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N° 139 – September 2011

GENERAL INTEREST

Stewart Wallis

The Four Horsemen of Economics

YaleGlobal - September 28, 2011.

<http://yaleglobal.yale.edu/content/four-horsemen-economics>

Humans are not necessarily stuck with the unsustainable, unstable economic constructs they have created. Political systems can shape local and global economies, either deliberately or by default. Stewart Wallis urges nations to work in concert to address crises that promise to arise with greater frequency and severity, whether extreme weather events and devastated croplands or over-reliance on debt. Political leaders and citizens proceed along an economic path with four systemic problems, what Wallis calls the four U's, unsustainable, unfair, unstable and unhappy way of life. The New Economics Foundation aims to improve global quality of life with innovative solutions that challenge conventional wisdom, and a key goal is maximizing well-being, by finding and using measures that demonstrate true success or failure. The current course toward greater unsustainability and inequality is not only dangerous and reckless, but completely avoidable.

The European Debt and Financial Crisis: Origins, Options, and Implications of the US and Global Economy

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - September 22, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=a946a668-dbb6-47e3-b8b4-07da5c413819

The witnesses are: Mr. Nicolas Veron, Senior Fellow, Bruegel and Visiting Fellow, Peterson Institute for International Economics; Mr. Joachim Fels, Global Head of Economics, Morgan Stanley; and Mr. Dominico Lombardi, Senior Fellow, The Brookings Institution.

U.S. ECONOMY

Policy Prescriptions for the Economy

Senate Budget Committee – Hearing – September 15, 2011

Chad Stone, Chief Economist, Center on Budget and Policy Priorities (9 pages):

<http://www.cbpp.org/files/9-15-11bud-test.pdf>

Kevin A. Hassett - Senior Fellow and Director, American Enterprise Institute for Public Policy Research (14 pages):

http://budget.senate.gov/democratic/index.cfm/files/serve?File_id=6cb42472-5762-4ee4-a3a2-ce955ae15a37

Mark Zandi - Chief Economist and Co-Founder Moody's Analytics

<http://www.economy.com/mark-zandi/documents/Final-Senate-Budget-Committee-091511.pdf>

Living Within Our Means and Investing in the Future: The President's Plan for Economic Growth and Deficit Reduction

Office of Management and Budget - September 2011 – 80 pages

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/jointcommitteereport.pdf>

"The plan also realizes more than \$1 trillion in savings over the next 10 years from our draw downs in Afghanistan and Iraq. And the plan calls for the Congress to undertake comprehensive tax reform that lowers tax rates, closes loopholes, boosts job creation here at home, cuts the deficit by \$1.5 trillion, and observes the Buffett Rule, that people making more than \$1 million a year should not pay a smaller share of their income in taxes than middle-class families pay (...) Together with the expiration of the high-income tax cuts from 2001 and 2003, these measures would be more than enough to reach this \$1.5 trillion target. They include cutting tax preferences for high-income households, eliminating tax breaks for oil and gas companies, closing the carried interest loophole for investment fund managers, and eliminating benefits for those who use corporate jets." - President Obama.

Garrett Jones and Daniel M. Rothschild

No Such Thing as Shovel Ready: The Supply Side of the Recovery Act

Mercatus Center – George Mason University - Working paper - September 2011

http://mercatus.org/sites/default/files/publication/No_such_thing_as_shovel_ready_WP1118.pdf

"Under the commission of the Mercatus Center at George Mason University, we conducted a first-of-its-kind study, sending interview teams across the country to ask businesses, nonprofits, and local governments just what the stimulus program accomplished. Researchers interviewed representatives of 85 different organizations, drawn from a random sample in five different metropolitan areas, and learned about their experiences applying for and receiving contract and grant funding under ARRA."

Diana Epstein

Investing in Education Powers U.S. Competitiveness

Center for American Progress - September 6, 2011 – 9 pages

http://www.americanprogress.org/issues/2011/09/pdf/education_competitiveness.pdf

Education is the key to American competitiveness and a strong economy, and continued federal investment in education is needed in order to support improvements in student achievement and put our economy on the path to sustained growth. The U.S. suffers from persistent differences in achievement between groups of students defined by race/ethnicity or family income, and students also rank well behind those in economically competitive countries on international tests. According to the report, the U.S. must continue to invest in education in order to create a system that is more equitable and that produces American students who are more competitive in the global marketplace for talent.

Bart Hobijn, John Krainer, David Lang

Cap Rates and Commercial Property Prices

FRBSF Economic Letter - September 19, 2011 - 5 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-29.pdf>

"Commercial real estate capitalization rates have been found to be good indicators of expected returns in commercial properties. Recent declines in these cap rates appear to be signaling a commercial real estate rebound, indicating improved investor expectations of price growth in the market. Movements in national cap rates are the predominant drivers of changes in cap rates in local markets. Therefore, the anticipated commercial real estate rebound is likely to be widespread across many metropolitan areas."

FISCAL AND TAX POLICIES

Douglas W. Elmendorf

Confronting the Nation's Fiscal Policy Challenges

Congressional Budget Office – Remarks before the Joint Select Committee on Deficit - September 13, 2011 - 49 pages

<http://www.cbo.gov/ftpdocs/124xx/doc12413/09-13-FiscalPolicyChallenges.pdf>

“The federal government is confronting significant and fundamental budgetary challenges. If current policies are continued in coming years, the aging of the population and the rising cost of health care will boost federal spending, as a share of the economy, well above the amount of revenues that the federal government has collected in the past. As a result, putting the federal budget on a sustainable path will require significant changes in spending policies, tax policies, or both (...) Changes that might be made to federal spending or tax policies could have a substantial impact on the pace of economic recovery during the next few years as well as on the nation's output and people's income over the longer term.”

Chairman Paul Ryan

Credibility Deficit Widens With President's Third “Budget “in Seven Months – President's “Math” Doesn't Add

House Budget Committee – September 2011 – 11 pages

<http://budget.house.gov/UploadedFiles/Budgetstrike9212011.pdf>

“In the span of seven months, President Obama has offered three different budget plans for the federal government. He offered an actual budget in February, a budget “framework” in April, and yet another tax-and-spend plan this past week (more spending in the “American Jobs Act”; more taxes in a new plan unveiled yesterday). Unfortunately, none of these approaches has provided the kind of leadership that America needs to lift the crushing burden of debt while promoting sustained economic growth. The following House Budget Committee analysis unpacks the President's widening credibility deficit – on taxes, spending, debt, and gimmicks.”

Estimated Impact of Automatic Budget Enforcement Procedures Specified in the Budget Control Act

Congressional Budget Office – September 12th, 2011 – 10 pages

<http://www.cbo.gov/ftpdocs/124xx/doc12414/09-12-BudgetControlAct.pdf>

“The Budget Control Act of 2011 (...) made several changes to federal programs and established budget enforcement mechanisms—including caps on future discretionary appropriations—that were estimated to reduce federal budget deficits by a total of at least \$2.1 trillion over the 2012–2021 period (...) The automatic reductions (...) would take the form of equal cuts (...) in defense and nondefense spending starting in fiscal year 2013 (...) The Congressional Budget Office (CBO) has estimated the changes in discretionary and mandatory spending that would occur if the automatic enforcement mechanisms were triggered because no new deficit reduction legislation was enacted. CBO's analysis can only approximate the ultimate results.”

