

PUBLIC AFFAIRS - American Embassy
 Sylvie VACHERET
 Tel: 01 43 12 29 28
 E-Mail: vacheretsr@state.gov

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N° 140 – October 2011

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GENERAL INTEREST

The G20 and Global Economic and Financial Risks

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - October 20, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=1ed218a5-7358-41cc-b22d-230a81fb97d2

The witnesses are Lael Brainard, Under Secretary for International Affairs, U. S. Department of the Treasury; Uri Dadush, Senior Associate and Director, International Economics Program, Carnegie Endowment for International Peace; Dr. John Makin; Resident Scholar; American Enterprise Institute; Dr. C. Fred Bergsten, Director, Peterson Institute for International Economics.

The Eurozone Crisis: Destabilizing the Global Economy

House Committee on Foreign Affairs – Hearing - October 27, 2011

http://foreignaffairs.house.gov/hearing_notice.asp?id=1368

Witnesses:

Jacob Funk Kirkegaard Research Fellow, The Peterson Institute for International Economics

Desmond Lachman, Ph.D., Resident Fellow, American Enterprise Institute

Bruce Stokes, Senior Transatlantic Fellow, German Marshall Fund of the United States

The Eurozone Crisis and Implications for the United States

House Committee on Financial Services – Hearing – October 25, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=264816>

Witnesses :

Charles Collyns, Assistant Secretary for International Finance, U.S. Department of the Treasury

Peter S. Rashish, Vice President, Europe & Eurasia, U.S. Chamber of Commerce

Desmond Lachman, Resident Fellow, American Enterprise Institute

Douglas J. Elliott, Fellow of Economic Studies, Initiative on Business and Public Policy, Brookings Institution

C. Randall Henning and Mohsin S. Khan

Asia and Global Financial Governance

The Peterson Institute – Working paper – October 2011 – 25 pages

<http://www.piie.com/publications/wp/wp11-16.pdf>

The remarkable growth of Asian economies and their integration in global trade and finance has given them considerable potential clout in international forums and institutions. However, Asia's influence in the International Monetary Fund and the Group of Twenty (G-20)—the most important institution and decision-making forum in global finance, respectively—is not yet commensurate with its economic weight. Henning and Khan find that this is partly the result of a conscious choice by Asian countries to keep the Fund at arm's length, reflecting the bitter memories of the Fund's role in the 1997–98 Asian financial crisis and more recent disputes over surveillance. But it is also due to the fact that Asia has not, at least until recently, asserted itself in global financial circles.”

Christopher Alessi.

Occupy Wall Street's Global Echo.

Council on Foreign Relations - October 2011 – 38 pages

https://www.cbo.gov/ftpdocs/124xx/doc12490/10-26-DiscretionarySpending_Testimony.pdf

Volatile global economic conditions have prompted hundreds of thousands of people around the world to demonstrate in solidarity with the Occupy Wall Street protesters. But the movement's potential for lasting impact stirs strong debate, according to the report.

Josh Bivens, Lawrence Mishel

Occupy Wall Streeters are Right about Skewed Economic Rewards in the United States

Economic Policy Institute - October 2011 - 13 pages

<http://www.epi.org/files/2011/BriefingPaper331.pdf>

“The Occupy Wall Street movement has captured much the nation's attention with a clear message: A U.S. economy driven by the interests of business and the wealthy has generated increasingly unequal economic outcomes where the top 1 percent did exceptionally well but the vast majority did not do well at all. According to the data, they're fundamentally right. The paper presents 12 figures that demonstrate how skewed economic rewards, in income, wages, capital income, and wealth, have become in the United States.”

ECONOMIC GROWTH

Daniel Alpert

The Way Forward: Moving From the Post-Bubble, Post-Bust Economy to Renewed Growth and Competitiveness

New America Foundation- October – 35 pages

http://growth.newamerica.net/sites/newamerica.net/files/policydocs/NAF--The_Way_Forward--Alpert_Hockett_Roubini.pdf

“Notwithstanding repeated attempts at monetary and fiscal stimulus since 2009, the U.S. remains mired in what is by far its worst economic slump since that of the 1930s. More than 25 million working-age Americans remain unemployed or underemployed, the employment-to-population ratio lingers at an historic low of 58.3 percent, business investment continues at historically weak levels, and consumption expenditure remains weighed down by massive private sector debt overhang left by the bursting of the housing and credit bubble a bit over three years ago. Recovery from what already has been dubbed the "Great Recession" has been so weak thus far that real GDP has yet to surpass its previous peak. And yet, already there are signs of renewed recession, according to the report.”

Gene L. Dodaro

Meeting Accountability Challenges in a Dynamic Environment

U.S Government Accountability Office- October 2011, 39 pages

<http://www.gao.gov/cghome/d12167cg.pdf>

“This is a Comptroller General presentation delivered to the Alabama Examiners of Public Accounts Annual Meeting in Montgomery, Alabama on October 17, 2011. Major topics of this presentation include: threats confronting U.S. national security interests, fiscal sustainability and debt challenges, economic recovery and restored growth, changing dynamics of global interdependence, advances in science and technology, increasing impact of networks and virtualization, the shifting roles in government and governance, and the demographic and societal changes confronting young and old.”

