself to work so hard, it's something maybe just ingrained in me. I guess my parents just did a good job raising me, maybe it's just a genetic miracle. One thing that really helps is being genuinely interested in economics, doing the work is a little easier when you're really interested in it and find the material fun to learn about. Fear helps me meet the deadlines and the interest makes the work more tolerable and not quite as tedious.



What are your plans for the future?

I have had experience as an SI instructor for 210 here, and out of all the jobs I've had, that is the most fun I've had, so maybe like a teaching job. That really got me interested in teaching, so maybe one day I can be an econ professor, far down the line. I don't have a lot of clear career goals, so becoming a teacher is a fun one to have especially since I look up to all of the econ professors here. They all seem very intelligent so it would be cool to try to emulate them. It's also really fun to help people learn things, it's super rewarding. Maybe grad school, but I haven't decided on anything in particular but there's a lot of avenues I could go down. I'm kind of an indecisive person which doesn't help.