Paul Van de Water, Chye-Ching Huang, Chuck Marr, Chad Stone, and Brian Highsmith

“Supercommittee” Should Develop Balanced Package of Tax Increases and Spending Cuts

Center on Budget and Policy Priorities – September 27, 2011 – 9 pages

<http://www.cbpp.org/files/9-27-11tax.pdf>

“The new congressional committee on deficit reduction (the so-called “supercommittee”) not only *can* consider revenue increases, but *must* consider them — as well as spending cuts — if it's going to produce a balanced plan.1 There are five main reasons why. 1. Spending cuts alone can't do the job... 2. The 2001-2003 tax cuts are a significant contributor to projected deficits... 3. Higher-income people can and should share in the sacrifices needed to reduce long-term deficits... 4. Taxes are low both in historical terms and in comparison with other countries. 5. Higher taxes are not an inherent barrier to economic growth.”

Curtis Dubay

Setting the Tax Record Straight: Clinton Hikes Slowed Growth, Bush Cuts Promoted Recovery

Heritage Foundation – Backgrounder – September 6, 2011 – 6 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2601.pdf

“Despite evidence to the contrary, President Obama and his supporters insist that a tax increase will not impede economic recovery. They claim that the Clinton tax hikes spurred the boom of the 1990s and that the subsequent Bush tax cuts hurt the economy. Members of Congress must reject this faulty notion—and reject the President’s call for burdening Americans with higher taxes and an even slower economy.”

Examining Whether There is a Role for Tax Reform in Comprehensive Deficit Reduction and U.S. Fiscal Policy

United States Senate Committee on Finance – Hearing - September 13, 2011

<http://finance.senate.gov/hearings/hearing/?id=a6fc20cf-5056-a032-521e-b4d151014e97>

Witnesses:

Dr. Alan C. Greenspan, President, Greenspan Associates LLC, Washington, DC

Dr. John B. Taylor, Mary and Robert Raymond Professor of Economics, Stanford University

Dr. Martin S. Feldstein, George F. Baker Professor of Economics, Harvard University, Cambridge

The Honorable John M. Engler, President, Business Roundtable, Washington, DC

Mr. Edward D. Kleinbard, Professor of Law, USC Gould School of Law, Los Angeles, CA

The Need for Pro-Growth Tax Reform

House Budget Committee – Hearing - September 14, 2011

<http://budget.house.gov/HearingSchedule/#9142011>

Witnesses:

Scott Hodge, President, Tax Foundation

Michael Wall, Vice President of Tax Case New Holland

Diane Lim Rogers, Chief Economist

Economic Models Available to the Joint Committee on Taxation for Analyzing Tax Reform Proposals

House Committee on Ways and Means – Hearing - September 21, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=259990>

The Committee held a hearing “to review and examine the variety of economic models used by the Joint Committee on Taxation (JCT) to analyze and score tax reform legislation. In particular, the Committee will review the tools available to the JCT that would enable it to measure the effect of proposals on economic growth and job creation as well as the effect on revenue levels. The Committee last reviewed this topic at a hearing in 2002, so this hearing will not only examine changes in economic thinking and the Joint Committee’s capabilities since then, but also review the extent to which the current economic climate poses new challenges to this analysis.”

Tax Reform Options: International Issues

United States Senate Committee on Finance – Hearing - September 8, 2011

<http://finance.senate.gov/hearings/hearing/?id=85bf3d89-5056-a032-5289-d0bff7d57faa>

“In July, we heard from U.S. business leaders who urged us to make our tax system more like the territorial tax systems of some of our major trading partners. I look forward to hearing from our witnesses today on that issue. In addition, we have heard a great deal about U.S. multinational corporations avoiding taxation of their foreign earnings, often using tax havens. I hope that our witnesses will be able to discuss ways to address that issue... We must make sure our tax code does not encourage American businesses to relocate jobs overseas, and at the same time, the tax code must not put U.S. businesses at a disadvantage in foreign markets.”

Tax Reform Options: Marginal Rates on High-Income Taxpayers, Capital Gains and Dividends

United States Senate Committee on Finance – Hearing - September 14, 2011

<http://finance.senate.gov/hearings/hearing/?id=baead0db-5056-a032-5250-f9fd4299598d>

“So in these tough economic times, we must make these choices: will we be forced to make real changes to programs seniors depend on like Social Security and Medicare? Will we be forced to cut programs or raise taxes on veterans, servicemen and women and middle class families? Or should we ask some of the wealthiest in our society to contribute?”

Tax Reform Options: Promoting Retirement Security

United States Senate Committee on Finance – Hearing - September 15, 2011

<http://finance.senate.gov/hearings/hearing/?id=ba387157-5056-a032-5252-c7bf71fc6c90>

“Retirement security is often described as a three-legged stool. The first of those legs – Social Security is crucial to the stability of that stool... So we must – and we will – do what it takes to ensure that leg of the stool remains sound. But the average Social Security beneficiary receives only slightly more than \$14,000 each year. As a result, most Americans will not be able to retire on Social Security alone.

So today we will examine the other two legs of the retirement stool: personal savings and employer provided retirement plans.”

Tax Reform Options: Incentives for Innovation

United States Senate Committee on Finance – Hearing - September 20, 2011

<http://finance.senate.gov/hearings/hearing/?id=ef6a4c10-5056-a032-5212-fbf59e314035>

“Today, out of the 21 OECD nations, the U.S. ranks 17th in tax incentives for research and development. American companies have little certainty that the main tax incentive for research and development – the R&D credit – will continue. Since 1981, we have relied on 14 short-term extensions to renew the credit. This undermines the potential of the tax credit to provide the certainty businesses need to generate meaningful growth. Today, again in the wake of a recession, Congress must do its part to support American ingenuity. Development and innovation here at home will boost our economy, and they will help create jobs.”

Alan D. Viard, Alex Brill

The Benefits and Limitations of Income Tax Reform

American Enterprise Institute – Tax Policy Outlook - September 27, 2011 – 6 pages

<http://www.aei.org/docLib/TPO-Sept-2011.pdf>

“A number of recent proposals have called for broadening the individual income tax base while lowering statutory income tax rates. Such proposals would eliminate or curtail various preferential income tax provisions and use some or all of the resulting revenue to lower statutory tax rates. Base broadening must be approached with caution because some base-broadening measures make the tax system less neutral, impeding economic efficiency. Also, income tax base broadening cannot eliminate, and may even reinforce, the income tax's central flaw--its penalty on saving, according to the Outlook.

David Rosnick, Dean Baker.

Do Tax Cuts Boost the Economy?

Center for Economic and Policy Research - September 13, 2011 – 9 pages

<http://www.cepr.net/documents/publications/tax-cuts-2011-09.pdf>

“There are many economists who argue that temporary tax cuts have no impact on the economy. They argue that people will save a temporary tax credit rather than spend it. Stanford Economics Professor John Taylor, who served as Under Secretary of the Treasury for International Affairs under President Bush, is one of the economists making this argument (...) According to his analysis; it is unclear whether an additional dollar of government transfers led to any additional spending, or, alternatively, whether it raised personal savings by more than one dollar. The paper shows that there is very little indication that based on Taylor's work, personal transfers from the government fail to stimulate private spending.”

