

30. Patrick Scott: Keeping it REAL

Gavin Kelly

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Tonya Oaks Smith

Hey, y'all, and Welcome to Beyond 1894. It's the Louisiana Tech University podcast and today we are joined by Dr. Patrick Scott, who is a professor of econ economics sorry, at our College of Business at Louisiana Tech. So thanks, Dr. Scott, for joining us today.

Patrick Scott

Thank you very much for having me. I appreciate it.

Tonya Oaks Smith

So we were talking before we started the actual recording of the podcast and, and I asked you why economics?

Patrick Scott

Yeah, okay. So that's, that's kind of a loaded question. I didn't start out within economics. Now, I would probably argue that the vast majority of students in economics don't actually start with economics, I'm actually started most freshmen end up changing their major, at least once. But I 92 I was actually a dual major in music performance and music business. So it's kind of perfectly out of left field there. And there's there's some some back history is to kind of my history with music there. But within part of that, my that music business curriculum, I had an intake an economics class, and absolutely fell in love with it. And it's amazing that the thing that I always ended up gravitating towards, within any of the the work with bands that I did, or works with studios and things like that, at the time, as a musician, I gravitated toward the business side of things, I gravitated towards the the kind of nuts and bolts of the decision making process. So when I took at the time principles of micro, it completely clicked To me, it made sense to me. And at the same time, I was really struggling with the music performance aspect of it because I absolutely hated the music director that I was working on. And so is this perfect storm of young, I'm ready for a change. But it was it was good because I it it kind of opened me up to two different aspects of the process that I normally would I want to push myself to if you told me you're going to go into economics laughed at you. Um, so I it's kind of, it's a nonlinear path.

Tonya Oaks Smith

So you mentioned is it performance? What? What did you play?

Patrick Scott

Yeah, percussion drums. And so I picked up a pair of sticks when I was 12. And played in all kinds of musical situations, various groups. All throughout my teen years, I spent more time outside of class as a senior in high school than I was in class, because I was touring with various groups around the

eastern side of the country, I stroll out and don't know how I graduated. But, um, afterwards, I, of course, had overly ambitious dreams of being a professional musician. And, as most teenagers tend to do, and it's okay. But I started doing a lot of work with various students, or pardon me, every studios as a session player. And so we kind of come in learn something real quick, later on to try it out. Eventually, I got hungry, and decided that I needed to do something different. So about four years down the road, and I was 22. That's actually when I went to college. So I took some time off then, which was good. I mean, I grew up, that's always good. I knew I wasn't ready for college at the time. So I ended up I would have made a whole cascade, I'm sure of terribly bad decisions.

Tonya Oaks Smith

So you so you were not a traditional aged student. That's

Patrick Scott

correct. Yeah. Okay. So I was not traditional in that regard, started college at 22 crammed a four year college degree into five. And then, but went directly into a terminal PhD program. So I didn't graduate with my PhD until 32. So yeah,

Tonya Oaks Smith

well, that's but but you found the path that you're supposed to be on.

Patrick Scott

Yeah. Well, for me, and I don't necessarily think there's one path they your, quote, unquote, supposed to be on. I feel like that's a little too pigeon holed, but rather, there are things that you can do and are good at and That this ends up being the thing that I'm the most comfortable with. But I would not have thought it as me as a teenager. No, no way, way.

Tonya Oaks Smith

So do you still play?

Patrick Scott

I don't, oddly enough, and there's something that's that slowly just kind of come to terms with I played relatively less course in graduate studies because you're busy on time, you don't have time you're you're doing everything that you're told until I played military less I didn't pick up on and try to play with a handful of different groups kind of on and off after I graduated. But it just kind of was less important to me, I was willing to make less sacrifices for it. That ultimately just decided, yeah, I'm ready to move on. And just recently, in the past couple years, sold my kit. What my last kid actually had for him, there's that whole eating thing we're talking about. But But finally, finally get rid of all those and I'm at peace with it, I'm okay with it. I still have my symbol collection, because I had kind of collected some old vintage and antique symbols. And I still have those because I just can't, I can't part with the symbol that was made in the early 1900s. And that kind of thing. So yes, an investment. Yeah, well, I figure eventually, I'm going to find some musician that's willing to take care of them the way that I have. And then I'll, I'll just basically in delving to someone eventually when

Tonya Oaks Smith

the time's right. Do you have a gong?

Patrick Scott

I don't have a gong. No, I've never had a gong. No, I never was in the big in the 80s. Yeah. No, no, I never had a gong. That's one thing I could have done. Do the whole subject rolling. But yeah, gone now.

