

*Vita*

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**Birth Place:** Jackson, Mississippi (12/7/1949)

**Education:**

B.A., Lewis College, Lockport, IL, 1970  
M.A., Western Illinois University, Macomb, IL, 1971  
Ph.D., Louisiana State University, Baton Rouge, LA, 1978  
*Dissertation:* Bargaining Solutions in Cases of Externalities  
*Graduate Fields of Concentration:*  
(1) Economic Theory  
(2) Econometrics  
(3) Industrial Organization and Government Regulation  
(4) Public Finance  
(5) Quantitative Methods

**Academic Experience:**

2008-present: Emeritus Professor of Economics, Clemson University  
1984-2008: Professor of Economics, Clemson University  
1984-1992: Head, Department of Economics, Clemson University  
1990: Senior Financial Economist, Securities & Exchange Commission  
1982-1984: Associate Professor of Economics, Clemson University  
1981-1982: Associate Professor of Economics, Emory University  
1981: Visiting Associate Professor of Economics, Emory University  
1979-1981: Associate Professor of Economics, Clemson University  
1975-1979: Assistant Professor of Economics, Clemson University  
1974-1975: Instructor of Economics, Clemson University

Associate Editor: *Journal of Corporate Finance*

**Teaching Interests:**

Financial Economics: corporate control issues and contracting problems.  
Industrial Organization: empirical with financial economics orientation; pricing problems;  
effects of government regulation.  
Graduate Price Theory: neoclassical theory with empirical relevance.

**Publications:**

“The Thrill of Victory: Measuring the Incentive to Win” with Bentley Coffey, *Journal of Labor Economics*, forthcoming, January 2010.

“The Outcome from Legalizing Sunday Packaged Alcohol Sales on Traffic Accidents in New Mexico,” with Jason Rudbeck, *Accident Analysis and Prevention*, Vol 41, No 5, 2009, 1094-1098.

“The Effect of Price on Pharmaceutical R&D” with Abdulkadir Civan, *The B.E. Journal of Economic Analysis & Policy*: Vol. 9 : Iss. 1 (Contributions), Article 15, 2009

"The Determinants of Pharmaceutical Research and Development Investments," with Abdulkadir Civan, *Contributions to Economic Analysis & Policy*: Vol. 5: No. 1, Article 28, 2006.

“The Complexity of Price Discovery in an Efficient Market: The Stock Market Reaction to the Challenger Crash,” with Harold Mulherin, *Journal of Corporate Finance*, Sept. 2003, 9(4), 453-479.

“Russian Commercial Nuclear Initiatives and U.S. Nuclear Nonproliferation Interests,” with Oana Diaconu, *The Nonproliferation Review*, Spring 2003, 10(1), 97-112.

“Is Nuclear Power Viable In Russia?” with Oana Diaconu, *Electricity Journal*, January/February 2003, 16(1), 80-87.

“Road Warrior Booty: Prize Structures in Motorcycle Racing,” with Kristina Terkun, *Contributions to Economic Analysis & Policy*: Vol. 1: No. 1, Article 3, 2002.

*Analysis Of Privatization Of Russia’s Nuclear Ministry On The Nuclear Nonproliferation Objectives Of The United States*, with Oana Diaconu, (Clemson: Strom Thurmond Institute) 2001.

“Does Implied Volatility Imply Volatility in Bonds?” with Eric Bertonazzi, *Journal of Fixed Income*, December 2001, 11(3), 30-40.

“Economies and Diseconomies: Estimating Electricity Cost Functions,” *Review of Industrial Organization*, September 2001, 19(2) 165-180.

“The Response of Workers to Wages in Tournaments: Evidence from Foot Races,” with R.E. McCormick, *Journal of Sports Economics*, 1(2), May 2000, 99-123.

“Stranded Costs in Non-Utility Generation,” with David Dismukes, *Electricity Journal*, June 1999.

“A Principled Approach to the Stranded Cost Issue,” with R.D. Sauer, *Electricity Journal*, April 1998.

“Stranded on the Road to Electricity Competition,” with R.E. McCormick and R.D. Sauer, *Forum for Applied Research and Public Policy*, 12(3) Fall 1997, 18-21.

“The Wires Charge: Risk and Rates for the Regulated Distributor,” with Robert E. McCormick and Cleve B. Tyler, *Public Utilities Fortnightly*, September 1, 1997, 26-33.

“On Stranded Cost Recovery in the Deregulation of the U.S. Electric Power Industry,” with Robert E. McCormick and R.D. Sauer, *Natural Resources Journal*, Winter 1997.

“Do Rate And Volume Matter? Transaction Cost Limits To Economies Of Scale,” with C.M. Lindsay, *Studies in Economics and Finance*, Fall 1996.

“Stranded Cost Recovery: All FERC’ed Up,” with Robert E. McCormick and Chad McGowan, *Public Utilities Fortnightly*, November 15, 1996.

*Customer Choice, Consumer Value: An Analysis of Retail Competition in America’s Electric Industry*, with R.E. McCormick and Raymond Sauer, (Washington, D.C.: Citizens for a Sound Economy) 1996.