Darrell M. West

Technology and the Innovation Economy

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

http://www.brookings.edu/~media/Files/rc/papers/2011/1019_technology_innovation_west/1019_technology_innovation_west.pdf

“In this paper, I focus on ways technology enables innovation and creates economic prosperity. I review the range of new advances in education, health care, and communications, and make policy recommendations designed to encourage an innovation economy. By adopting policies such as a permanent research and development tax credit, more effective university knowledge commercialization, improving STEM worker training, reasonable immigration reform, and regional economic clusters, we can build an innovation economy and sustain our long-term prosperity.”

Technology and the Innovation Economy: How To Harness New Engines for Growth

The Brookings Institution – Event Transcript – October 19, 2011 – 41 pages

http://www.brookings.edu/~media/Files/events/2011/1019_technology_innovation/20111019_technology_innovation.pdf

“On October 19, the Center for Technology Innovation at Brookings hosted a discussion exploring how a range of policies—including a permanent research and development tax credit, reasonable immigration reform and improved worker training in science, technology, engineering and math—can speed the development of an innovation economy and spur sustainable, long-term economic growth. Darrell West, vice president and director of Governance Studies, and founding director of the Center for Technology Innovation at Brookings, moderated a conversation with Eric Nakajima, senior innovation advisor for the state of Massachusetts, Justin Rattner, chief technology officer for Intel and the director of Intel Labs, and Kevin Richards, senior vice president, federal government affairs at TechAmerica.”

Wireless Broadband and Economic Growth

The Brookings Institution – Event Transcript – October 17, 2011 – 35 pages

http://www.brookings.edu/~media/Files/events/2011/1017_broadband_growth/20111017_broadband_growth.pdf

“On October 17, the Center for Technology Innovation at Brookings hosted a conversation exploring the wireless broadband policies needed to provide isolated communities with access to essential economic and social benefits. Moderated by Darrell West, vice president and director of Governance Studies, experts from the technology, business and policy arenas discussed how to leverage the full potential of broadband access to spur economic growth. Panelists addressed the investments needed to stimulate job growth in this sector, and how to extend the benefits of wireless technology to individuals, companies, non-profit organizations and governments.”

FISCAL AND TAX POLICIES

Mindy R. Levit

The Federal Budget: Issues for FY 2011, FY2012, and Beyond

Congressional Research Service, Library of Congress – Report - October 13, 2011 – 24 pages

<http://www.fas.org/sgp/crs/misc/R41685.pdf>

“The federal budget is central to Congress's ability to exercise its "power of the purse." Over the last several fiscal years the imbalance between spending and revenues has grown as a result of the economic downturn and policies enacted in response to financial turmoil. Along with Congress, CBO, GAO, and the Administration agree that the current mix of federal fiscal policies is unsustainable in the long-term... Keeping future federal outlays at 20% of GDP, or approximately at its historical average, and leaving fiscal policies unchanged, according to CBO projections, would require drastic reductions in all spending other than that for Medicare, Social Security, and Medicaid, or reigning in the costs of these programs.”

Perspectives on the Economic Implications of the Federal Budget Deficit

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - October 5, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=f7388c68-2856-4c84-b1c0-b8f1e0d5efa0

The witnesses are: Ms. Maya MacGuineas, President, Center for a Responsible Federal Budget; Mr. Roger Altman, Chairman, Evercore Partners; and Mr. William Johnstone, President and Chief Executive Officer, Davidson Companies; Mr. Douglas Holtz-Eakin, President, American Action Forum

Andrew Fieldhouse

For Joint Select Committee, Many Good Options - Progressive Revenue Proposals Would Narrow Budget Gap by Trillions

The Economic Policy Institute/The Century Foundation – Issue Brief - October 2011 – 17 pages

<http://www.epi.org/files/2011/ib316-wm.pdf>

“As the Joint Select Committee on Deficit Reduction negotiates the second phase of deficit reduction under the Budget Control Act, it is imperative that its proposals include greater revenue to equitably balance the sole focus on spending cuts in the first phase. President Obama has produced a set of recommendations for the committee that would balance additional spending cuts and a winding down of war spending with new revenues and fully financed job creation measures. This issue brief analyzes the revenue proposals in the president’s recommendations and offers a menu of alternative or supplemental progressive revenue options to reduce the deficit and/or finance job creation initiatives.”

Douglas W. Elmendorf

Discretionary Spending: Testimony.

Congressional Budget Office - October 2011- 38 pages

https://www.cbo.gov/ftpdocs/124xx/doc12490/10-26-DiscretionarySpending_Testimony.pdf

“Discretionary outlays, the part of federal spending that lawmakers generally control through annual appropriation acts, totaled about \$1.35 trillion in 2011, or close to 40 percent of federal outlays. Slightly more than half of that spending was for defense. The remainder went for a wide variety of government programs and activities, with the largest amounts spent for education, training, employment, and social services; transportation; income security, mostly housing and nutrition assistance; veterans' benefits (primarily for health care); health-related research and public health; international affairs; and the administration of justice.”

