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## Contents

GENERAL INTEREST.....	2
Economy Dominates Public’s Agenda, Dims Hopes for the Future .....	2
Economic Outlook Symposium: Summary of 2010 results and forecasts for 2011 .....	3
Lift off or Cold Shower? The Economy in 2011 .....	3
Liberate to Stimulate - A Bipartisan Agenda to Restore Limited Government and Revive America's Economy.....	3
INCOMES - DEBT .....	3
Consumers and the Economy, Part I: Household Credit and Personal Saving.....	3
Consumers and the Economy, Part II: Household Debt and the Weak U.S. Economy.....	3
The Financial Crisis at the Kitchen Table: Trends in Household Debt and Credit .....	4
Why the Rich Are Getting Richer .....	4
The Effectiveness of Homeownership in Building Household Wealth.....	4
How Important Are Inheritances for Baby Boomers?.....	4
Despite Deep Recession and High Unemployment, Government Efforts – Including the Recovery Act – Prevented Poverty from Rising in 2009, New Census Data Show .....	5
FISCAL AND TAX POLICIES .....	5
Budget and Economic Outlook: Fiscal Years 2011 Through 2021 .....	5
Activist Fiscal Policy.....	5
Misunderstanding Regarding State Debt, Pensions, and Retiree Health Costs Create Unnecessary Alarm	5
Structurally Unbalanced: (1) Cyclical and Structural State Budget Deficits in California and the Intermountain West – (2) In Arizona .....	6
Misunderstandings Regarding State Debt, Pensions, and Retiree Health Costs Create Unnecessary Alarm .....	6
Misconceptions Also Divert Attention from Needed Structural Reforms.....	6
FINANCE.....	6
A Closer Look: Assistance Programs in the Wake of the Crisis .....	6
Too Big to Fail: The Transatlantic Debate .....	7
Dodd-Frank Wall Street Reform Act: Role of the Governmental Accounting Standards Board in the Municipal Securities Markets and Its Past Funding .....	7
Identifying and Regulations Systemically Important Financial Institutions: The Risks of Under and Over Identification and Regulation .....	7
Regulatory Coverage Generally Exists for Financial Planners, but Consumer Protection Issues Remain .	7
HOUSING.....	8
Have Housing Trends Hit the Bottom? .....	8
Taking the Government Out of Housing Finance: Principles for Reforming the Housing Finance Market	8
Competition in Mortgage Markets: The Effect of Lender Type on Loan Characteristics.....	8
OTHER ECONOMIC POLICIES .....	8
Antitrust in High Tech Industries .....	8
Building a Long-Term National Strategy on Growth through Innovation .....	8

Adjusting to China: A Challenge to the U.S. Manufacturing Sector.....	9
Job Creation on a Budget: How Regional Industry Clusters Can Add Jobs, Bolster Entrepreneurship, and Spark Innovation .....	9
The Limitations of Public-Private Partnerships Recent Lessons from the Surface Transportation and Real Estate Sectors.....	9
<b>BUSINESS</b> .....	9
The Big Impact of Small Business .....	10
The Financial Structure of Startup Firms: The Role of Assets, Information, and Entrepreneur Characteristics .....	10
The Decade of the Woman Entrepreneur: An Interview with Shaherose Charania and Sharon Vosmek ..	10
<b>TRANSPORTATION</b> .....	10
Moving Past Gridlock: A Proposal for a Two-Year Transportation Law .....	10
<b>AGRICULTURE – FOOD</b> .....	11
The Intersection of Midwest Agriculture and Rural Development .....	11
Food Labeling: FDA Needs to Reassess Its Approach to Protecting Consumers from False or Misleading Claims.....	11
Debt, Income and Farm Financial Stress.....	11
<b>EMPLOYMENT – LABOR</b> .....	11
Union Membership.....	11
Unions and Upward Mobility for Asian American and Pacific Islander Workers.....	12
<b>RETIREMENT</b> .....	12
Social Security Benefits are Modest - Policymakers Have Only Limited Room to Reduce Benefits Without Causing Hardship .....	12
Recessions, Wealth Destruction, and the Timing of Retirement.....	12
<b>IMMIGRATION - DIVERSITY</b> .....	12
Creating a "Brain Gain" for U.S. Employers: The Role of Immigration.....	12
Immigration Policy and Less-Skilled Workers in the United States .....	13
The Earnings and Social Security Contributions of Documented and Undocumented Mexican Immigrants .....	13
The State of Communities of Color in the U.S. Economy .....	13
<b>INTERNATIONAL ECONOMIC RELATIONS</b> .....	13
Strengthening IMF Surveillance: A Comprehensive Proposal.....	14
International Trade and Finance: Key Policy Issues for the 112th Congress.....	14
Rebalancing the U.S.-China Relationship .....	14
Rising to the Challenge – A Progressive U.S. Approach to China’s Innovation and Competitiveness Policies .....	14
<b>MISCELLANEOUS</b> .....	15
Online Identity and Consumer Trust: Assessing Online Risk .....	15

## GENERAL INTEREST

*Andrew Kohut et al.*

### **Economy Dominates Public’s Agenda, Dims Hopes for the Future**

Pew Research Center for the People & the Press - January 20, 2011 37 pages

<http://people-press.org/reports/pdf/696.pdf>

The public’s policy agenda is again dominated by the economy and jobs with other major issues viewed as less important. Fully 87% say that strengthening the economy should be a top priority for the president and Congress and 84% rate improving the job situation as a top priority, by far the highest percentages among 22 issues tested.