MONETARY POLICY

Rethinking Central Banking

Brookings - Committee on International Economic and Policy Reform – September 2011 – 36 pages

http://www.brookings.edu/~media/Files/rc/reports/2011/09_ciepr_central_banking/Rethinking%20Central%20Banking.pdf

“This report was written by The Committee on International Economic and Policy Reform, a non-partisan and non-ideological group of independent experts, comprised of academics and former government and central bank officials. The objective of the group is to analyze global monetary and financial problems, offer systematic analysis and advance reform ideas that would ordinarily not emerge from official processes... In this September 2011 report, the committee lays out a framework for rethinking central banking in light of lessons learned in the lead-up to and aftermath of the global financial crisis.”

Richard Heckinger and Robert S. Steigerwald

International Regulatory Cooperation after the Crisis

The Federal Reserve Bank of Chicago - September 2011 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cflnovember2011_292.pdf

“In this Chicago Fed Letter, we discuss the policy objectives established at the Pittsburgh Summit and briefly explain the evolving roles of the Financial Stability Board (FSB), the Committee on Payment and Settlement Systems (CPSS), the International Organization of Securities Commissions (IOSCO), and the OTC Derivatives Regulators’ Forum (OTCDRF). We also briefly describe the new supervisory authorities that have been formed in major jurisdictions as a result of legislation enacted to implement the G-20 objectives and some of the new responsibilities they will exercise.”

Arvind Subramanian

Renminbi Rules: The Conditional Imminence of the Reserve Currency Transition

The Peterson Institute - Working Paper – September 2011 – 33 pages

<http://www.piie.com/publications/wp/wp11-14.pdf>

“Against the backdrop of the recent financial crisis and the ongoing rapid changes in the world economy, the fate of the dollar as the premier international reserve currency is under scrutiny. This paper attempts to answer whether the Chinese renminbi will eclipse the dollar, what the timing of and the prerequisites for this transition will be, and which of the two countries controls the outcome. The key finding, based on analyzing the last 110 years, is that the size of an economy—measured not just in terms of GDP but also trade and the strength of the external financial position—is the fundamental correlate of reserve currency status.”

FINANCE

Peter J. Wallison.

The Error at the Heart of the Dodd-Frank Act

American Enterprise Institute – Report - September 6, 2011 -10 pages

<http://www.aei.org/docLib/FSO-2011-September-Wallison.pdf>

“The underlying assumption of the Dodd-Frank Act (DFA) is that the 2008 financial crisis was caused by the disorderly bankruptcy of Lehman Brothers. This is evident in the statements of officials and the principal elements of the act, which would tighten the regulation of large financial institutions to prevent their failing, and establish an “orderly resolution” system outside of bankruptcy if they do.(...) According to the report, the financial crisis was not caused by the disorderly bankruptcy of Lehman Brothers, but by a common shock to all firms: the decline in mortgage values after the housing bubble collapsed, exacerbated by mark-to-market accounting.”

Ensuring Appropriate Regulatory Oversight of Broker-Dealers and Legislative Proposals to Improve Investment Adviser Oversight

House Committee on Financial Services – Hearing - September 13, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=258252>

The hearing will examine two studies mandated by the Dodd-Frank Act: one on the effectiveness of standards of care applicable to broker-dealers and investment advisers; and the other on the need for enhanced examination and enforcement resources for investment advisers. The hearing will cover additional issues, including the appropriate role and balances for self-regulatory agencies (SROs) such as the Financial Industry Regulatory Authority, or FINRA and legislation that addresses broker dealers and investment advisers and how each is regulated.”

Robert Battalio, Hamid Mehran, Paul Schultz

Market Declines: Is Banning Short Selling the Solution?

Federal Reserve Bank of New York – September 2011 – 20 pages

http://newyorkfed.org/research/staff_reports/sr518.pdf

“In response to the sharp decline in prices of financial stocks in the fall of 2008, regulators in a number of countries banned short selling of particular stocks and industries. Evidence suggests that these bans did little to stop the slide in stock prices, but significantly increased costs of liquidity. In August 2011, the U.S. market experienced a large decline when Standard and Poor’s announced a downgrade of U.S. debt. The authors’ cross-sectional tests suggest that the decline in stock prices was not significantly driven or amplified by short selling. Short selling does not appear to be the root cause of recent stock market declines. “

James A. Wilcox, Luis G. Dopico

Credit Union Mergers: Efficiencies and Benefits

FRB San Francisco Economic Letter – September 12, 2011 – 5 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-28.pdf>

“Mergers tend to improve credit union cost efficiency. When the acquirer is much larger than the target credit union, target members benefit in terms of lower loan rates and higher deposit rates, while acquirer members see little change. When merger partners are more equal in size, these benefits are shared more evenly. Over time, credit union mergers have shifted from, on average, only benefiting targets to also benefiting acquirers to some extent.”

An Examination of the Availability of Credit for Consumers

House Committee on Financial Services – Hearing - September 22, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=260305>

Witnesses:

Barry Wides, Deputy Comptroller for Community Affairs, Office of the Comptroller of the Currency;

Robert Mooney, Deputy Director for Consumer Protection and Community Affairs, Federal Deposit Insurance Corporation;

David M. Marquis, Executive Director, National Credit Union Administration; and

Witnesses from the private sector

Bruce J. Summers and Kirstin E. Wells

Emergence of Immediate Funds Transfer As a General-Purpose Means of Payment

Federal Reserve Bank of Chicago – Third Quarter 2011 - 15 pages

http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2011/3qtr2011_part2_summers_wells.pdf

“This article examines the emergence of IFT (Immediate Funds Transfer) as a general-purpose means of payment in the U.S. and in four other countries. We identify the public policy and business issues that arise when a new means of payment is introduced. We describe the attributes of payment instruments that users find attractive and

compare the attribute profiles of different kinds of instruments, including IFT. We examine demand for IFT in the U.S. and present four international case studies of IFT. Finally, we discuss barriers to adoption of IFT in the U.S.”

Christopher Bronk, John Villasenor, and Cody Monk

Shadowy Figures: Tracking Illicit Financial Transactions in the Murky World of Digital Currencies, Peer-to-Peer Networks, and Mobile Device Payments

James A. Baker III Institute for Public Policy, Rice University - August 29, 2011 – 24 pages

<http://www.bakerinstitute.org/publications/ITP-pub-FinancialTransactions-082911.pdf>

The combination of the enormous growth in social networks, the complexity of peer-to-peer systems and software, and the number of Internet and wirelessly connected devices is altering the landscape of financial transactions at a rate and to a degree that is unprecedented, according to the study.

REGULATION

How a Broken Process Leads to Flawed Regulations

House Committee on Oversight and Governmental Reform – Hearing – September 14, 2011

http://oversight.house.gov/index.php?option=com_content&view=article&id=1429%3A9-14-2011-qhow-a-broken-process-leads-to-flawed-regulationsq&catid=12&Itemid=20

“How the Administrative State has Broken Obama’s Promise of Regulatory Reform” will examine the effects of broken regulations on businesses and working Americans. The hearing will also seek answers from the Administration about how, despite apparent orders to the contrary, regulators are advancing new rules in ways intended to avoiding meaningful scrutiny by employing numerous gimmicks... The regulatory process is broken, being manipulated and exploited in an effort to reward allies of the Obama Administration such as environmental groups, trial lawyers, and unions. Regulators have, in too many instances, been willing accomplices in the strategy advanced by outside interest groups to circumvent the oversight and accountability checks in the regulatory process. This hearing will seek answers that lead to reforms and ultimately create jobs.”