“Realignment in Telecommunications,” with R.E. McCormick, *Managerial and Decision Economics*, vol. 16, 1995, 401-425.

“A Theory of Credit Bureaus,” with David Laband, *Public Choice*, September 1994, 275-292.

“Residual Claims in Bankruptcy: An Agency Theory Explanation,” with Katherine Daigle, *Journal of Law & Economics*, April 1994.

“Managerial Decision Making and Capital Structure,” with Mark Mitchell and R.E. McCormick, *Journal of Business*, April 1993, 189-217.

“An Examination of the Role that Intercollegiate Athletic Participation Plays in Academic Achievement: Athletes’ Feats in the Classroom,” with R.E. McCormick, *Journal of Human Resources*, Summer 1993, 555-570.

“Shipping the Good Tickets Out: Some Evidence on the Alchian and Allen Theorem,” with R.E. McCormick and Eric Bertonazzi, *Economic Inquiry*, July 1993, 383-393.

“The Effect of Splitting on the Ex: A Microstructure Reconciliation” with J. Harold Mulherin, *Financial Management*, winter 1992.

“Crisis in the Cockpit? The Role of Market Forces in Assuring Air Traffic Safety” with Mark Mitchell, *Journal of Law & Economics*, October 1989.

“A Model and Some Evidence Concerning the Influence of Discrimination on Wages,” with C.M. Lindsay, *Economic Inquiry*, October 1988, vol. 26, 645-660.

“Excess Capacity, Cyclical Production, and Merger Motives: Some Evidence from Capital Markets,” with R.E. McCormick, *Journal of Law & Economics*, October 1988.

“Capital Turnover and Marketable Pollution Rights,” with Gordon Brady, *Journal of Law & Economics*, April 1988.

“Political Parties and the Price of Payola,” with C.M. Lindsay, *Economic Inquiry*, April 1988.

“Financing the Unemployment Insurance System and the Interest Group Theory of Government,” with Rob Roy McGregor, *Public Choice*, 1988.

“Economic Regulation, Competitive Governments, and Specialized Resources,” with R.E. McCormick and R.D. Tollison, *Journal of Law & Economics*, October 1984, 329-338.

“The Cost of Air Pollution Control,” with Bruce Yandle, *Journal of Environmental Economics and Management*, September 1984, 244-263.

“Building Markets for Tradable Pollution Rights,” with Bruce Yandle, in Terry Anderson, ed., *Water Rights*, Pacific Institute for Policy Studies, July 1983, 283-320.

“Intermittent Production, Cost, and the Multiproduct Firm,” with R.E. McCormick, *Journal of Business*, April 1983, 139-154.

“A Positive Theory of Environmental Quality Regulation,” with R.E. McCormick, *Journal of Law & Economics*, April 1982, 99-123.

“Inflation, Taxes, and Capital Formation,” with Joe Prinzing and Holley Ulbrich, *Southern Economic Journal*, January 1982, 651-661.

“Bubbles and Efficiency,” with Bruce Yandle, *Regulation*, May/June 1980, 49-52.

“Fiscal Versus Monetary Policy: An Application of Transfer Functions,” with M.E. Ireland, *Journal of Econometrics*, Vol. 13, 1980, 253-266.

“Achieving Cartel Profits Through Unionization,” with R.E. McCormick and R.D. Tollison, *Southern Economic Journal*, October 1979, 628-634.

“The Coase Theorem and Long-Run Industry Equilibrium,” *Quarterly Review of Economics and Business*, Winter 1977, 113-118.

### **Work in Progress:**

*The Evolution of Christianity as a Franchise Organization* (with Kristina Terkun):

The principal thesis presented in this work is that churches are like franchised firms. The organization of most Christian denominations involves a structure in which local churches are affiliated with each other through some central authority. As it still is in many faiths, in the early days of Christianity local churches were affiliated

with each other through bishoprics that were themselves affiliated with each other under the aegis of patriarchal sees. This organizational structure seems so closely parallel to modern day franchises that the application of the franchising model begs for comparison in an attempt to explain some parts of the evolution of the church.

We focus on the history of the church in the middle ages. A franchise interpretation of the church organizes three important historical events in a way that has not previously been achieved. The three events are: the Eastern Orthodox schism, the papal schism, and the Protestant Revolution. All three events are explained in terms of incentive misalignments, the balancing of which are the genesis of the franchise organization.

The development of the theory of religion, the nature of the franchise contract, and the study of the historical record for all three schisms make up different chapters of a book-length manuscript.

*The Response Of The Debt Market To Municipal Financial Distress* (with Kristin

Stowe): Financial distress for public entities culminates in debt defaults and bankruptcy. There have been a number of notable examples including the bankruptcy of Orange County, CA, in 1994. We look at the financing experiences of 46 municipalities that went through a financial crisis between 1980 and 2000, and compare their treatment in the debt market to a matched sample of municipalities that did not fall prey to fiscal misfortune. Our results show that the debt market recognizes the growing financial distress and charges a premium for this added risk prior to the ultimate crisis. The premium drops and then declines over time after the crisis. Many municipalities are unable to re-enter the debt market after their financial crisis, and for those that do, the condition of the debt issued changes. Almost all debt issued after financial crisis is rated or has some credit backing.