*William A. Strauss, and Norman Wang*

**Economic Outlook Symposium: Summary of 2010 results and forecasts for 2011**

FRB Chicago – Fed Letter – Webposted January 2011 – 4 pages

[http://www.chicagofed.org/digital\\_assets/publications/chicago\\_fed\\_letter/2011/cflfebruary2011\\_283.pdf](http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cflfebruary2011_283.pdf)

According to participants in the Chicago Fed’s annual Economic Outlook Symposium, solid economic growth is forecasted for the nation in 2011, following a year with moderate growth; inflation is expected to edge higher in 2011; and the unemployment rate is predicted to remain elevated this year.

*John H. Makin*

**Lift off or Cold Shower? The Economy in 2011**

American Enterprise Institute - Economic Outlook - January 2011 – 4 pages

<http://www.aei.org/docLib/2011-EO-01-g.pdf>

“The extra fiscal stimulus from the tax cuts late in 2010 could produce a 4 percent growth rate for the first half of 2011--a sharp turnaround from December's gloomy news on US employment. However, China's overheating and Europe's sovereign-debt crisis continue to threaten the global recovery. In addition, four risks could make liftoff difficult for the US economy: hostility in the new Congress to additional fiscal stimulus; higher energy costs, which could offset the boost from the payroll tax cut; a housing sector under heavy stress; and fiscal drag from state and local governments as the federal stimulus wears off. We have already fired the economic and monetary stimulus guns for the second time. If these measures fail to provide liftoff, we could face a cold shower in 2012.”

**Liberate to Stimulate - A Bipartisan Agenda to Restore Limited Government and Revive America's Economy**

Competitive Policy Institute – January 19, 2011 – 84 pages

<http://cei.org/sites/default/files/CEI%20-%20Liberate%20to%20Stimulate.pdf>

“Taxes and spending receive plenty of public scrutiny, which makes regulation an increasingly attractive option for those who favor greater political intervention in the economy. Our goal is to ensure that regulations are subject to the same degree of oversight as taxes, spending, and legislation in general. The Tea Party movement's success in the recent elections suggests that awareness of these burdens is growing. Thus, we are more hopeful that economic liberty and regulatory reform will make some significant headway in 2011. To further that goal, CEI is unveiling a Liberate to Stimulate deregulatory agenda.”

**INCOMES - DEBT**

*Reuven Glick and Kevin J. Lansing*

**Consumers and the Economy, Part I: Household Credit and Personal Saving**

FRB San Francisco – Economic Letter – January 10, 2011 - 5 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-01.pdf>

In the years since the bursting of the housing bubble, the personal saving rate has trended up from around 1% to around 6%, while the ratio of household debt to disposable income has dropped from 130% to 118%. Changes over time in the availability of credit to households can explain 90% of the variance of the saving rate since the mid-1960s, including the recent uptrend, according to a simple empirical model.

*Atif Mian and Amir Sufi*

**Consumers and the Economy, Part II: Household Debt and the Weak U.S. Economy**

FRB San Francisco – Economic Letter – January 18, 2011 - 5 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-02.pdf>

The U.S. economic recovery has been weak, especially in employment growth. A microeconomic analysis of U.S. counties shows that this weakness is closely related to elevated levels of household debt accumulated during the housing boom. Counties where household debt grew moderately from 2002 to 2006 have seen a moderation of employment losses and a robust recovery in durable consumption and residential investment. By contrast, counties that experienced large increases in household debt during the boom have been mired in a severe recessionary environment even after the official end of the recession.

*Meta Brown, Andrew Haughwout, Donghoon Lee and Wilbe* Federal Reserve

**The Financial Crisis at the Kitchen Table: Trends in Household Debt and Credit**

Bank of New York - December 2010 – 30 pages

[http://www.newyorkfed.org/research/staff\\_reports/sr480.html](http://www.newyorkfed.org/research/staff_reports/sr480.html)

“The Federal Reserve Bank of New York (FRBNY) Consumer Credit Panel, created from a sample of U.S. consumer credit reports, is an ongoing panel of quarterly data on individual and household debt. The panel shows a substantial run-up in total consumer indebtedness between the first quarter of 1999 and the peak in the third quarter of 2008, followed by a steady decline through the third quarter of 2010. During the same period, delinquencies rose sharply: Delinquent balances peaked at the close of 2009 and then began to decline again. This paper documents these trends and discusses their sources. The authors focus particularly on the decline in debt outstanding since mid-2008, which has been the subject of considerable policy and media interest.”

*Robert C. Lieberman*

**Why the Rich Are Getting Richer**

Foreign Affairs – Article - January/February 2011

<http://www.foreignaffairs.com/articles/67046/robert-c-lieberman/why-the-rich-are-getting-richer>

Increasing inequality in the United States has long been attributed to unstoppable market forces. In fact, as Jacob Hacker and Paul Pierson show, it is the direct result of congressional policies that have consciously -- and sometimes inadvertently -- skewed the playing field toward the rich.

*Jordan Rappaport*

**The Effectiveness of Homeownership in Building Household Wealth**

Kansas FRB - Economic Review – January 2011 – 32 pages

<http://www.kansascityfed.org/publicat/econrev/pdf/10q4Rappaport.pdf>

“For decades, conventional wisdom has viewed homeownership as an effective way to build household wealth. However, the recent fall in house prices has caused some observers to question this belief. This article examines whether homeownership effectively builds household wealth. It develops an analytical framework to compare the wealth that homeowners have historically accumulated by building equity in their houses with the wealth they could have accumulated by renting an identical house and investing the resulting saved cash flow in stocks and bonds.”