C. Eugene Steuerle

Tax Reform: Lessons From History

Urban Institute - October 2011 - 6 pages

<http://www.urban.org/UploadedPDF/1001561-Tax-Reform-Lessons-From-History.pdf>

"As current budget pressure forces us to consider tax reform as a means of raising revenue, past reforms provide us some valuable lessons. Reforms typically begin with a consensus that something is broken and that while we disagree on the perfect solution, no one favors the unequal justice, inefficiency, or complexity in our tax code. It was that type of bipartisan agreement that led to past successful tax reforms, such as in 1986, 1969, and 1954. Similar ideas are relevant today."

Tax Incentives to Bolster Job Creation and Strengthen the Economy”

Joint Economic Committee – Hearing October 6, 2011

http://jec.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=4364c27d-e29d-4953-9c2b-329bb08acdab&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=cb5dcfe4-afee-419f-94ee-e51eb07de989

As economic growth continues to stall and fears of a double-dip recession rise, the briefing will provide members with an opportunity to discuss the merits of recent payroll tax cut and incentive proposals to support job creation with a group of experts in an informal setting. (Dr. Donald Marron, Director of the Urban-Brookings Tax Policy Center; Mr. Todd McCracken, President of the National Small Business Association; and Dr. Mark Zandi, Chief Economist at Moody's Analytics)

Would Another Repatriation Tax Holiday Create Jobs?

The Heritage Foundation – Background - October 4, 2011 – 8 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2610.pdf

“U.S. companies that own foreign subsidiaries pay taxes abroad—and they often pay taxes again when the companies bring the earnings home—known as repatriation... A proposal to reduce the U.S. tax on profits previously earned—a repatriation tax holiday—is gaining momentum in Congress. This sequel to a similar 2004 holiday would, like its predecessor, have a minuscule effect on domestic investment and thus have a minuscule effect on the U.S. economy and job creation... (The authors) explain why this tax cut would not be a step toward the sound policy of territoriality, and suggest a more useful step toward territoriality and fundamental reform that would strengthen U.S. competitiveness at home and abroad.”

Alex M. Brill, Alan D. Viard

The Benefits and Limitations of Income Tax Reform

American Enterprise Institute – September 2011, 6 pages

<http://www.aei.org/files/2011/09/27/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. In this Outlook, we analyze the economic effects of this approach to tax reform.”

Joseph Henchman

Unemployment Insurance Taxes: Options for Program Design and Insolvent Trust Funds

Tax Foundation Background Paper – October 2011 – 32 pages

<http://taxfoundation.org/files/bp61.pdf>

“Record high levels of unemployment and record low reserve funds have placed great pressure on the federal-state unemployment insurance (UI) tax and benefit system. Between 2008 and 2011, \$174 billion was paid in unemployment taxes while \$450 billion was paid out in benefits, a gap of \$276 billion.¹ In 2011 alone, employers and employees are projected to pay \$51.8 billion in taxes, while \$131.4 billion is projected to be paid out in benefits for workers recently unemployed... Over the past two years, 34 states and the U.S. Virgin Islands exhausted their unemployment insurance trust funds and have had to borrow from the federal government to pay unemployment benefits.”

William McBride

Beyond the Headlines: What Do Corporations Pay in Income Tax

Tax Foundation – Special Report – September 2011

<http://www.taxfoundation.org/files/sr194.pdf>

“While the corporate tax code – like the individual tax code – is complicated by too many credits and deductions that benefit a narrow set of taxpayers at the expense of the many, recent reports of large corporations avoiding their “fair share” of taxes are misleading. • IRS data on millions of actual corporate tax returns shows that the effective U.S. federal corporate tax rate has averaged 26 percent between 1994 and 2008... Foreign taxes explain most of the difference between U.S. statutory and effective rates.”

Philip Dittmer

U.S. Corporations Suffer High Effective Tax Rates by International Standards

Tax Foundation – Special Report – September 2011 – 12 pages

<http://taxfoundation.org/files/sr195.pdf>

“The United States currently lays claim to the second-highest statutory corporate income tax rate in the developed world. At 39.2 percent, the rate is only 0.35 percentage points behind OECD-leading Japan... So how do U.S. effective corporate tax rates differ from the very high statutory rate? More importantly, how do effective tax rates for U.S.-headquartered firms compare to the rates of their competitors across the globe? This report addresses these questions by synthesizing the latest academic literature regarding effective corporate tax rates.”

Gary Clyde Hufbauer, Martin Vieiro

US Tax Discrimination against Large Corporations Should Be Discarded

Peterson Institute for International Economics

<http://www.iie.com/publications/pb/pb11-16.pdf>

“Why is tax discrimination a bad idea? Foremost because it penalizes the firm that can build a better turbine, a faster internet search engine, or drill for oil at an ocean depth of two miles. Discriminatory tax burdens on one group of firms drive scarce capital and entrepreneurial energy to less productive firms, penalizing the entire economy. If the targets of discrimination are the nation’s largest firms (the norm in the United States) the country will find it harder to compete on a global scale in industries that require dedicated research for decades, industries that exhibit huge scale economies, and industries that network across national borders.”