Tonya Oaks Smith

Oh, so so we were talking also earlier about the creativity in in economics, that that is possible? You know, I think that lots of us, and by us, I mean, people who don't have business degrees, frame Econ, as something that has to be horribly cerebral and, and not fun. And not something that you can get creative. But you mentioned the creativity. That's possible. Yeah. In working. So tell me a little bit about that.

Patrick Scott

Sure. So it's not It seems very dry, to the casual observer. And in some ways, yeah, I can, I can see how some portions of it are dry, because as an undergrad, I kind of kind of found anything really deep. nomics. Interesting. As I went on through graduate studies, and then eventually kind of honed what I was going to research on, I find less portions of economics interesting. There are some some things that I just fundamentally not enjoyable to me in any way, shape, or form. That's okay. But the, it does take an incredible amount of creativity, to see the various connections from the small little microcosms of literature that people have done, and then find unique ways to kind of lace them together. And that's where you kind of have to take a step back from from it a little bit. And that may be kind of why people don't necessarily associate it with with the creative process, because most creative processes or three were kind of taught to kind of be inherently in tune with how you feel almost who as you're doing that, in that regard, yeah, economics is definitely devoid of that. But to me, there is still a lot of creativity attached to that. And in some ways, you as you have a limited toolbox, that limiting toolbox kind of helps you get more creative in how you use those tools to get to your end result. In a lot of ways, that's kind of how research goes. You end up finding a small little group of papers that that assumes $x y&z$ and then you realize, okay, you're over here, this group of papers don't necessarily assume that so then you heard about wasting together. How do I then examine the intersection between these these two sections, these two groups. And so in that regard, yeah, there's there's an, there's a good deal of creativity attached to that in order to be able to see how the equations work together. For me, nine times out of 10 I can set up a model and I know what the math will look like, before I solve it, but most People, that's very difficult for them to see. And I can see why then that kind of seems a little nebulous and not so creative. Definitely, my high school version of me would not have understood that at all, because I mean, I was asleep. I had to relearn all of it when I went to college.

Tonya Oaks Smith

Well, the we we also talked about, and I thought that this was interesting. You talked about students and inspiring students to kind of take control of their own learning processes. And this is something that happens in college, I mean, we're not we're not capable of really doing that as young learners. And by young, I mean, elementary school, middle school, you start becoming a more self driven learner. As you get older, and you use the phrase, our students are not vessels. Yeah, tell me more about that.

Patrick Scott

I'll kind of backfill that a little bit, because I think it kind of might be helpful, because I've told her in fyp Class A few years ago, and one of the things I tried to impress upon those students in our very first meeting was that college is fundamentally different than primary education. And the reason it part of it is has to do with that process that you talked about how students during that able to think deeply yet when they're first learning about a concept, but at the same time, you also, it's, it's almost endogenous how we have our teachers are different, fundamentally, between primary education and college, or secondary. Within a primary education role. Those teachers are taught pedagogy, they're taught how to teach, but they're not masters of what they teach, they may be good at a particular topic or subject. So you can get some type of competitive advantage from that. But at the end of the day, the teachers teaching in our high schools across the country, they're not necessarily in some cases they are, but in most cases, they're not experts in their field, then you come to college and college professors, they're drastically different. They're not taught methods of pedagogy, they're not taught how to teach, they stumbled through that, and some fail catastrophic Lee at it, too. But they're masters of what they know. And that's why they're hired or hired because of their expertise. So that's why when you have a college professor that simultaneously is good at communicating, and also knows what they're teaching, they leave such an amazing impact on a student because they're able to speak the language as well as know that material and make those connections. So yeah, so there's that there's, there's that that kind of component of it as well, that that's kind of drastically important. But within my project based classes, my research methods class and my regional class, those classes are, they have to be student driven. Students have to take those topics and have to take ownership of those topics, because that in that case, they they end up getting the most out of the experience from that. They can't think critically about something that they are just now learning, they have to be the ones to engage that process a little more actively, so that they can deeply learn it the quickest way possible, and we only really deeply learn something, you know, interested in learning it.

Tonya Oaks Smith

So you touched on it a little bit. For the past couple of years, I think the real report has been coming out tell you about the real report.