*Alicia H. Munnell et al.*

**How Important Are Inheritances for Baby Boomers?**

Center for Retirement Research at Boston College - January 2011 – 8 pages

[http://crr.bc.edu/images/stories/Briefs/IB\\_11-1.pdf](http://crr.bc.edu/images/stories/Briefs/IB_11-1.pdf)

Due to a changing retirement landscape, many baby boomers are likely to have insufficient resources for a secure retirement. One potential source that could improve their situation is inheritances. The study quantifies

the aggregate amount of inheritances that baby boomers, those individuals born between 1946 and 1964, can expect to receive over their lifetimes, and the distribution of past and prospective receipts by household type.

*Arloc Sherman*

**Despite Deep Recession and High Unemployment, Government Efforts – Including the Recovery Act – Prevented Poverty from Rising in 2009, New Census Data Show**

Center on Budget and Policy Priorities - January 2011 – 6pages

<http://www.cbpp.org/files/1-5-11pov.pdf>

“Despite a deep recession, very high unemployment, and widespread hardship, a combination of existing safety net programs and temporary expansions in them enacted in 2009 all but prevented a rise in the poverty rate that year, according to a Center analysis of new poverty data the U.S. Census Bureau released this week that includes the effects of non-cash benefits and tax credits. This is a remarkable achievement; poverty usually burgeons in major recessions.”

**FISCAL AND TAX POLICIES**

**Budget and Economic Outlook: Fiscal Years 2011 Through 2021**

C.B.O. - January 2011 – 190 PAGES

[http://www.cbo.gov/ftpdocs/120xx/doc12039/01-26\\_FY2011Outlook.pdf](http://www.cbo.gov/ftpdocs/120xx/doc12039/01-26_FY2011Outlook.pdf)

“The United States faces daunting economic and budgetary challenges. The economy has struggled to recover from the recent recession, which was triggered by a large decline in house prices and a financial crisis—events unlike anything this country has seen since the Great Depression. During the recovery, the pace of growth in the nation's output has been anemic compared with that during most other recoveries since World War II, and the unemployment rate has remained quite high.”

*Alan J. Auerbach, William G. Gale, Benjamin H. Harris*

**Activist Fiscal Policy**

The Brookings Institution - Journal of Economic Perspectives – Fall 2010 – 24 pages

[http://www.brookings.edu/~media/Files/rc/articles/2010/12\\_activist\\_fiscal\\_auerbach\\_gale\\_harris/12\\_activist\\_fiscal\\_auerbach\\_gale\\_harris.pdf](http://www.brookings.edu/~media/Files/rc/articles/2010/12_activist_fiscal_auerbach_gale_harris/12_activist_fiscal_auerbach_gale_harris.pdf)

“In this paper, we review the recent evolution of thinking and evidence regarding the effectiveness of activist fiscal policy. Although fiscal interventions aimed at stimulating and stabilizing the economy have returned to common use, their efficacy remains controversial. We review the debate about the traditional types of fiscal policy interventions, such as broad-based tax cuts and spending increases, as well as more targeted policies. We conclude that while there have certainly been some improvements in estimates of the effects of broad-based policies, much of what has been learned recently concerns how such multipliers might vary with respect to economic conditions, such as the credit market disruptions and very low interest rates that were central features of the Great Recession. The eclectic and innovative interventions by the Federal Reserve and other central banks during this period highlight the imprecise divisions between monetary and fiscal policy and the many channels through which fiscal policies can be implemented.”

*Iris J. Lav and Elizabeth McNichol*

**Misunderstanding Regarding State Debt, Pensions, and Retiree Health Costs Create Unnecessary Alarm**

Center on Budget and Policy Priorities - January 20, 2011 – 21 pages

<http://www.cbpp.org/files/1-20-11sfp.pdf>

Unlike the projected operating deficits for fiscal year 2012, which require near-term solutions to meet states' and localities' balanced-budget requirements, longer-term issues related to bond indebtedness, pension obligations, and retiree health insurance — discussed more fully below — can be addressed over the next several decades. It is not appropriate to add these longer-term costs to projected operating deficits. Nor should the size and implications of these longer-term costs be exaggerated, as some recent discussions have done. Such mistakes can lead to inappropriate policy prescriptions, say the authors.

*Matthew Murray, Sue Clark-Johnson, Mark Muro and Jennifer S. Vey*

**Structurally Unbalanced: (1) Cyclical and Structural State Budget Deficits in California and the Intermountain West – (2) In Arizona**

The Brookings Institution and the Morrison Institute for Public Policy, Arizona State University – Papers – January 2011 - 26 et 16 pages

[http://www.brookings.edu/papers/2011/0105\\_state\\_budgets.aspx#](http://www.brookings.edu/papers/2011/0105_state_budgets.aspx#)

This brief takes a careful look at the fiscal situation in Arizona, California, Colorado, and Nevada and examines the states' serious cyclical budget shortfalls—those resulting from the recession and its aftermath—as well as the critical longer-term structural imbalances between revenues and expenditures that have developed in Arizona, California, and, to a lesser extent, Nevada.

*Iris J. Lav and Elizabeth McNichol*

**Misunderstandings Regarding State Debt, Pensions, and Retiree Health Costs Create Unnecessary Alarm**

**Misconceptions Also Divert Attention from Needed Structural Reforms**

Center on Budget and Policy Priorities – January 2011 – 21 pages

<http://www.cbpp.org/files/1-20-11sfp.pdf>

"A spate of recent articles regarding the fiscal situation of states and localities have lumped together their current fiscal problems, stemming largely from the recession, with longer-term issues relating to debt, pension obligations, and retiree health costs, to create the mistaken impression that drastic and immediate measures are needed to avoid an imminent fiscal meltdown. "Unlike the projected operating deficits for fiscal year 2012, which require near-term solutions to meet states' and localities' balanced-budget requirements, longer-term issues related to bond indebtedness, pension obligations, and retiree health insurance can be addressed over the next several decades. It is not appropriate to add these longer-term costs to projected operating deficits. Nor should the size and implications of these longer-term costs be exaggerated, as some recent discussions have done. Such mistakes can lead to inappropriate policy prescriptions."