Laurence Kotlikoff

Is the Corporate Income Tax Regressive?

National Center for Policy Analysis - September 22, 2011 - 8 pages

<http://www.ncpa.org/pdfs/st336.pdf>

“If the United States cut its corporate income tax rate dramatically, the country would likely experience a huge rise in net domestic investment, which is now running at a postwar low of 4 percent. This would, potentially, raise U.S. workers’ wages dramatically — by as much as 10 percent.”

J.D. Foster and Curtis Dubay

Tax Reform Options: Incentives for Homeownership

Senate Committee on Finance – Hearing – October 6, 2011

<http://finance.senate.gov/hearings/hearing/?id=279c1381-5056-a032-5260-1ce326dfc82b>

“The justification for homeownership tax preferences is simple: Homeownership helps create a more stable society. It encourages virtues of solid citizenship by giving homeowners a vested interest in their communities. By having a greater stake in their community, homeowners provide social stability by contributing to crime-control, schools, churches, beautification, and local government. To put it in economic terms, not all of the benefits of homeownership go to the homeowner. Homeownership has certain positive externalities.”

MONETARY POLICY

John C. Williams

Unconventional Monetary Policy: Lessons from the Past Three Years

FRB San Francisco – Economic Letter - October 3, 2011

<http://www.frbsf.org/publications/economics/letter/2011/el2011-31.html>

“Researchers have made great strides in improving our understanding of the effects of unconventional monetary policy. Although further study is needed, the evidence from the past few years demonstrates that both forward guidance and large-scale asset purchases are useful policy tools when short-term interest rates are constrained by the zero bound. The following is adapted from a presentation made by the president and CEO of the Federal Reserve Bank of San Francisco to the Swiss National Bank Research Conference on September 23, 2011.”

Mickey D. Levy

Monetary Policy and Economic Performance

Economic Policies for the 21st Century – Shadow Open Market Committee - October 21, 2011 – 5 pages

<http://www.economics21.org/files/pdfs/in-depth-research/levy-fall-2011.pdf>

“The Federal Reserve is in an uncomfortable predicament. It has reduced interest rates to zero, pumped trillions of dollars into the financial system, and is now engaging in “operation twist”. Bond yields are low, yet the economy is not responding. Congress, financial markets and the media always turn to the central bank in times of trouble, and the Fed feels pressure to comply and ease monetary policy further. The Fed has not come to grips with the limitations of monetary policy. Complying with the pressure to ease further—to do something—may involve high risks, even if inflation remains low in the near term.”

Marvin Goodfriend

Fiscal Dimensions of Inflationist Monetary Policy

Economic Policies for the 21st Century – Shadow Open Market Committee - October 21, 2011 – 5 pages

<http://www.economics21.org/files/pdfs/in-depth-research/goodfriend-fall-2011.pdf>

“The broad-based support for price stability is at risk today in the United States and in Europe. Prominent voices in academia, the media, the International Monetary Fund, and inside the Federal Reserve have proposed that the commitment to price stability should be relaxed in one way or another to concentrate on achieving more pressing objectives. The inflationist policy proposals are varied with respect to their objectives and operating guides. For instance, the objectives range from reducing unemployment, to depreciating the real public debt, to facilitating international adjustment within the Euro area. In the paper, I compare and contrast various inflationist proposals and consider their overall advisability in light of lessons from the Great Inflation.”

Audit the Fed: Dodd-Frank, QE3, and Federal Reserve Transparency

House Committee on Financial Services – Hearing – October 4, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=262034>

The Federal Reserve is a creature of Congress and should be treated as such, not as an organization exempt from Congressional oversight. Claims from the Fed and its defenders that a full audit of the Fed would endanger the Fed's independence are an attempt at provoking fears that Congress would directly intervene in the conduct of monetary policy. A bill that sets interest rates would endanger the Fed's independence; a bill that audits the Fed does not. Nowhere in any audit proposals has anyone ever expressed the desire that Congress dictate monetary policy or attempt to set interest rates. Congress does not have this power, nor should it, but it is accountable to the people through the ballot box; not so with the Federal Reserve, which tries to remain unaccountable both to Congress and to the American people. Pumping trillions of dollars into the economy with no oversight and accountability cannot be allowed to continue. Audit the Fed now.”

Jeremy Gerst and Daniel J. Wilson

What's in Your Wallet? The Future of Cash

FRB San Francisco – Economic Letter - October 24, 2011

<http://www.frbsf.org/publications/economics/letter/2011/el2011-33.html>

The payment landscape has changed dramatically in recent years as new technologies have been brought to market. Yet, the demand for U.S. currency--cold, hard cash--shows no sign of fading. An empirical analysis indicates that alternative payment technologies have tended to keep cash growth in check, but other factors have more than offset this. Over the next 10 years, cash volume is projected to grow 1.7% per year.