Emerging Issues in Insurance Regulation

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - September 14, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=3c45e919-0503-4ed0-bc3c-0fb3b2b50ca7

The witnesses are: Mr. Baird Webel, Specialist in Financial Economics, Congressional Research Service; Dr. Therese Vaughan, Chief Executive Officer, National Association of Insurance Commissioners; Dr. Mary Weiss, Deaver Professor of Risk, Insurance, and Healthcare Management, Temple University; and Mr. Daniel Schwarcz, Associate Professor, University of Minnesota Law School

Isaac Shapiro

The Combined Effect of the Obama EPA Rules

Economic Policy Institute – September 2011 – 12 pages

<http://www.epi.org/publication/combined-effect-obama-epa-rules/>

“(This paper is) the only comprehensive tally of the combined costs and benefits of the new major Environmental Protection Agency (EPA) rules, debunks arguments that their cumulative impact would harm the struggling economy. The paper, by Economic Policy Institute (EPI) Director of Regulatory Policy Research Isaac Shapiro, released today by EPI, shows the regulations formulated by the Obama Administration will be of tremendous benefit to public health, and the combined compliance cost of the rules – both finalized and proposed – amounts to only about 0.1 percent of the economy, and thus are not a significant factor in the overall economy’s direction.”

Are Excessive Energy Regulations and Policies Limiting Energy Independence, Killing Jobs and Increasing Prices for Consumers?

House Small Business Committee – Hearing - September 19, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=250917>

The hearing examined burdensome federal regulations and policies on the energy industry and their impact on small businesses, jobs and consumer prices. Specifically, the hearing examined the coal combustion residuals (CCR) proposed rule (75 Federal Register 35127-35264), the proposed rule to limit mercury and other air toxics from coal-burning electricity generators (76 Federal Register 24976-25147), the Environmental Protection Agency's (EPA) regulation of greenhouse gas emissions and potential regulation of hydraulic fracturing in the natural gas industry. Additionally, the hearing focused on the permitting and leasing process of the Department of the Interior.

LOCAL ECONOMIC DEVELOPMENT

Lauren Stewart

Redesigning State Government 2011

National Governors Association – Brief - September 6, 2011 – 25 pages

<http://www.nga.org/files/live/sites/NGA/files/pdf/1109REDESIGNINGSTATEGOVT.PDF>

Since 2008, the NGA Center for Best Practices (NGA Center) has been reviewing state government redesign effort as states recover from the economic downturn. Some of these efforts have been described in other NGA publications, namely, *The Big Reset: State Government After the Great Recession* (February 2010) and again in *State Government Redesign Efforts 2009 and 2010* (October 2010). This brief provides an overview on state redesign efforts occurring in 2011, building on those two earlier publications, occurring in several areas: Health, Corrections, K-12 Education, Higher Education, Transportation and Infrastructure, State Workforce, Pensions and Benefits, and Downsizing and Streamlining.

Assessing the Impact of the Great Recession on Income and Poverty across States

U.S Senate Joint Economic Committee – Fact Sheet - September 2011 – 4 pages

http://jec.senate.gov/public/index.cfm?a=Files.Serve&File_id=bb857721-f48a-44cc-8214-508dbd24cc7f

“Earlier this month, the U.S. Census Bureau released data on income and poverty in 2010 showing that the recent recession and the persisting weak labor market are continuing to put pressure on America’s households. The data from the Current Population Survey (CPS) showed that nationwide median household income fell for the third consecutive year in 2010 (...) Last week’s release of data from the 2010 American Community Survey (ACS) reinforces the trends of declining income and rising poverty nationally and allows us to more closely examine the impact of the recent recession on household income and poverty at the state level (...) This fact sheet compares state-level data from the 2010 ACS to prerecession data from the 2007 ACS.”

Howard Wial and Richard Shearer

MetroMonitor: Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas

Brookings Institution - September 15, 2011 – 9 pages

http://www.brookings.edu/~media/Files/Programs/Metro/metro_monitor/2011_09_metro_monitor/0915_metro_monitor.pdf

Data for the nation's 100 largest metropolitan areas do not fully reflect the most recent national trends because most metropolitan economic indicators are available only through the second quarter of 2011, ending in June. The metropolitan data through the second quarter show widespread but generally very slow growth in both jobs and economic output. Unemployment rates, although lower than at the beginning of 2010 in most large metropolitan areas, remained very high. House prices hit new lows in all large metropolitan areas even as the pace of foreclosures slowed in half of those areas. Workers' earnings, available at the metropolitan level through the first quarter of 2011, fell in slightly more than half of the nation's large metropolitan areas since the beginning of the recession... As always, metropolitan economic performance varied greatly among the 100 largest metropolitan areas.”

Charles Davidson

Made in the South: A Bad News, Good News Story

Federal Reserve Bank of Atlanta – Third Quarter 2011 - 7 pages

http://www.frbatlanta.org/documents/pubs/econsouth/11q3_manufacturing.pdf?d=1&s=email

“Made in the Southeast “isn’t as catchy as “Made in the USA,” but it’s becoming more commonplace following years of disappearing manufacturing jobs in the region. Manufacturers are setting up shop, but can affordable land and labor offset other looming challenges?”

David Luttrell and Harvey Rosenblum

Breaking Out of Recession: Gauging Texas’ Response to Fed Stimulus

FRB Dallas - Southwest Economy - Third Quarter 2011 – 5 pages

<http://www.dallasfed.org/research/swe/2011/swe1103b.pdf>

“From the time the U.S. recession began in December 2007 through the subsequent recovery, Texas and the Eleventh Federal Reserve District have outperformed the nation. While economic activity is better in Texas, it remains far from robust. And though Texas employment hasn’t fully reclaimed levels reached before the crisis, the other 11 Federal Reserve districts remain 3 to 8 percent below predownturn employment peaks as a postrecessionary disquiet lingers. This sluggish national performance has occurred despite the enormous fiscal and monetary firepower unleashed to combat the financial crisis and accompanying recession.² Why has Texas achieved a comparatively greater recovery than the nation.”

Gordon Lafer

‘Right to Work’ The Wrong Answer for Michigan’s Economy

Economic Policy Institute – Briefing Paper – September 15, 2011 – 20 pages

<http://www.epi.org/files/2011/BriefingPaper326.pdf>

“As Michigan seeks to recover from the Great Recession while addressing the additional problems generated by contraction in the auto industry, some advocates are promoting the idea that the state’s economy can be turned around through adoption of a “right-to-work” law. Large sums of money have been devoted to backing so-called “right-to-work” bills in numerous state legislatures. Lobbyists for these misleadingly named laws claim that they significantly improve both job growth and the wages people earn. The evidence shows that these claims are completely without scientific foundation. The most rigorous scientific analysis shows the exact opposite is true.”