**FINANCE**

*Richard G. Anderson and Charles S. Gascon*

**A Closer Look: Assistance Programs in the Wake of the Crisis**

FRB Saint Louis - The Regional Economist - January 2011 – 7 pages

[http://stlouisfed.org/publications/pub\\_assets/pdf/re/2011/a/bailouts.pdf](http://stlouisfed.org/publications/pub_assets/pdf/re/2011/a/bailouts.pdf)

“During the financial crisis of 2007-2009, the Treasury, the Federal Reserve and the Federal Deposit Insurance Corp. (FDIC) extended unprecedented amounts of assistance to banks, government housing agencies, auto manufacturers, individual homeowners and others. Controversy surrounds such assistance... Although the jury is out on definitive answers to these questions, the consensus that emerges will determine the tools available to the government and Federal Reserve during the next financial crisis.”

*Morris Goldstein and Nicolas Véron*

### **Too Big to Fail: The Transatlantic Debate**

Peterson Institute for International Economics – January 2011 – 41 pages

<http://www.piie.com/publications/wp/wp11-2.pdf>

“Although the United States and the European Union were both seriously impacted by the financial crisis of 2007, resulting policy debates and regulatory responses have differed considerably on the two sides of the Atlantic. In this paper the authors examine the debates on the problem posed by “too big to fail” financial institutions. They identify variations in historical experiences, financial system structures, and political institutions that help one understand the differences of approaches between the United States, EU member states, and the EU institutions in addressing this problem. The authors then turn to possible remedies and how they may be differentially implemented in America and Europe. They conclude on which policy developments are likely in the near future.”

### **Dodd-Frank Wall Street Reform Act: Role of the Governmental Accounting Standards Board in the Municipal Securities Markets and Its Past Funding**

GAO - Briefing for offices of the Committee on Banking, Housing, and Urban Affairs, United States Senate Committee on Financial Services, House of Representatives - January 12 and 13, 2011 – 44 pages

<http://www.gao.gov/new.items/d11267r.pdf>

“GAO was directed to study the role and importance of the Governmental Accounting Standards Board (GASB) in the municipal securities markets as well as the manner and level at which GASB has been funded. GASB establishes standards of accounting and financial reporting for U.S. state and local governments. Established in 1984 as an operating component of the Financial Accounting Foundation (the Foundation), GASB is recognized by the American Institute of Certified Public Accountants as the body that sets generally accepted accounting principles (GAAP) for state and local governments.”

*Douglas J. Elliott, Robert E. Litan.*

### **Identifying and Regulations Systemically Important Financial Institutions: The Risks of Under and Over Identification and Regulation**

The Brookings Institution – December 2010 – 20 pages

[http://www.brookings.edu/~media/Files/rc/papers/2011/0116\\_regulating\\_sifis\\_elliott\\_litan/0116\\_regulating\\_sifis\\_elliott\\_litan.pdf](http://www.brookings.edu/~media/Files/rc/papers/2011/0116_regulating_sifis_elliott_litan/0116_regulating_sifis_elliott_litan.pdf)

“Certain financial institutions are so central to the American financial system that their failure could cause traumatic damage, both to financial markets and to the larger economy. These institutions are often referred to as “systemically important financial institutions” or SIFIs. Among its numerous provisions, the Dodd-Frank Act, the comprehensive reform legislation signed into law during the summer of 2010, requires financial regulators belonging to the Financial Stability Oversight Committee (FSOC) to designate those financial institutions that are systemically important... We pay particular attention to the risks of including too many or too few institutions as SIFIS’s, as well as touching on the related risks of over- or under – regulating SIFIS’s.”

### **Regulatory Coverage Generally Exists for Financial Planners, but Consumer Protection Issues Remain**

GAO – Report – January 18, 2011 – 51 pages

<http://www.gao.gov/products/GAO-11-235>

“Consumers are increasingly turning for help to financial planners—individuals who help clients meet their financial goals by providing assistance with such things as selecting investments and insurance products, and managing tax and estate planning. The Dodd-Frank Wall Street Reform and Consumer Protection Act mandated that GAO study the oversight of financial planners. This report examines (1) how financial planners are regulated and overseen at the federal and state levels, (2) what is known about the effectiveness of this regulation, and (3) the advantages and disadvantages of alternative regulatory approaches.”

## HOUSING

*Bryan Noeth and Rajdeep Sengupta*

### **Have Housing Trends Hit the Bottom?**

FRB Saint Louis - The Regional Economist - January 2011 – 3 pages

[http://stlouisfed.org/publications/pub\\_assets/pdf/re/2011/a/housing.pdf](http://stlouisfed.org/publications/pub_assets/pdf/re/2011/a/housing.pdf)

On a national level, the number of vacant homes is declining, as is the percentage of mortgages in serious delinquency. However, the demand for housing hasn't picked up, nor have prices.

*Peter J. Wallison et al.*

### **Taking the Government Out of Housing Finance: Principles for Reforming the Housing Finance Market**

American Enterprise Institute - January 20, 2011 – 40 pages

<http://www.aei.org/docLib/HousingFinance.pdf>

The Institute's latest housing finance plan eliminates the need for government guarantees and permits the gradual elimination of Fannie Mae and Freddie Mac, according to the study.