Linda Goldberg

The International Role of the Dollar: Does It Matter if This Changes?

FRB New York – Staff Report - October 2011 – 26 pages

http://www.newyorkfed.org/research/staff_reports/sr522.html

“There is often speculation that the international roles of currencies may be changing. This paper presents the current status of these roles. The U.S. dollar continues to be the dominant currency across various uses. Yet, such a role may change over time. If this occurs, there could be consequences for seignorage returns, U.S. funding costs, the dollar’s value, U.S. insulation from foreign shocks, and U.S. global influence. The paper concludes with a discussion of recent research on related themes and questions for future study.”

FINANCE

Charles W. Calomiris

Bank Capital Requirement Reform: Long-Term Size and Structure, the Transition, and Cycles

Economic Policies for the 21st Century – Shadow Open Market Committee - October 21, 2011 – 6 pages

<http://www.economics21.org/files/pdfs/in-depth-research/calomiris-fall-2011.pdf>

“There is general agreement that the minimum bank capital ratio requirements (hereafter MCRR) set by regulators in the US and elsewhere were inadequate leading up to the financial crisis, and that this substantially contributed to the financial crisis. Inadequate MCRR contributed to the crisis ex ante by encouraging excessive risk taking (the so-called moral-hazard problem of limited liability, which is exacerbated by the possibility of taxpayer-financed bailouts); ex post, inadequate capital meant that intermediaries’ net worth was too low to absorb losses without jeopardizing banks’ solvency, substantially raising counterparty risk among banks, and thereby producing a funding liquidity crisis for banks that led to massive credit contraction, selloffs of risky assets, and widespread financial distress.”

David Addington

Congress Should Promptly Repeal or Fix Unwarranted Provisions of the Dodd–Frank Act

The Heritage Foundation – Background - October 13, 2011 – 12 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2615.pdf

“Congress enacted the Dodd–Frank Wall Street Reform and Consumer Protection Act in 2010 in the wake of a financial crisis followed by a serious economic recession. Regrettably, many of the provisions of the Dodd–Frank Act contravene basic American principles and inhibit rather than advance economic growth. Congress should review the Dodd–Frank Act and repeal or correct those provisions, starting with provisions that intrude upon the role of the states and shareholders in corporate internal governance, intrude into the functions of the judicial branch and deny companies a reasonable opportunity to defend themselves in court, hamper the effective functioning of mortgage markets, and create a largely unsupervised new federal agency to regulate consumer finance.”

L. Randall Wray

Waiting for the Next Crash: The Minskyan Lessons We Failed to Learn

Levy Economics Institute of Bard College – October 2011 – 10 pages

http://www.levyinstitute.org/pubs/ppb_120.pdf

“In this new brief, Senior Scholar L. Randall Wray lays out the numerous and critical ways in which we have failed to learn from the latest global financial crisis (GFC), and identifies the underlying trends and structural vulnerabilities that make it likely a new crisis is right around the corner. Borrowing from the work of Hyman P. Minsky, Wray investigates the instabilities in the financial system that rendered it susceptible to a shock like the subprime crisis, arguing that, as in 1929, the system was so unstable that the “trigger” really could have been anything. He also suggests some policy changes that would shore up the financial system while reinvigorating the real economy.”

Eric S. Rosengren - President & Chief Executive Officer - Federal Reserve Bank of Boston

Global Financial Intermediaries: Lessons and Continuing Challenges

Federal Reserve Bank of Boston – Remarks - October 2011 – 23 pages

<http://www.bos.frb.org/news/speeches/rosengren/2011/101911/101911.pdf>

“As I – and others – have noted many times, a key lesson from the recent downturn and prior financial crises is that problems in financial institutions and financial markets can and do spill over to the real economy, very significantly. Policymakers must worry about the financial system and markets because problems there can disrupt the financial intermediation on which market economies depend.¹ When this happens the economy suffers, and the economic prospects of its participants (...) Once again, governments have started to intervene to mitigate global banking problems, which in turn may stress the debt burden of those governments, and could ultimately undermine the credit ratings of some countries. While the full impact of sovereign debt problems and their impact on large financial intermediaries will not be known for some time, it is apparent that the financial intermediaries encompass some vulnerability for the world financial system and the global economy.”

Financial Institutions and Consumer Protection

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - October 4, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=efab1264-2fe0-4518-aa83-1c42117d40b6

The witnesses on Panel I will be: Mr. Atif Mian, Associate Professor of Economics and Finance, Haas School of Business and Department of Economics, University of California, Berkeley; Ms. Katherine Porter, Professor of Law, University of California-Irvine School of Law; Mr. Robert Lawless, Professor of Law, University of Illinois College of Law; Mr. Ray Boshara, Senior Advisor, Federal Reserve Bank of St. Louis; and Mr. Douglas Fecher, President and CEO, Wright-Patterson Federal Credit Union, Fairborn, Ohio. The witnesses on Panel II will be: Ms. Ida Rademacher, Vice President for Policy and Research, Corporation for Enterprise Development; and Ms. Susan Weinstock, Project Director, Safe Checking in the Electronic Age, The Pew Charitable Trusts.

