Policy and Management
Typical P&M majors

• **What do they do?**
  • Analyze real-world problems and propose solutions
  • Use a unique blend of skill and expertise in real-world problem solving to launch a meaningful career

• **How do they do it?**
  • Develop strong empirical and analytical skills
  • Apply them to a wide variety of pressing *policy and management problems* with an understanding of *behavior* in an *institutional or organizational context.*
Overview of Policy and Management

• Core curriculum taken by all P&M majors establishes them as technically trained analysts ready to tackle problems in the private, public and non-profit sectors.

• Four concentration areas give flexibility to choose own area of deeper skill development and substantive knowledge:
  • Analytics; Policy; Management; Law

• Great choice for students interested in analytics/statistics or pre-law but who want flexibility to find a meaningful career path

• Great choice for students interested in policy and management and want to leverage the advantages of a science degree (B.S. versus B.A.)
Primary focus on: **P&M problems** with an understanding of *behavior* in an *institutional context*.

- P&M problems
- Institutional context
- Behavior in an institutional context
Some P&M problems analyzed in core courses

• Management:
  • How can organizations design benefit programs to improve worker health and financial security?
  • How can brokerage firms design rules for traders that mitigate loss-chasing?
  • How can companies design institutional practices that remove barriers to the advancement of women?

• Policy:
  • What problems does the Affordable Care Act address?
  • If technological change progresses too quickly, social/political unrest may ensue. How can policy step in to ease the human impacts of these rapid changes?
  • What role do missing property rights play in environmental degradation? How can policy create partial property rights to reduce, say, carbon emissions?
Primary focus on: **P&M problems** with an understanding of *behavior* in an *institutional context*.

- P&M problems
- Institutional context
- Behavior in an institutional context
Institutions

• Markets, Government, Communities (including social norms)

• Each institution incentivizes individual behavior differently. Fails or succeeds for specific reasons.
  • Markets sometimes fail. They can generate inequity.
  • Governments can be inefficient. Democracy can fail to represent voter preferences.
  • Norms of prosocial behavior can fail to emerge or fizzle out. They can be used at the expense of outsiders.

• Policy can harness different institutions for different problems
Primary focus on: *P&M problems* with an understanding of *behavior* in an *institutional context*.

- P&M problems
- Institutional context
- Behavior in an institutional context
Behaviors in an Institutional Context

• Cooperating and Defecting: Why do communities succeed or fail at natural resource management?

• Status Seeking: People over-consume positional goods that signal status at the expense of important goods that do not (sleep, safety, public parks, environmental protection, savings). What can policy do?

• Seeking Fairness/Justice: How does fairness influence wages, voting, taxes and government transfers, private giving?

• Voting: Why might democracy fail to represent a majority of citizens’ preferences?

• Negotiating: In what ways does this contribute to gender inequality?
Example 1: Health Insurance (Markets + Government)

- Private markets can fail to provide health insurance when health status is private.
- The “Death Spiral”
  - Insurance company charges prices based on average risk among its customers.
  - Then lower risk customers find it too expensive and decline insurance.
  - Then the average risk in the remaining customer pool rises, so prices go up again.
  - More customers decline insurance.
  - Process can continue until no customers are left.
- How can policy fix it?
- Affordable Care Act: Does it address this problem? Yes. Is everyone better off with it? No.
Example 2: Motivating Worker Effort (Markets + Norms)

• Challenging when you cannot monitor worker effort.
• When employers pay workers a bit more than necessary, workers may reward this with harder effort. Gift exchange.
• Janet Yellen, Chair of the Federal Reserve, realized this when she wanted to hire a babysitter.
  • Offered generous pay. Hired a motivated sitter.
  • She and George Akerlof wrote their insights down into what became canonical theory.
• Influenced management practices and our understanding of unemployment rates.
• P&M majors can learn the deeper logic behind the problem, how to empirically test it, and what to do in practice.
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<thead>
<tr>
<th>Firm</th>
<th>Job</th>
<th>Location</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>CDW</td>
<td>Sales Intern</td>
<td>Chicago, IL</td>
<td>Build/maintain account profiles, Research competitors, and Develop sales strategies for potential customers</td>
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<tr>
<td>Continental Bank</td>
<td>Marketing Intern</td>
<td>Salt Lake City</td>
<td>marketing and sales strategy</td>
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<tr>
<td>Hudson Spine and Pain Medicine</td>
<td>Security and Technology Analyst</td>
<td>New York City</td>
<td>Analyzing software vendors, conducting security audits, and working toward HIPAA compliance</td>
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<tr>
<td>Neighborhood Learning Alliance</td>
<td>Administrative Assistant</td>
<td>Pittsburgh</td>
<td>Collecting/processing data across our various program sites, general office duties (sorting files, preparing forms, etc.)</td>
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<tr>
<td>Prudential Financial Inc.</td>
<td>Intern for Global Business and Technology Solutions</td>
<td>Newark, NJ</td>
<td>document analysis and law compliance</td>
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<tr>
<td>Resolute Innovation</td>
<td>Business Development Intern</td>
<td>New York City</td>
<td>growing business, sales, market research, strategical planning</td>
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<td>The Boeing Company</td>
<td>Corporate Finance Intern</td>
<td>St. Louis, MO</td>
<td>Estimating &amp; Pricing Group - Flight Testing &amp; Repairs</td>
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<tr>
<td>US Holocaust Memorial Museum</td>
<td>Marketing and National Operations Intern</td>
<td>Washington DC</td>
<td>Updating events website, working museum events, data analytics/research, odd jobs</td>
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Job Opportunities and Graduate Programs

Policy and Management students will be well suited to enter careers in:

- Law
- Politics
- Management
- Analytics
- Public Policy
- Government
- Non-governmental organizations/non-profits
- Consulting
Recent P&M grads’ next-steps: Professional Schools

- Law Schools: Columbia, Stanford, Tulane (for sports and entertainment law)

- Master’s programs: CMU Heinz Accelerated Master’s Program (3); CMU Heinz Master’s of Health Care Policy; University of Michigan Master’s in Survey Methodology, Master’s in Human-Computer Interaction; CMU – Privacy Engineering
Professional Positions

• Viacom: Nickelodeon digital analytics team
• IBM in NYC: Associate analytics consultant
• Hamilton Place Strategies: Economic consulting with a focus on international trade and financial regulation
• Rhode Island, Cley Pell’s gubernatorial campaign: Regional field director
• Charter school in Manhattan: Education Coordinator
• Epic in Madison, WI: Project Manager
• Bloomberg: Software engineer
• Thermo fisher scientific: IT leadership development program
Research Topics in Management

- Gender and Negotiations
- HR Policies
- Effective Marketing Practices
- Risk Management
- Motivating Employees
- Cheating and deception

Research Topics in Policy

- Evolution of Norms
- Transitions in Political Order
- Presidential Voting
- Charitable Giving
- Employer Discrimination
- Property Rights
P&M Advisors

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