*Richard J. Rosen*

### **Competition in Mortgage Markets: The Effect of Lender Type on Loan Characteristics**

FDB Chicago – Economic Perspectives – January 2011 – 20 pages

[http://www.chicagofed.org/digital\\_assets/publications/economic\\_perspectives/2011/1qtr2011\\_part1\\_rosen.pdf](http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2011/1qtr2011_part1_rosen.pdf)

“This article examines how competition among lenders affects mortgage loan characteristics. The author finds that, on average, banks issue safer mortgages than independent mortgage banks. Further, mortgages from banks with a branch in the local market where the property is tend to be safer than mortgages from banks without a local branch. Changes in market shares among lender types (local bank, nonlocal bank, or independent mortgage bank) that lead to higher loan risk also are associated with better borrower quality. Increasing the local market share of a lender type raises loan risk and borrower quality at that lender type.”

## OTHER ECONOMIC POLICIES

*Robert Crandall, Charles Jackson*

### **Antitrust in High Tech Industries**

Technology Policy Institute – December 2010 – 52 pages

[http://www.techpolicyinstitute.org/files/crandalljackson%20antitrust\\_in\\_high\\_tech3.pdf](http://www.techpolicyinstitute.org/files/crandalljackson%20antitrust_in_high_tech3.pdf)

“This paper analyzes the impacts of recent United States Section 2 Sherman Act cases brought against three major information and communications technology sector firms in the last half of the 20th century: IBM, AT&T, and Microsoft. These cases provide a particularly interesting set of case studies because they all involve major players in the high-tech sector, but each case had a different legal outcome. One—IBM—was dropped after 13 years; another –AT&T—was settled after 8 years of litigation; and the third—Microsoft—resulted in a court decision that was a clear victory for the government. But what was the effect of each case's resolution on the relevant markets? Has the remedy that was imposed in the two latter cases actually worked to produce a more competitive industry structure? Could the remedy proposed by the government in IBM have improved the performance of the computer industry?”

### **Building a Long-Term National Strategy on Growth through Innovation**

The Brookings Institution – Event transcripts – January 12, 2011

[http://www.brookings.edu/events/2011/0112\\_growth\\_innovation.aspx](http://www.brookings.edu/events/2011/0112_growth_innovation.aspx)

“On January 12, the Brookings Institution gathered the CEOs of leading U.S. businesses for a day-long series of panels addressing innovation in key business sectors, including information technology, green technology, defense and manufacturing. The program also included state and federal budget experts who discussed ways to reduce the budget deficit without strangling the economic recovery. Brookings experts lead the discussions to draw out ideas to advise policymakers on strategies for fostering growth and innovation.”

*Martin Neil Baily.*

**Adjusting to China: A Challenge to the U.S. Manufacturing Sector**

The Brookings Institution – January 2011 – 8 pages

[http://www.brookings.edu/papers/2011/01\\_china\\_challenge\\_baily.aspx](http://www.brookings.edu/papers/2011/01_china_challenge_baily.aspx)

“In the face of China's progress, American manufacturing faces major challenges in becoming — and remaining — competitive. Martin Baily recommends engaging the private sector in identifying and reducing barriers to export growth, focusing on technology skills transfer, protecting intellectual property, reducing the marginal tax rate on corporations, and increasing innovation.”

*Mark Muro and Kenan Fikri*

**Job Creation on a Budget: How Regional Industry Clusters Can Add Jobs, Bolster Entrepreneurship, and Spark Innovation**

The Brookings Institution – Paper – January 19, 2011 – 12 pages

[http://www.brookings.edu/~media/Files/rc/papers/2011/0119\\_clusters\\_muro/0119\\_clusters\\_muro.pdf](http://www.brookings.edu/~media/Files/rc/papers/2011/0119_clusters_muro/0119_clusters_muro.pdf)

“The best way to create more jobs in a state is to grow them at home, rather than poach them from elsewhere: Some 95 percent of all job gains in a year in an average state come from the expansion of existing businesses or the birth of new establishments. However, the usual recipe of tax credits, R&D, training programs, and physical infrastructure is not sufficient, by itself, to spur such “organic” job creation. States also need to cultivate their industry clusters—geographic concentrations of interconnected firms and supporting organizations. Properly designed, cluster strategies are a low-cost way to stimulate innovation, new-firm start-ups, and job creation by helping to link and align the many factors that influence firm and regional growth.”

*Marc Scribner*

**The Limitations of Public-Private Partnerships Recent Lessons from the Surface Transportation and Real Estate Sectors**

Competitive Policy Institute – Issue Analysis - January 2011 – 30 pages

<http://cei.org/sites/default/files/Marc%20Scribner%20-%20The%20Limitations%20of%20Public-Private%20Partnerships.pdf>

“Government at all levels in the United States has been slowly moving away from grand central planning schemes and toward markets. One result has been the rise of public-private partnerships (PPPs). Proponents of these arrangements argue that many of the information and transaction cost problems inherent in government institutions can be mitigated by sharing construction, maintenance, and operational responsibilities with profit-motivated private firms... Unfortunately, PPPs can also drive rent-seeking behavior, and create significant risk of improper collusion between political actors and politically preferred firms and industries... This paper examines public-private partnerships and their relation to surface transportation and real estate development, two areas where their use has grown substantially in recent years.”