Market Microstructure: Examination of Exchange-Traded Funds (ETFs)

Senate Committee on Banking, Housing, And Urban Affairs – Hearing – October 19, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=ad4dfb9-d589-4ac9-8829-0edf1ad8dc8d

“ETFs are a type of exchange-traded product or “ETP” that must register as investment companies. The SPDR or “spider” ETF, which tracks the S&P 500 stock index, was the first ETF and is still one of the largest on the market. Since their inception in the 1990s, ETFs have become increasingly popular as a type of investment vehicle. With investors ranging from institutional to retail, there has been a proliferation of these types of funds in the marketplace. ETFs in the United States have grown to account for approximately \$1 trillion in assets, or approximately 10 percent of the long-term U.S. open-end investment company industry, with U.S.-domiciled ETFs making up approximately two-thirds of global offerings.”

Katy Jacob, Kirstin E. Wells

Evaluating the Potential of Immediate Funds Transfer for General-Purpose Payments in the United States

Chicago Federal Letter – October 2011 – 4 pages

http://chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cflnovember2011_292a.pdf

“Immediate funds transfer (IFT) is a convenient, certain, secure, and low-cost means of electronically transferring money between bank accounts with no or minimal delay in receivers’ receipt and use of funds. Yet IFT is not widely available in the U.S. This article summarizes discussions on the potential for IFT in the U.S. held at the Symposium on Immediate Funds Transfer for General-Purpose Payments, sponsored by the Federal Reserve Bank of Chicago, on September 7, 2011.”

Robert Battalio, Hamid Mehran, and Paul Schultz

Market Declines: Is Banning Short Selling the Solution?

Federal Reserve Bank of New York – Staff Report -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.”

Bryan J. Noeth and Rajdeep Sengupta

Is Shadow Banking Really Banking?

Federal Reserve Bank of Saint Louis – October 2011, 6 pages

http://www.stlouisfed.org/publications/pub_assets/pdf/re/2011/d/shadow_banking.pdf

“The term “shadow banking” has been attributed to 2007 remarks by economist and money manager Paul McCulley to describe a large segment of financial intermediation that is routed outside the balance sheets of regulated commercial banks and other depository institutions. Shadow banks are defined as financial intermediaries that conduct functions of banking “without access to central bank liquidity or public sector credit guarantees.” (...)The size of the shadow banking sector was close to \$20 trillion at its peak and shrank to about \$15 trillion last year, making it at least as big as, if not bigger than, the traditional banking system.² Given its size and role in the financial crisis, it would be useful to understand the mechanics of shadow banking. To do so, some basics of traditional banking need to be understood first.”

OTHER ECONOMIC POLICIES

John Villasenor

The Comprehensive Patent Reform of 2011: Navigating the Leahy-Smith America Invents Act

The Brookings Institution – Policy Brief – September 2011 – 8 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/09_patents_villasenor/09_patents_villasenor.pdf

“The Leahy-Smith America Invents Act (AIA) approved in September 2011 constitutes the most significant overhaul of the American patent system in decades. This policy brief examines some key patent law changes and studies mandated by the legislation, and provides recommendations for companies on successfully navigating the new landscape. Perhaps most notably, the new law will move the United States away from a “first to invent” system and closer to the “first to file” approach used in much of the rest of the world.”

Universal Service Reform-Bringing Broadband to All Americans

Senate Committee on Commerce, Science and Transportation – Hearing – October 12, 2011

http://commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=106c5f06-326f-4808-a316-14ed516b6e43&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a&MonthDisplay=10&YearDisplay=2011

“This hearing will provide a forum for discussing efforts to reform the Federal Communications Commission’s (FCC) universal service policy, in particular the high-cost universal service system. Traditionally, this program has provided support for voice telephony in rural and high-cost areas of the country—making it possible for consumers across the U.S. to have comparable services at comparable rates,” Chairman Rockefeller said. “But going forward, it is important to refocus this policy on the communications challenges of the current digital age, including broadband and wireless services.”

Clyde Wayne Crews

The Other National Debt Crisis - How and Why Congress Must Quantify Regulation

Competitive Enterprise Institute – October 4, 2011 – 18 pages

<http://cei.org/sites/default/files/Wayne%20Crews%20-%20The%20Other%20National%20Debt%20Crisis.pdf>

“Regulation is regarded as government’s impartial tool for checking the excesses of the free market. But what if it is government that helps create those excesses? What if it were the case that federal government accounts for fully a quarter of national income, overwhelmingly beyond that of any industry or sector Washington presumes to impartially regulate? What, then, keeps that vast government in check?”

Understanding Consumer Attitudes About Privacy

House Committee on Energy and Commerce – Hearing - October 13, 2011

<http://energycommerce.house.gov/hearings/hearingdetail.aspx?NewsID=8979>

The purpose of this hearing is to examine consumers’ attitudes toward privacy as reflected by their utilization and manipulation of existing privacy controls.