Rural America at a Glance, 2011

U.S. Department of Agriculture, Economic Research Service - September 27, 2011 – 6 pages

<http://www.ers.usda.gov/Publications/EIB85/EIB85.pdf>

“Rural America at a Glance, 2011 Edition highlights the most recent indicators of social and economic conditions in rural areas for use in developing policies and programs to assist rural areas. This year’s edition focuses on the U.S. rural economy, including employment trends, poverty, education, and population trends”

AGRICULTURE

Workforce Challenges Facing the Agriculture Industry

House Subcommittee on Workforce Protections – Hearing - September 13, 2011

<http://edworkforce.house.gov/Calendar/EventSingle.aspx?EventID=258184>

“This hearing provides us with an opportunity to examine whether an important program is adequately meeting the demands of the nation’s farms. Each year, agricultural employers across the country petition the U.S. Department of Labor for thousands of seasonal guest workers. Since 1986, the H-2A visa program has provided these employers a legal avenue to hire the workers they need. An employer’s petition must pass two tests intended to protect American workers: First, the employer must demonstrate there is an insufficient number of U.S. workers

available to perform the work as needed. Second, the employer must attest that employing guest workers will not adversely affect U.S. workers. If the department denies an employer's petition, that employer may appeal the decision to an Administrative Law Judge. This is a program that has proven invaluable to employers."

American Specialty Agriculture Act

House Committee on the Judiciary – Hearing – September 8, 2011

http://judiciary.house.gov/hearings/hear_09082011_2.html

"The agriculture industry needs to hire hundreds of thousands of seasonal workers each year to put food on Americans' tables... Even though Congress devised the H-2A program to meet the needs of our growers, half of farm workers remain illegal immigrants. This is because, as the Department of Labor has admitted, most growers "find the H-2A program so plagued with problems that they avoid using it altogether... H.R. 2847, "the American Specialty Agriculture Act," establishes an H-2C guestworker program responsive to the needs of American growers while maintaining strong policies to protect citizens and legal workers. And it does so without the fraud-ridden mass amnesty for illegal immigrant farmworkers that failed in 1986."

Outlook for U.S. Agricultural Trade

U.S. Department of Agriculture - August 31, 2011 – 18 pages

<http://usda.mannlib.cornell.edu/usda/current/AES/AES-08-31-2011.pdf>

Fiscal 2012 agricultural exports are projected at \$137 billion, the same as the 2011 forecast. Horticultural products are projected to increase sharply in fiscal 2012, due to strong demand from Canada, Europe, and Japan. The forecast for 2012 imports is \$105 billion, 11 percent higher than 2011. Given that the forecast for exports is unchanged while imports are rising, the trade balance for 2012 is a surplus of \$32 billion, which would be the third highest ever.

Agricultural Program Audit: Examination of USDA Dairy Programs

House Committee on Agriculture – Hearing - September 8, 2011

<http://agriculture.house.gov/hearings/hearingDetails.aspx?NewsID=1447>

"Thank you for the opportunity to discuss the dairy provisions associated with the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). I will be covering not only the programs associated with the Farm Service Agency (FSA), but also those associated with the Foreign Agricultural Service (FAS) and the Risk Management Agency (RMA). The programs of these agencies provide the backbone of the farm safety net for dairy producers. This hearing provides an opportunity to reflect on the performance of these programs under the 2008 Farm Bill, while thinking ahead to the upcoming Farm Bill debate."

Jason Henderson

Will U.S. Food Prices Follow Global Trends?

FRB Kansas City – Main Street – Fall 2011 – 6 pages

http://www.kansascityfed.org/publicat/mse/MSE_0311.pdf

"Driven by higher commodity prices, global food prices soared to record highs in 2011. World populations are experiencing some modest relief as food prices have eased since peaking in February. On the other hand, U.S. food prices have climbed higher in recent months. In the latest issue of the Main Street Economist, Omaha Branch Executive Jason Henderson examines global and U.S. food price trends, as well as the burden of higher food prices on low-income populations."

TRANSPORTATION - INFRASTRUCTURE

2011 Urban Mobility Report

Texas Transportation Institute and University Transportation Center for Mobility - September 27, 2011 – 57 pages
<http://tti.tamu.edu/documents/mobility-report-2011.pdf>

While traffic problems have stagnated along with the economy, an annual study suggests that too little progress is being made toward ensuring that the nation's transportation system will be able to keep up with job growth when the economy does return.

The Economic Importance and Financial Challenges of Recapitalizing the Nation's Inland Waterways Transportation System

House Transportation and Infrastructure Committee – Hearing - September 21, 2011
<http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=1392>

“Letting the inland waterway system decline further would be an economic disaster to add to the Nation’s already significant fiscal problems. Movement of goods is going to increase in the future and we can expect more demands on our inland waterways transportation system. Having an inland waterways system that is a viable alternative will keep costs down among all modes of transport. If you take inland waterways out of the mix in terms of transportation options, costs go up and American products become less competitive in the global marketplace. And that means lost jobs. That is why I can say I am a fiscal conservative, and I support investing in America where those expenditures stoke the fires of our economic engines and create jobs throughout our economy.”

BUSINESS

Lesa Mitchell

Overcoming the Gender Gap: Women Entrepreneurs as Economic Drivers

Ewing Marion Kauffman Foundation - September 2011 – 15 pages

http://www.kauffman.org/uploadedFiles/Growing_the_Economy_Women_Entrepreneurs.pdf

“Women who are capable of starting growth companies that serve global markets may be the nation's secret weapon for achieving sustained economic growth. Research shows that startup companies - particularly high-growth startups - are the most fruitful source of new U.S. jobs and offer the economy's best hope for recovery. However, despite the fact that about 46 percent of the workforce and more than 50 percent of college students are female, and that women have risen to top positions in corporate and university hierarchies, they represent only about 35 percent of startup business owners. Their firms also tend to experience less growth and prosperity than do firms started by men. The paper explores the reasons behind lower business startup rates among women and proposes actions that would help to realize the promise of female entrepreneurs in escalating the economy.”

The Next IT Revolution?: Cloud Computing Opportunities and Challenges

House Committee on Science, Space and Technology – Hearing – September 21, 2011

<http://science.house.gov/hearing/technology-and-innovation-subcommittee-hearing-cloud-computing>

“Today’s hearing is being held to examine the opportunities and challenges presented by cloud computing, and to analyze the appropriate role of federal policy in the growing cloud computing enterprise. Over the last few decades, developments in the IT sector have driven our country’s economic growth. Cloud computing has the potential to be the next wave. Its widespread adoption offers significant opportunities for new innovation, and productivity gains for both the public and private sectors.”

Crowdfunding: Connecting Investors and Job Creators

House Committee on Oversight and Government Reform – Hearing – September 15, 2011

http://oversight.house.gov/index.php?option=com_content&view=article&id=1430%3A9-15-2011-qcrowdfunding-connecting-investors-and-job-creatorsq&catid=34&Itemid=39

“The purpose of the hearing is simple – in an economic environment in which lending to job creators and entrepreneurs remains dismal, we must find new and modern means for capital formation to ignite our sputtering economy. An existing and innovative means to connect investors and job creators is Crowdfunding. Crowdfunding is essentially the ability of individuals to pool their money in support of a common cause. Crowdfunding has traditionally taken place in the realm of charity or the arts, but through online communities and social networking, it could have positive implications for America's small businesses and investors... This bill simply heeds the President's call to cut the red tape for startups and allow everyday investors to connect with entrepreneurs. In today's fast-paced world of information and innovation, all Americans, rather than just banks and venture capitalists, should be able to invest in the next Google or Apple.”