**BUSINESS**

### **The Big Impact of Small Business**

FRB Atlanta - EconSouth Q4 2010 – 5 pages

[http://www.frbatlanta.org/documents/pubs/econsouth/10q4\\_sb.pdf](http://www.frbatlanta.org/documents/pubs/econsouth/10q4_sb.pdf)

“Small business—long one of the primary engines of the economy—endured a particularly difficult time during the recession, and the sector is just beginning to exhibit signs of a rebound. How will today's tight credit markets affect small businesses as they retrench for tomorrow's challenges?”

*Paroma Sanyal and Catherine L. Mann*

### **The Financial Structure of Startup Firms: The Role of Assets, Information, and Entrepreneur Characteristics**

FRB Boston - Working Paper – December 2010 - 29 pages

<http://www.bos.frb.org/economic/wp/wp2010/wp1017.pdf>

“Using the Kauffman Firm Survey, we examine how characteristics of a startup's assets, information about the startup, and entrepreneur attributes relate to financial structure at inception. Startups with more physical assets or those where the entrepreneurs have other similar businesses are more likely to use external debt in the financial structure since these assets have a high liquidation value. Startups with human capital embodied in the entrepreneur or intellectual property assets have a lower probability of using debt, consistent with the higher asset specificity and lower collateral value of these assets. Startups characterized as small, unincorporated, solo, first-time, or home-office-based are more likely to be financed by self, family and friends, and importantly through credit cards, as these have both highly specific assets and information opacity. More educated founders and non-African American founders are more likely to be financed by external sources. Controlling for other attributes of the startup, the financial structure of women-owned startups does not differ from that of other startups. Hi-tech startups' financial structure differs significantly from that of startups in other business sectors.”

### **The Decade of the Woman Entrepreneur: An Interview with Shaherose Charania and Sharon Vosmek**

Ewing Marion Kauffman Foundation – January 2011

<http://www.kauffman.org/entrepreneurship/the-decade-of-the-woman-entrepreneur.aspx>

“Although success stories abound, women still face societal and personal pressures—perceived and real—when they consider becoming entrepreneurs... To discuss the needs of women entrepreneurs in the decade ahead, Lesa Mitchell of the Kauffman Foundation talked with Shaherose Charania and Sharon Vosmek. Both lead organizations focused on providing entrepreneurial education and support for women who have the potential to become high-growth entrepreneurs.” (Shaherose Charania, CEO, Women 2.0, and Sharon Vosmek, CEO, Astia)

## **TRANSPORTATION**

*Robert Puentes*

### **Moving Past Gridlock: A Proposal for a Two-Year Transportation Law**

The Brookings Institution - January 2011 -15 pages

[http://www.brookings.edu/papers/2010/1214\\_transportation\\_puentes.aspx](http://www.brookings.edu/papers/2010/1214_transportation_puentes.aspx)

“The current political climate in Washington makes major reforms difficult. Yet there are tasks, some bold and sweeping, some targeted and incremental, the federal government can and must undertake to help states and metropolitan areas rebalance America's economy. For one, the federal government needs to take action on transportation infrastructure. This policy brief proposes a positive, affirmative proposal for reauthorizing the existing federal surface transportation law for two full years at its current funding level with several key

reforms. These include: federal performance measures in safety and system-wide asset management; a new partnership with metro areas that raise their own revenue that reduces bureaucracy and accelerates project delivery; and better coordination of existing federal credit assistance programs. Such reforms are intended to set the stage for a truly transformative six-year bill in 2013”.

## **AGRICULTURE – FOOD**

*David B. Oppedahl*

### **The Intersection of Midwest Agriculture and Rural Development**

FRB Chicago – Fed Letter – January 2011 – 4 pages

[http://www.chicagofed.org/digital\\_assets/publications/chicago\\_fed\\_letter/2011/cfljanuary2011\\_282b.pdf](http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cfljanuary2011_282b.pdf)

“On November 9, 2010, the Federal Reserve Bank of Chicago held a conference on rural development and the role of Midwestern agriculture. Experts from academia, industry, and policy institutions discussed rural employment generated by agriculture, the impacts of agricultural amenities on rural areas, and policy directions for agriculture and rural development.”

### **Food Labeling: FDA Needs to Reassess Its Approach to Protecting Consumers from False or Misleading Claims**

GAO – Report - January 14, 2011 – 60 pages

<http://www.gao.gov/new.items/d11102.pdf>

“The Food and Drug Administration (FDA) oversees federal requirements to prohibit false or misleading food labels; the Federal Trade Commission enforces the prohibition against false or misleading advertising. By statute, health claims on food labels must have significant scientific agreement, but in 2002, in response to a court decision, FDA decided to allow qualified health claims with less scientific support. Structure/function claims refer to a food's effect on body structure or function and are also used on food. Congress directed GAO to study FDA's implementation of qualified health claims for food.”

### **Debt, Income and Farm Financial Stress**

Federal Reserve Bank of Kansas - Main Street Economist – December 2010 – 5 pages

[http://www.kansascityfed.org/publicat/mse/MSE\\_0610.pdf?ealert=MSE0113](http://www.kansascityfed.org/publicat/mse/MSE_0610.pdf?ealert=MSE0113)

“Farmers have significantly increased their debt levels in recent years. Since 2004, real farm debt has risen nearly 5 percent annually, the fastest increase since the prelude to the 1980s farm debt crisis. The latest issue of the Main Street Economist examines the concentration of debt and farm financial stress across U.S. producers. It also considers how financial stress would be affected by an abrupt surge in interest rates or a drop in farm income.”