Patrick Scott

So the real report is basically kind of an incarnation or reincarnation, if you will, of the efforts of the Center for Economic Research. And this center, unfortunately, kind of fell into disuse purely by accident at the collarbone because the person that was leading those efforts passed away, right as I was starting. So John Francis was leading that earlier on a few years back. And he actually interviewed me, he was on the hiring committee when I was being considered for the position here. And I basically got to work with him for two weeks. And then he died from cancer. And at the time, the the center basically there was no one else delete it, and so it kind of fell into a little bit of dis using so here's some conversations with Dr. Martin, the Dean of the College, we kind of resurrected it, but we wanted to make it so that it wasn't just beholden to funding issues, we wanted to kind of tie it into the curriculum as well. So we created this class. And it's kind of like the anti class. There's no there are no lectures in this class. But really, there's just a series of projects. And so the, it's a one credit hour class and students are, they take it three quarters in a row to kind of turn it into a three credit hour class. And in

that class, they take some portion of the economy or whether it's purely local here to tech, or whether it's something broader to Lincoln Parish, or northeast Louisiana or North Central or, or even the whole state in general, and then kind of dig deeper into that. And find some aspect of it to learn and to learn deeply. And so in that regard, I don't, I don't define what students teaching that class. But I also don't let them fail in that regard to if they don't find a topic that they can write on, I'll make sure they have something to write. Um, but the reports kind of put out every single quarter. And Leanne over there, the college is great for helping kind of polish it up at the end and get it, get it ready for primetime, so to speak. But it's been a just a fun endeavor. It's something that I didn't anticipate doing. In fact, if I even starting here at Tech, I never would have thought that I would lead a class like this. So when we it's called regional economic analysis, and I call the economic out of the economic analysis afterwards, basically, because it's not a pure regional econ class. So it's in some aspects, it looks like it. But in some aspects, it has a broader scope than that. So sometimes we'll talk about highly, highly localized things like the expansion of the new women's athletic facilities, or the rebuilding of the soccer or the baseball stadium. Or sometimes we'll look at much broader things like employment reports, or some firm is looking at expanding here, Amazon is looking to build a new distribution facility, what's that going to do? Things like that. So we kind of have a very wide net that we capture here. But then real quickly drill down deeply into it, it's a lot of fun, I've really, really enjoyed is this now the second year of the report. And so I'm excited.

Tonya Oaks Smith

It is a from a communications perspective, it's really interesting to pitch stories that come out of about pitch, I mean, talk to reporters about why they should do stories, sure why they should work on those stories.

Patrick Scott

Um, one of the things that we're going to be doing, starting this next year also, and I'll kind of give you a taste of it as we're going to be producing an annual report as well. And this is purely going to be more kind of the state of the state, kind of, kind of report. So it's basically looking at large scale macro indicators, what's happening within the state, employment numbers, all of that, so it's going to be kind of it's gonna be much broader too. So it's, but it's not necessarily digging at one particular pocket of the state. Louisiana is really odd economy. And it's often in an economy in ways that are distinctly different from other states. Every state kind of has these metropolitan statistical areas, these kind of hotspots, if you will, of the of the economy, and the majority of economic output is happening in those but Louisiana's are burning white hot, and then once you leave those, there's almost nothing. So we have 65 parishes within the state 36 of them were contained within MSA. Of these, there's nine of them, actually, one might be leaving when I might be downgraded to a micropolitan Alexandria sorry, Alexander. Um, so but love, Aleksey, I'm sure we do. It's really just a function of population now and now I'm not the one making that decision. Um, but So currently, right now we have nine, Alexandria, you're hanging on there by thread. But um, so we have these nine, and they've represent over 92% of output in the state. The other half of the parishes produced just right around 7%. Seven, some change of state output. And the employment numbers are almost perfectly lined up with that. So it's really kind of fascinating that a receive half the state producing so little, and then when you dig even further those silos, if you will, they truly are silos. They don't talk to one another. They don't have economically speaking. So whatever is produced in Baton Rouge, the intermediate goods for that production And art

gathered from other mshs locally in the area they're gathered from outside of the state. Likewise, whatever they produce they're producing for outside of the state. This has considerable effects on the economic impacts of things in the state. So basically, as soon as the dollar is spent in an economic zone, it immediately leeches out of the region of impact. So it doesn't have any recirculating effect, or very little research relating effect. And so as a result, we don't gain the majority of economic benefit from these shocks that we that happen to the state. And that's something that is going to take very careful policymaking in order to try to encourage some development of that. But right now we're not seeing very careful policymaking in that regard. And so that that's not getting any better.