Oversight of the Networking and Information Technology Research and Development Program and Priorities for the Future

House Committee on Science, Space and Technology – Hearing – September 21, 2011

<http://science.house.gov/hearing/research-and-science-education-subcommittee-hearing-oversight-networking-information-tech>

“Today, we are presented with the opportunity to review the Networking and Information Technology Research and Development Program (NITRD) and to discuss priorities for the future. The NITRD program is the main Federal R&D investment portfolio in unclassified networking, computing, software, cybersecurity, and related information technologies. It also serves as the mechanism for interagency coordination of this R&D. Fourteen member agencies, including the National Science Foundation, NASA, the Department of Energy, NOAA, and the Department of Homeland Security provide budgets for NIT research and development. Numerous other federal agencies are also actively engaged in the coordination

Beyond the Size Standards: Sustainability of Small Business Graduates

House Small Business Committee – Hearing - September 14, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=258405>

“The hearing examined proposals for a medium-sized business program. Specifically, the hearing looked at H.R. 1812, the Small Business Growth Act, and other legislative proposals. The hearing sought to analyze the desirability of a medium-sized business program, the effect of such program on current small firms, and the fundamental issues any such program must address if the program is to succeed.”

Innovative Approaches to Meeting the Workforce Needs of Small Businesses

House Committee on Small Businesses – September 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=253986>

“The hearing focused on small businesses’ growing need for highly skilled and trained workers and how private, industry-led portable skills certification programs are helping meet these needs while improving career and educational prospects for students and workers. The hearing was intended to help educate policymakers regarding innovative approaches to meeting the workforce needs of small businesses.”

EMPLOYMENT

James Sherk

How Congress Can Support, Not Hinder, Labor Market Recovery

Heritage Foundation - Backgrounder posted September 1, 2011 – 13 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2602.pdf

“America now has the weakest labor market since the Great Depression. Unemployment remains above 9 percent, primarily because job creation has not recovered. Workers who lose their jobs have a much more difficult time finding new ones and the amount of time workers spend unemployed has soared. Five million potential workers have left the labor force since late 2007. The weak labor market has particularly hit younger and less-educated members of the labor force. Higher unemployment is not necessarily permanent—if Congress supports policies that

improve the business climate and encourage entrepreneurship. Now is the time to remove—not erect more—barriers to business expansion.”

Heather Boushey and Michael Ettlinger

Government Spending Can Create Jobs—and It Has

Center for American Progress – Brief - September 2011 – 7 pages

http://www.americanprogress.org/issues/2011/09/pdf/yes_we_can.pdf

“Policymakers have a choice in front of them. They can create jobs. It is within their power. History shows us what works. We only need the will to take the right steps forward. We at the Center for American Progress boast a range of policy ideas to jumpstart job creation. So, too, do other progressive organizations and policymakers in the Obama administration and in Congress. We aren’t lacking in solutions. What we need is action.”

Take Two: The President's Proposal to Stimulate the Economy and Create Jobs

House Committee on Oversight and Government Reform – Hearing – September 13, 2011

http://oversight.house.gov/index.php?option=com_content&view=article&id=1428%3A9-13-2011-qtake-two-the-presidents-proposal-to-stimulate-the-economy-and-create-jobsq&catid=18&Itemid=23

Witnesses

Professor John Taylor, Professor of Economics at Stanford University, Hoover Institution

Ms. Diana Furchtgott-Roth, Senior Fellow, Manhattan Institute for Policy Research

Mr. Brink Lindsey, Senior Scholar in Research and Policy, Ewing Marion Kauffman Foundation

Mr. Peter Schiff, Chief Executive Officer, Euro Pacific Capital Inc.

Dr. Heather Boushey, Senior Economist, Center for American Progress

Ross Eisenbrey, Lawrence Mishel, Josh Bivens, Andrew Feildhouse

Putting America Back To Work - Policies for Job Creation and Stronger Economic Growth

EPI - Economic Policy Institute – September 2, 2011 -11 pages

<http://w3.epi-data.org/temp2011/BriefingPaper325.pdf>

“This paper presents a menu of policies that could generate millions of jobs and put the unemployment rate on a steep downward trajectory. Many observers and policymakers will be putting forward ideas in the near future, so it is important to first present criteria for judging the merits of jobs policies. “

The Investor Visa Program: Key to Creating American Jobs

House Committee on the Judiciary – Hearing – September 14, 2011

http://judiciary.house.gov/hearings/hear_09142011.html

William Stenger, President & Chief Executive Officer, Jay Peak Resort, Jay, Vermont

Daniel Healy, Chief Executive Officer, Civitas Capital Group, Dallas, TX

Jason Mendelson, Managing Director, Foundry Group, Boulder, CO

Shervin Pishevar, Managing Director, Menlo Ventures, Menlo Park, CA

Gadi Barlevy

Evaluating the Role of Labor Market Mismatch in Rising Unemployment

Federal Reserve Bank of Chicago – Third Quarter 2011 - 15 pages

http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2011/3qtr2011_part1_barlevy.pdf

“From the second half of 2009 through the end of 2010, the U.S. labor market witnessed a systematic increase in the rate of job openings while the unemployment rate remained essentially unchanged. In this article, I show how the labor market matching function approach developed by Pissarides (1985) and Mortensen and Pissarides (1994) can be used to assess the validity of the proposition that recent trends in vacancies and unemployment necessarily point to a diminished role for monetary policy.”

Lawrence Mishel

Regulatory Uncertainty - A Phony Explanation for Our Jobs Problem

Economic Policy Institute – September 2011 – 9 pages

<http://www.epi.org/publication/regulatory-uncertainty-phony-explanation/>

“Job creation has finally returned as a front and center priority in Washington. The prescription for spurring job creation, however, depends on the diagnosis of the underlying problem. Policymakers are currently invoking two very different explanations for the jobs crisis. The more persuasive explanation is that the demand for goods and services is depressed because of the collapse of the housing and stock market bubbles—the financial crisis—that has led to both a deleveraging (paying off debts) of households and a cratering of the construction sector. The initial shock of the bubble’s burst then cascaded into non-construction business investment that dried up as customers disappeared. Finally, all of this led to state and local governments cutting back services and jobs as tax revenues plunged.”

Anil Kumar and Michael Weiss

Underemployment Poses Long-Term Financial Risk to More Workers

FRB Dallas - Southwest Economy - Third Quarter 2011 – 4 pages

<http://www.dallasfed.org/research/swe/2011/swe1103g.pdf>

“In the aftermath of the Great Recession, a significant portion of the potential labor pool remains largely unnoticed. The underemployed and the discouraged—those who have given up trying to find work—are additional indicators of labor dislocation. These are individuals whose diminishing skills and reduced earning capacity may linger well into the recovery.”