## **EMPLOYMENT – LABOR**

### **Union Membership**

Bureau of Labor Statistics, January 21, 2011

<http://www.bls.gov/news.release/pdf/union2.pdf>

In 2010, the union membership rate--the percent of wage and salary workers who were members of a union--was 11.9 percent, down from 12.3 percent a year earlier. The number of wage and salary workers belonging to unions declined by 612,000 to 14.7million. In 1983, the first year for which comparable union data are available, the union membership rate was 20.1 percent, and there were 17.7 million union workers.

*John Schmitt et al.*

**Unions and Upward Mobility for Asian American and Pacific Islander Workers**

Center for Economic and Policy Research - January 2011 – 13 pages

<http://www.cepr.net/documents/publications/unions-aapi-2011-01.pdf>

Asian Americans and Pacific Islanders (AAPIs) are, with Latinos, the fastest growing ethnic group in the U.S. workforce. In 2009, Asian American and Pacific Islanders were one of every 20 U.S. workers, up from one in 40 only 20 years earlier. AAPIs, again with Latinos, are also the fastest growing ethnic group in organized labor, accounting for just under one-in-20 unionized workers in 2009. Even after controlling for workers' characteristics including age, education level, industry, and state, unionized AAPI workers earn about 14.3 percent more than non-unionized AAPI workers with similar characteristics.

**RETIREMENT**

*Kathy Ruffing and Paul N. Van de Water*

**Social Security Benefits are Modest - Policymakers Have Only Limited Room to Reduce Benefits Without Causing Hardship**

Center on Budget and Policy Priorities – January 2011 – 7 pages

<http://www.cbpp.org/cms/index.cfm?fa=view&id=3368>

“Social Security benefits may be on the chopping block as policymakers wrestle with the nation’s long-term fiscal challenges.... [Policymakers should keep in mind that] Social Security benefits in the United States are modest both in dollar terms and by international standards, and most beneficiaries do not have significant income from other sources. Some reductions in future Social Security benefits may be necessary as part of a bipartisan solution to restore the program’s long-term solvency. But any benefit reductions will need to be modest, carefully targeted, and phased in gradually to give those who will be affected ample notice and time to adjust.”

*Barry P. Bosworth, Senior Fellow, Gary Burtless*

**Recessions, Wealth Destruction, and the Timing of Retirement**

Center for Retirement Research at Boston College – Paper – December 2010 – 39 pages

[http://www.brookings.edu/~media/Files/rc/papers/2010/12\\_recessions\\_retirement\\_bosworth\\_burtless/12\\_recessions\\_retirement\\_bosworth\\_burtless.pdf](http://www.brookings.edu/~media/Files/rc/papers/2010/12_recessions_retirement_bosworth_burtless/12_recessions_retirement_bosworth_burtless.pdf)

“Recessions affect the timing of retirement through two channels, a weaker job market and losses in household wealth. The two phenomena have opposite effects. A weaker economy causes employers to increase permanent job separations and reduce new hires, accelerating retirements that would otherwise have occurred later. Falling household wealth reduces the resources available to pay for retirement, discouraging older workers from leaving the workforce. We use aggregate and micro-census data on old-age labor supply as well as time series data on unemployment, stock and bond returns, and house appreciation to estimate business cycle effects on Social Security benefit acceptance and labor force exit.”

**IMMIGRATION - DIVERSITY**

*Darrell M. West*

**Creating a "Brain Gain" for U.S. Employers: The Role of Immigration**

The Brookings Institution - Policy Brief #178 - January 2011 – 8 pages

[http://www.brookings.edu/~media/Files/rc/papers/2011/01\\_immigration\\_west/01\\_immigration\\_west.pdf](http://www.brookings.edu/~media/Files/rc/papers/2011/01_immigration_west/01_immigration_west.pdf)

One of the strongest narratives in U.S. history has been the contribution made by talented, hard-working and entrepreneurial immigrants whose skills and knowledge created a prosperous new country. Yet today, the nation's immigration priorities and outmoded visa system discourage skilled immigrants and hobble the technology-intensive employers who would hire them. These policies work against urgent national economic priorities, such as boosting economic vitality, achieving greater competitiveness in the global marketplace and renewing our innovation leadership. In the long term, the nation needs comprehensive immigration reform. In the short term, policymakers should focus on reforms that are directly related to increasing the "brain gain" for the nation—creating new jobs and producing economic benefits—to produce tangible and achievable improvements in our immigration system.

### **Immigration Policy and Less-Skilled Workers in the United States**

Urban Institute - January 1st, 2011

<http://www.urban.org/UploadedPDF/1001488-Immigration-Policy.pdf>

This paper reviews the evidence on the effects of less-skilled immigration to the U.S., and considers the implications of this evidence for immigration reform ideas. It begins with a review of the costs of less-skilled immigration, in terms of competition to nativeborn American workers and fiscal costs; as well as the benefits of such immigration in the form of lower prices to consumers, higher profits for employers, and greater efficiency for the U.S. economy.

*Gary Burtless and Audrey Singer*

### **The Earnings and Social Security Contributions of Documented and Undocumented Mexican Immigrants**

Center for Retirement Research, Boston College – Working Paper – January 2011- 39 pages

[http://crr.bc.edu/working\\_papers/the\\_earnings\\_and\\_social\\_security\\_contributions\\_of\\_documented\\_and\\_undocumented\\_mexican\\_immigrants.html](http://crr.bc.edu/working_papers/the_earnings_and_social_security_contributions_of_documented_and_undocumented_mexican_immigrants.html)

“Using information supplied by immigrants interviewed by the Mexican Migration Project (MMP) we analyze the Social Security coverage of jobs held by legal and other-than-legal Mexican immigrants who work in the United States. Our analysis suggests that about half the Mexican-born migrants residing in the United States who are wage earners and heads of household earn their incomes in jobs that are not covered by Social Security. Since workers in uncovered jobs tend to earn below-average wages, their earnings account for less than half the wages earned by Mexican immigrants. Evidence from the MMP survey shows that Social Security coverage is higher among Mexican immigrants who are authorized to live in the United States than it is among undocumented Mexican immigrants. Coverage among working legal permanent residents is less than 75 percent, but the coverage rate among undocumented workers is even lower, about 25 percent...”