U.S. Postal Service: Mail Trends Highlight Need to Fundamentally Change Business Model

GAO – Report - October 14, 2011 – 5 pages

<http://www.gao.gov/products/GAO-12-159SP>

“Long-term trends--highlighted in the data below--strongly suggest that the use of mail will continue to diminish as online communication and e-commerce expand. By 2020...total mail volume is projected to decrease by 25 percent... While dire, USPS's projections could prove optimistic if communication continues to move to digital technologies as quickly as in the recent past... These trends underscore the need for USPS's business model to undergo fundamental changes to reduce personnel and network-related costs. Restructuring USPS's business model to adapt to decreased mail use could follow one of three primary models: a government-subsidized federal agency, the current structure with additional flexibility, or a private-sector business.”

The Obama Administration’s Response to the Housing Crisis

House Committee on Financial Services – Hearing – October 6, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=262363>

Witnesses:

Tammy Trevino, U.S. Department of Agriculture’s Rural Development Agency

Carol Galante, U.S. Department of Housing and Urban Development

Darius Kingsley, Deputy Chief, Homeownership Preservation Office, U.S. Department of the Treasury

Neil M. Barofsky, New York University School of Law

Mark A. Calabria, Director of Financial Regulation Studies, Cato Institute

Laurie F. Goodman, Amherst Securities Group LP

Andrew Jakobovics, Enterprise Community Partners

The U.S. Housing Finance System in the Global Context: Structure, Capital Sources, and Housing Dynamics

House Committee on Financial Services – Hearing – October 13, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=263451>

As Congress grapples with how to change the current U.S. housing finance system, it is important to understand the domestic and global economic implications of such changes. In addition, as we contemplate changes to our own system it is useful to consider differences between the U.S. mortgage market structure and housing finance systems in other countries. Our goal today is to shed light on these important considerations.

LOCAL ECONOMIC DEVELOPMENT

Tracy Gordon

Update: State Budgets in Recession and Recovery

The Brookings Institute – October 2011 – 11 pages

http://www.brookings.edu/~media/Files/rc/reports/2011/1027_state_budgets_gordon/1027_state_budgets_gordon.pdf

“State revenues have been rebounding for the last six quarters after experiencing a severe decline caused by the Great Recession that ran from December 2007 through June 2009. Nevertheless, tax collections remain below their 2008 peak level and state and local governments continue to shed jobs. As states prepare their fiscal year 2013 budgets, some are projecting a fifth consecutive year of gaps between expected revenues and spending. This policy brief analyzes recent developments in state government finances and prospects for the future. After an overview of state revenue sources and spending priorities, it discusses what happened in the Great Recession and how states and the federal government responded. The brief then considers challenges to states’ long term fiscal sustainability.”

The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?

House Committee on Transportation and Infrastructure – Hearing – October 24, 2011

<http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=1425>

“Investing in ports not only creates jobs during the construction period, but supports wider and long lasting economic and employment opportunities... The operation and maintenance of shipping channels is paid for by the Harbor Maintenance Trust Fund (HMTF), which is funded from an ad valorem tax levied on cargo imports at American ports. The HMTF is a user fee that grows based on the value of cargo coming to ports. These monies pay for the necessary dredging that keeps navigation channels open for business. In fiscal year 2010, the HMTF grew by \$1.3 billion; however, only \$828,550,000 was spent in total operations of the fund as the balance was diverted to deficit spending. Because of this inequitable allocation, many of the country’s most valuable navigation channels are under maintained, reducing the cost effectiveness and efficiency of maritime trade.”

BUSINESS

Land of Opportunity: Pursuing the Entrepreneurial American Dream

House Committee on Small Business – Hearing – October 17, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=263641>

“The hearing seeks to examine the resources available for members of the new American community interested in becoming entrepreneurs. Witnesses will discuss what this specific population needs to encourage more people to become business owners or help current business owners grow their business and create more jobs. The hearing will also focus on the resources that are currently available to help prospective business

owners and whether additional outreach methods are required. Witnesses at the hearing will represent Small Business Administration resource partners, community organizations and lenders engaged in helping entrepreneurs to start and grow small businesses.”

Oversight of the Small Business Administration’s Financing Programs

House Committee on Small Business – Hearing - October 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=265004>

“The most important thing this Committee can do is create an environment in which entrepreneurship is fostered thereby producing jobs vital to economic recovery. There are many aspects to creating this environment. Today’s hearing will focus on one of them – access to capital. The Committee has heard on multiple occasions from small businesses that they cannot get funds needed to operate and expand their businesses. At the same time, banks have testified before the Committee that they have funds available to lend. The Small Business Administration oversees a number of programs, working in conjunction with private sector partners, to bridge this apparent gap between the need and availability of capital.”