Lymaryi Morales

More U.S. Workers Unhappy With Health Benefits, Promotions

Gallup - September 5, 2011

<http://www.gallup.com/poll/149324/Workers-Unhappy-Health-Benefits-Promotions.aspx>

U.S. workers are more dissatisfied today with their health insurance benefits and their chances for promotion than they were before the global economic collapse. These are the biggest movers since August 2008 on a list of 13 specific job aspects Gallup tracks.

GREEN JOBS

How Obama's Green Energy Agenda is Killing Jobs

House Committee on Oversight and Government Reform – Hearing – September 22, 2011

http://oversight.house.gov/index.php?option=com_content&view=article&id=1449%3A9-22-2011-qhow-obamas-green-energy-agenda-is-killing-jobsq&catid=12&Itemid=20

“A green jobs fueled recovery is a theory, and is yet unproven. Numerous elements of President Obama's plan have been called into question. This activity includes a Bureau of Labor Statistics effort to legitimize the notion of questionably-designated green jobs by counting them as an official metric. It also includes the appearance of political favoritism in the distribution of green energy grants and loan guarantees. The Oversight and Government Reform Committee will also examine how President Obama's green jobs agenda has been combined with a concerted policy and regulatory campaign impacting American carbon-based energy production companies and employees.”

Jessica Goad, Christy Goldfuss, Tom Kenworthy

The Jobs Case for Conservation, Creating Opportunity through Stewardship of America’s Public Lands

Center for American Progress - September 21, 2011 - 39 pages

http://www.americanprogress.org/issues/2011/09/pdf/public_lands.pdf

“Conservation (...) also has enormous economic value, supporting a specific economy in recreation, restoration, and renewable energy development, all of which support numerous jobs. Jobs from recreation and tourism, hunting and fishing, restoration and sustainable forest management, and policies provide employment for rural communities hardest hit by the Great Recession. This report identifies policies that our leaders must support in order to build upon success in this type of job creation.”

Nick Sibilla and Todd Wynn

The Dirty Secret behind Clean Jobs

Cascade Policy Institute - August 2011.

<http://cascadepolicy.org/pdf/pub/CleanJobsReport8.22.11.pdf>

“This rebranded version of the climate change strategy into a jobs creation approach is flawed for several reasons. The term "green jobs" is a vague and vacuous concept. Indeed, in some states, employers define what jobs are "green" in self-reporting surveys without any independent verification. The push to subsidize green jobs is based on faulty economics... In the end, environmentalists should not base their calls to action on specious claims of job creation. Additionally, too many clean jobs depend on government largess for their existence, with the largest sectors of the clean economy being either state employees or recipients of corporate welfare. This folly of investing in clean jobs to induce growth is best symbolized by the case of a city on the verge of bankruptcy.”

Creating American Jobs by Harnessing Our Resources: U.S. Offshore and Renewable Energy Production

Committee on Natural Resources – Hearing - September 8, 2011

<http://naturalresources.house.gov/Calendar/EventSingle.aspx?EventID=257851>

“This Committee has worked in a bipartisan manner to advance numerous job-creating ideas. Here are 10 that I hope the President will consider... House Republicans have introduced numerous job-creating energy bills and we’re ready to work with President Obama on advancing common sense proposals to harness our energy resources. We cannot forfeit this incredible opportunity that American energy presents to create jobs, strengthen our economy, generate new revenue and protect our national security.”

EMPLOYMENT AND EDUCATION

Jonathan Rothwell, Alan Berube

Education, Demand, and Unemployment in Metropolitan America

Brookings Institution - September 2011 – 21 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/0909_skills_unemployment_rothwell/0909_skills_unemployment_rothwell.pdf

“Inadequate demand and inadequate education, relative to available occupations, are both hampering economic recovery in U.S. metropolitan areas. With a still weakened private sector, strategic public investment and regional economic diversification can help address the first problem. Yet even when the economy recovers, longer-term "structural unemployment" will linger in some metropolitan areas because of mismatches between the supply of, and demand for, educated workers. Solutions to that problem include boosting educational attainment, enhancing the skills of workers, and increasing demand for less educated workers by providing public goods needed by industries like manufacturing and the "green" economy.”

Tiffany Julian and Robert Kominski

Education and Synthetic Work-Life Earnings Estimates

U.S. Bureau of Census - September 8, 2011 - 16 pages

<http://www.census.gov/prod/2011pubs/acs-14.pdf>

The education levels had more effect on earnings over a 40-year span in the workforce than any other demographic factor, such as gender, race and Hispanic origin. For example, a worker with a professional degree is expected to make more than a worker with a eighth grade education or lower.

STEM in Action: Inspiring the Science and Engineering Workforce of Tomorrow

House Committee on Science, Space and Technology – Hearing – September 13, 2011

<http://science.house.gov/hearing/full-committee-hearing-stem-action>

“The purpose of this hearing will be to showcase a variety of public/private partnerships and initiatives across the Nation that are successfully inspiring the future Science, Technology, Engineering, and Math (STEM) workforce. The federal government is investing several billion a year on STEM education. While there may be a federal role, industry, philanthropic organizations, non-profits and local governments have also acknowledged the importance of making investments in STEM. Partnerships and initiatives formed by these investments are critical. Particularly in this difficult budget climate, we want to highlight some of these efforts and partnerships that are thriving with little or no federal investment. Specifically, the witnesses before us are all involved with tremendously successful STEM-related competitions.”

HEALTH ECONOMIC ISSUES

Robert Moffit, Gail Wilensky, and James Capretta

How Should Washington Control Medicare Spending?

The Heritage Foundation – Lecture – Published August 30, 2011 – 14 pages

<http://www.heritage.org/Research/Lecture/2011/08/How-Should-Washington-Control-Medicare-Spending>

“With the Patient Protection and Affordable Care Act of 2010 (PPACA), Congress enacted record-breaking provider payment cuts as well as hard caps on the growth of Medicare spending for the first time in Medicare’s history. These new policies, if sustained over the next 10 years, can have far-reaching consequences for doctors, patients, and American taxpayers. Will these measures be effective? How will they impact physician participation and patient access to care? Is there any way that Medicare patients can avoid higher premiums, higher costs, or access problems? Will alternative Medicare payment options, such as premium support models, have a better chance of controlling costs and improving patient access to high-quality care?”

James C. Capretta

The Case for Competition in Medicare

The Heritage Foundation - Backgrounder posted September 12, 2011 – 14 pages

<http://www.heritage.org/Research/Reports/2011/09/The-Case-for-Competition-in-Medicare>

“Rapidly rising Medicare spending is a major cause of the federal government’s budget problems. Proposals to reform Medicare and slow its spending fall into one of two categories: more government micromanagement or empowerment of health care consumers in a functioning marketplace. Those who promote top-down spending controls optimistically assume that federal regulators can accomplish now something that has eluded Medicare’s administrators for more than 40 years. In contrast, the market-based approach to reform would harness the power of financial incentives to encourage health care consumers to choose the best, most efficient means of getting services and would reward providers for finding ways to deliver more for less.”