*Christian E. Weller, Jaryn Fields, Folayemi Agbede*

### **The State of Communities of Color in the U.S. Economy**

Center for American progress – Memo - January 21, 2011 – 18 pages

[http://www.americanprogress.org/issues/2011/01/pdf/comm\\_of\\_color.pdf](http://www.americanprogress.org/issues/2011/01/pdf/comm_of_color.pdf)

Racial and ethnic economic gaps have worsened or stayed the same during the recession and recovery. Unemployment rates rose faster for African Americans and Latinos than for whites while homeownership rates fell faster.

## **INTERNATIONAL ECONOMIC RELATIONS**

*Edwin M. Truman*

### **Strengthening IMF Surveillance: A Comprehensive Proposal**

The Peterson Institute – Policy Brief – December 2010 – 12 pages

<http://www.piie.com/publications/pb/pb10-29.pdf>

“Truman proposes to strengthen International Monetary Fund (IMF) surveillance over the economic and financial policies of its member countries through an approach that builds on members' IMF obligations with a view to producing significant promise of affecting their policy choices. His proposed approach has five integrated components: (1) updated obligations of IMF membership, (2) development of a set of norms to guide members in meeting those obligations, (3) a process to apply judgment in monitoring compliance with those obligations via the use of the norms, (4) accountability in the application of such judgment based on transparency, and (5) potential consequences for member countries that are judged not to have complied with their obligations. The crux of the approach is to enhance IMF members' obligations to contribute to global economic and financial stability and to strengthen IMF surveillance of those obligations through the use of norms and a transparent peer review process that leads to improved policies and outcomes.”

*Raymond J. Ahearn*

### **International Trade and Finance: Key Policy Issues for the 112th Congress**

Congressional Research Service, Library of Congress - December 30, 2010 – 27 pages

<http://www.fas.org/sgp/crs/misc/R41553.pdf>

The 112th Congress faces a full agenda of international trade and finance issues. Early in 2011, the Obama Administration is expected to ask Congress to approve a free trade agreement (FTA) with South Korea and possibly FTAs with Colombia and Panama. The Administration is seeking to conclude the much larger ten year-old World Trade Organization's (WTO) Doha Round of multilateral trade negotiations, which, if completed, would also require congressional approval. The Administration is also negotiating a Trans-Pacific Partnership (TPP) Agreement, a regional FTA that currently includes nine countries on both sides of the Pacific.

*Eswar Prasad and Weishi (Grace) Gu*

### **Rebalancing the U.S.-China Relationship**

The Brookings Institution – January 17, 2011 – 25 pages

[http://www.brookings.edu/~media/Files/rc/opinions/2011/0113\\_us\\_china\\_prasad/0117\\_us\\_china\\_prasad.pdf](http://www.brookings.edu/~media/Files/rc/opinions/2011/0113_us_china_prasad/0117_us_china_prasad.pdf)

“China has become the world's second largest economy, the main driver of global growth and an increasingly assertive economic power. The U.S. is by far the world's largest economy and one of the richest. Even as their GDP levels gradually converge, a huge gulf remains between China and the U.S. in terms of their per capita incomes and their levels of institutional and financial development.”

*Kate Gordon, Susan Lyon, Ed Paisley, Sean Pool*

### **Rising to the Challenge – A Progressive U.S. Approach to China's Innovation and Competitiveness Policies**

Center for American Progress – Report - January 14, 2011 – 50 pages

[http://www.americanprogress.org/issues/2011/01/pdf/china\\_innovation.pdf](http://www.americanprogress.org/issues/2011/01/pdf/china_innovation.pdf)

“China is actively and methodically building up the basic foundations for future economic growth while also ensuring a market for its current and future products and services at home and abroad... In the pages that follow we will examine China's innovation assets and liabilities as the country races to build a globally competitive innovation-led economy, and then consider how the United States should react to these challenges. We then offer our recommendations to U.S. policymakers on steps our own government can take to ensure our nation rises to meet the challenges posed by China.”

## MISCELLANEOUS

### **Online Identity and Consumer Trust: Assessing Online Risk**

The Brookings Institution – Paper - January 11, 2011 – 17 pages

[http://www.brookings.edu/~media/Files/rc/papers/2011/0111\\_online\\_identity\\_trust/0111\\_online\\_identity\\_trust.pdf](http://www.brookings.edu/~media/Files/rc/papers/2011/0111_online_identity_trust/0111_online_identity_trust.pdf)

“As the Internet continues to evolve into a more social and interactive space, new threats to online consumers emerge. Beyond the now commonplace malware, these threats target the relationship between online services and consumers by attacking the core of their relationship: identity. While consumers are increasingly aware of online dangers, they must be able to trust the idea of an interactive Internet to support the transformations possible through web services. Trust is paramount. The Department of Commerce recently solicited input on online innovation, and respondents from a wide range of industries and ideological agendas continually returned to the idea that consumer trust is critical for the continued growth of e-commerce and online expression. This report highlights the importance of identity as a principle theme in the next five years of the growth of the Web.”