Tonya Oaks Smith

So who, who is responsible for making those? Is that does that come at the state level is that

Patrick Scott

Yeah, settlers already been at the governor's office that's gonna have to happen at the state legislature but the state legislature so fractured right now with his various micro Coalition's they're not getting anything done, not not that would address that the kind of policy initiatives that we would need to address that they're not happening. And so until that does happen, we're going to kind of slowly grow will grow still, but we're going to grow at a slower rate compared to our neighbors. And definitely slower than on average than than what we see. For the rest of the country. If we just look at median income in the state, it's growing at like, point 8%, it's very small lead, and that's the long run average. So it's we don't see a lot of a lot of robust growth happening. Whereas we see considerable robust happening at the national level. So we're not able to benefit from that now. And to kind of push back on that as well. Usually when there's a shock, we don't see those negative shocks as much, too. So we're kind of insulated from that COVID aside, it's been bad for everything. I could talk for days just on what's happening right now.

Tonya Oaks Smith

The so one of the what I hear in your answer is that the people of Louisiana in order to move to move our economy forward need to be cooperating, and they need to be working beyond industries, and they need to be working beyond boundaries. Because these things are arbitrary, right? Sure. And, and I think two universities can universities be leaders in in those types of things,

Patrick Scott

they have to be here. Education is the only it's the silver bullet. And there's there's very few concrete things that we can say about long run growth theory and economics. I don't even do my research in long run growth theory. I'm all about short run movements and policy movements, and mostly on the monetary side of things. But when it comes to long run growth theory, there's a whole bunch of conflicting results, depending upon the various assumptions, you build into your models. And they get outrageously egregiously complex, very, very quickly. But the underlying theme that keeps coming back is the only real investment that we can do in terms of our factors of production come from human capital, education. That's the only one that we see continual returns to scale from, everything else kind of diminishes through time. But we don't see that when it comes to education. It is the silver bullet. But until we recognize that and start to kind of all work with that same baseline knowledge. We don't know right now in the state legislature, they were arguing just earlier this week on mandatory kindergarten.

Tonya Oaks Smith

So tell me about the next real report. I know that you and I have talked about what's coming out and the next real report so what is it

Patrick Scott

this is gonna be the the tech report, basically. So we've got the two students that are really wanting to kind of dig into two happenings here at Tech, one of them works in admission. So he's really interested in the the impact of tours that we give. And so he's got some very interesting results that basically showed that if we separate our students between those that have received campus tours versus those that haven't received campus tours, those that have because of their own self selection, and they're taking possibly a little more vested interest in the decisions that they're trying to make and then make an informed decision. They tend to have higher GPAs and higher AC t scores across every college including undecided majors. That isn't so that hasn't that hasn't really important policy implications. First, along the dimensions of if you're going to roll out the red carpet, this is the group to do it for, because they're the ones that had the largest marginal impact on overall University numbers. But also at the same time, you kind of says, Okay, we have an opportunity with those that don't get campus tours. Because if there's ever going to be I mentioned fyp before, and the whole purpose of fyp is to kind of get students engaged in campus life right from the very beginning of their academic career, then, as a result, it may be that it's really one group that might benefit from that relatively more than others. So so it's it's an interesting application of looking at it enrollment data. And then another students interested in the recent buildings that are happening with campus dormitory see the kind of place where there's three different buildings that are or dorms that are getting rebuilt, two of them will be ready in the fall one, I haven't heard about the other one. There's a third one. And I'm not exactly sure when that one's going to be available,

Tonya Oaks Smith

I think in the not next fall,

Patrick Scott

you're probably within a year. But we're basically we're doing an economic impact study on on those dorms, not only looking at the construction aspect of it, because there are local builders. So that's kind of boost things up as well. But then also at the same time, there's going to be kind of a premium to housing costs on that. And so there's going to be a net positive in terms of the amount even though there's less heads that can stay in those dorms, there's still a net positive in terms of the number of room and board dollars that are being collected from that. And so examining that, and what is the impact on that happening, just within Lincoln Parish, and in the surrounding parishes that surround Lincoln parish. And then I wanted to kind of supplement that. So I'm doing a smaller two page study on what is the economic impact of a single tech student? What do they do for the state? What how much of that is localized to Lincoln Parish, specifically, as an according to give, give this new world teaser, a little bit 85% of the economic benefit happens within Lincoln parish. Wow, yeah. And it's nearly a three to one for every dollar spent generates three. And so that that's really, really good. So that in terms of kind of return on investment for the local economy, that's great. So now that this, this will be the tech report, for sure.

Tonya Oaks Smith

That that gives us things to talk about in in our office. So that's, that's a great thing. Well, Patrick, thank you for joining me today. I really appreciate your being in here. And maybe we'll have you and your students back after the report comes out and we can talk about those things.

Patrick Scott

Any time. Yeah, that'd be a lot of fun. Really appreciate that. It's been good.

Tonya Oaks Smith

Thank you.

Gabrielle Crockett

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