Alan Reuther

Workers and Their Health Care Plans - The Impact of New Health Insurance Exchanges and Medicaid Expansion on Employer-Sponsored Health Care Plans

Center for American Progress – September 2011 – 51 pages

http://www.americanprogress.org/issues/2011/09/pdf/health_care_plans.pdf

“In the wake of the passage of the Affordable Care Act into law two years ago, speculation continues to swirl about the consequences of the law’s three central health insurance vehicles on existing employer-provided health insurance coverage: the two new health insurance exchanges for small businesses and individuals due to be up and running by 2014; and the expansion of Medicaid for those who cannot afford insurance. This report is based on detailed discussions with health care experts at 19 major unions and their umbrella organizations covering the vast majority of organized workers who work for a cross-section of private- and public-sector employers throughout the

country. It also included discussions with independent health care policy experts and officials in the Obama administration.”

Paul N. Van de Water

Converting Medicare to Premium Support Would Likely Lead to Two-Tier Health Care System

Center on Budget and Policy Priorities – September 27, 2011 – 19 pages

<http://www.cbpp.org/files/9-27-11tax.pdf>

"Some policymakers and analysts have proposed to convert Medicare to a 'premium support' system — that is, replace its guarantee of health coverage with a flat payment that beneficiaries could use to help them purchase private insurance or, in some versions, traditional Medicare. But, proponents have crafted a widely diverse set of proposals that they call premium support. Premium support — no matter what form it takes — raises several very important and challenging issues that may seem manageable in theory but would be extremely hard to resolve satisfactorily in practice. And failure to resolve these challenges satisfactorily would likely lead to a two-tier health care system.”

Nancy Condon

Examining Health Care Employment: The Prognosis Is Good

Federal Reserve Bank of Atlanta – Third Quarter 2011 - 7 pages

http://www.frbatlanta.org/documents/pubs/econsouth/11q3_healthcare_employment.pdf?d=1&s=email

In a region struggling with above-average unemployment, the Southeast has at least one industry with robust job growth: health care. New technologies and shifting demographics have combined to create job opportunities. But federal and state budgets under pressure, rising health care costs, and an aging populace are straining the health care system. Will this sector be able to maintain its robust growth?

Eileen Appelbaum and Carrie Leana

Improving Job Quality: Direct Care Workers in the U.S.

Center for Economic and Policy Research - September 2, 2011 – 12 pages

<http://www.cepr.net/documents/publications/care-work-09-2011.pdf>

The paper looks at strategies for improving job quality in the care work sector. American and British policy makers need to stop treating care as low-paid "women's work" that is incidental to a family's income, according to the authors. Social care is a growth sector and must be considered alongside green jobs and infrastructure investment when it comes to developing industrial and economic policy. Beyond public sector investment, as this paper shows, better jobs will come from a steady focus on three priorities: improving employer practice, appropriate regulation and workforce organizing.

INTERNATIONAL TRADE

Senator Bob Casey

The Importance of Trade Adjustment Assistance for America's Workers

U.S Senate Joint Economic Committee – September 2011 – 7 pages

http://jec.senate.gov/public/index.cfm?a=Files.Serve&File_id=b8e793cb-9abd-49f7-8c50-be97d3b1ac99

“...Alongside the overall benefits from trade, there can be particular costs to some segments of the American work force. While the larger benefits from liberalized trade are spread throughout an economy, acute losses can be concentrated in specific geographic regions and among a relatively small number of workers who lose their jobs or otherwise find their earning power permanently impaired due to import competition with domestic production (...) To counter the effects of trade on such displaced workers, Trade Adjustment Assistance (TAA) provides employment services and financial assistance to trade-displaced workers.”

Robert E. Scott

Growing U.S. Trade Deficit with China Cost 2.8 Million Jobs Between 2001 and 2010

Economic Policy Institute – Briefing paper - September 20, 2011 – 23 pages

<http://www.epi.org/files/2011/BriefingPaper323.pdf>

The U.S.-China trade deficit has eliminated or displaced nearly 2.8 million U.S. jobs since 2001, according to the briefing. It finds that all 50 states, the District of Columbia and Puerto Rico suffered jobs lost or displaced as a result of the growing U.S.-China trade deficit.

DEVELOPMENT

Connie Veillette

The Future of U.S. Aid Reform: Rhetoric, Reality, and Recommendations

Center for Global Development – Report - September 19, 2011 – 30 pages

http://www.cgdev.org/files/1425457_file_Veillette_Future_Aid_Reform_FINAL.pdf

The report takes a look at the Obama administration's FY2012 budget request and congressional reaction to gauge the potential for implementing foreign aid reforms as spelled out in the administration's policy documents.

Jennifer D. P. Moroney et al.

How Successful Are U.S. Efforts to Build Capacity in Developing Countries?

RAND Corporation - September 14, 2011 – 92 pages

http://www.rand.org/content/dam/rand/pubs/technical_reports/2011RAND_TR1121.pdf

The Global Train and Equip "1206" Program is a multiagency security cooperation program that supports U.S.-led capacity-building activities focused on counterterrorism and stability operations with foreign military partners. Interviews with policymakers and subject-matter experts, combined with a survey of program stakeholders, revealed some challenges and best approaches to establishing an assessment framework for 1206 Program projects.

From Aid to Global Development Cooperation

The Brookings Institution – Policy Brief - September 2011 – 64 pages

http://www.brookings.edu/~media/Files/rc/reports/2011/09_global_development/2011_brookings_blum_policy_briefs.pdf

“The world of development cooperation is riddled with myths. These myths affect how international development goals are defined, which policies are adopted to achieve these goals, and the extent to which they are ultimately achieved. This policy brief takes four myths and explores their origins and consequences. It argues that the prevalence of these myths is proof that development cooperation needs to be “reframed.” This means fostering a more robust, faithful and up-to-date account of the role of international engagement in the development process—one that will ultimately help the development community be more effective and justify its value to its various stakeholders. It offers two recommendations for how this process can begin.”

MISCELLANEOUS

Emily Monea and Isabel V. Sawhill

An Update to "Simulating the Effect of the 'Great Recession' on Poverty

Brookings Institution – September 13, 2011 – 4 pages

http://www.brookings.edu/~media/Files/rc/reports/2011/0913_recession_poverty_monea_sawhill/0913_recession_poverty_monea_sawhill.pdf

According to the Census Bureau, 14.3 percent of Americans were living in poverty in 2009. For the past several years, the analysis was performed by simulating what would happen to the poverty rate over the next several years based on projections of the unemployment rate and the estimated relationship between the poverty rate and the

unemployment rate. The bottom line of this analysis is that the recession is likely to have a dramatic impact on poverty over the next several years.

William G. Gale

A Proposal to Restructure Retirement Saving Incentives in a Weak Economy with Long-Term Deficits

The Brookings Institution – Paper – September 8, 2011 – 10 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/0908_retirement_incentives_gale/0908_retirement_incentives_gale.pdf

“This paper discusses a proposal that would reform public policies toward retirement saving by replacing the current deduction for contributions to retirement saving accounts with a flat-rate refundable credit that would be deposited directly into the saver's account. The proposal would (a) address long-standing concerns in the retirement saving system by improving incentives for most households to participate and by raising national saving, (b) offset pressures created by the current weak economy for households to reduce their retirement saving, (c) help solve the long-term fiscal problem facing the country by raising \$450 billion over the next decade in a manner that is consistent with the principles of broad-based tax reform and distributes the fiscal burden in a progressive manner.”