Liz Laderman, James Gillan

Recent Trends in Small Business Lending

Federal Reserve Bank of San Francisco – October 2011 – 5 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-32.pdf>

“Although bank small business loan portfolios continue to shrink, there are hints of possible stabilization. Among smaller banks, small business lending that is not backed by commercial real estate looks slightly healthier than small business lending that is secured by commercial property. Meanwhile, small commercial and industrial loans at larger banks are showing clear signs of a turnaround. Evidence from the 2001 recession as well as loan performance data suggests that small commercial and industrial loans at smaller banks may not be far behind.”

Casting a Wide Net: Online Activities of Small and New Businesses in the United States

Ewing Marion Kauffman Foundation – Study – October 2011 - 24 pages

http://www.kauffman.org/uploadedfiles/kfs_casting_wide_net.pdf

Engagement in Internet activities positively affects young companies' capitalization, sales and survival. The Internet's profound effect on how U.S. businesses operate is even more pronounced among young companies., The study reveals that new businesses have a higher propensity to use websites, email, and to sell online, and that these inclinations have an impact on capitalization and longevity. The research compares data from the Kauffman Firm Survey, which follows 4,928 firms from their founding in 2004 through 2009, with recently released data from various government sources on businesses overall.

Hans Kuttner

The Economic Impact of Rural Telecommunications: The Greater Gains.

Hudson Institute - October 2011 - 32 pages

<http://www.hudson.org/files/publications/RuralTelecomOct2011.pdf>

“The study presents evidence about the direct and indirect economic effects of the rural telecommunications industry. Rural telecommunications companies contributed \$14.5 billion to the economies of the states in which they operated in 2009. Of this, \$10.3 billion was through their own operations and \$4.2 billion was through the follow-on impact of their operations. “

EMPLOYMENT

Timothy F. Geithner

The Small Business Jobs Act of 2010, One Year Later”

Senate Small Business and Entrepreneurship Committee – Hearing - October 18, 2011 – 14 pages

http://sbc.senate.gov/public/?a=Files.Serve&File_id=31aeeb8e-b33f-448e-a000-7aa45a3fc8e7

“Since January 2009, we have worked with Congress to take a multi-pronged approach to helping small businesses address these challenges. My testimony today includes an appendix with a comprehensive overview of these measures.”

Moving from Unemployment Checks to Paychecks: Assessing the President’s Proposals to Help the Long-Term Unemployed

House Committee on Ways and Means – Hearing – October 6, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=262256>

On September 8, 2011, the President announced his most recent plan to assist the long-term unemployed in returning to work. This plan would extend the availability of up to 99 weeks of total unemployment benefits through CY 2012, at an estimated cost of \$44 billion. Also within the Subcommittee’s jurisdiction, the President’s plan proposes providing an additional \$10 billion in one-time Federal funds to States to promote various return-to-work efforts, including wage subsidies, subsidies for employer training of UI recipients (along the lines of the “Georgia Works” program), work sharing, wage insurance, and reemployment assessments, among other of what the Administration terms “promising strategies.” The hearing will focus on a review of the President’s recent proposals designed to help long-term unemployed individuals return to work.

Elisabeth Jacobs

The Cost of Inaction on Job Creation Policies

The Brookings Institute – October 2011 - 20 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/1021_jobs_jacobs/1021_jobs_jacobs.pdf

“...The Democrats’ package is comprised of sound economic policies backed by solid empirical evidence that suggests that they will, in fact, achieve the ultimate objective of creating or saving jobs. In contrast, the Republicans’ suggestions are a conservative ideologue’s dream, a redesign of the policy landscape that deregulates the economy, pours federal dollars into the oil industry, and remakes the tax code in favor of corporate interests and the wealthy (...) The stakes of the current policy debate are very high, as the economy – and the labor market in particular – limps forward toward the next fall’s elections. The costs of inaction on the job creation front are enormous, and, in many cases, quantifiable. Those costs tally along two separate ledgers: economic costs and political costs. This brief provides an overview of these two sets of costs of inaction, and offers recommendations for a path forward.”

Scott Lilly

Creating Unemployment - How Congressional Budget Decisions Are Putting Americans out of Work and Increasing the Risk of a Second Recession

Center for American Progress – October 2011 – 21 pages

http://www.americanprogress.org/issues/2011/10/pdf/creating_unemployment.pdf

“The magnitude of the job cuts in the budget legislation adopted last spring—as demonstrated by the committee’s listing of 250 spending cuts—is so great that it is difficult to keep track of the human dimension. For that reason, I have focused on three program areas which were singled out by this Congress for particularly deep reductions:

- Federal support for local law enforcement
- Environmental cleanup of nuclear weapons production facilities
- The Federal Buildings Fund of the General Services Administration”

Marcelo Veracierto

Worker Flows and Matching Efficiency

FRB Chicago – Economic Perspectives – Fourth Quarter 2011 – 23 pages

http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2011/4qtr2011_part3_veracierto.pdf

“Although job vacancies have increased quite significantly since mid-2009, the unemployment rate has not declined significantly. This article analyzes the matching efficiency of jobs and workers in U.S. labor markets and its impact on the behavior of the unemployment rate and other labor market outcomes since the start of the latest recession.”

Josh Mitchell

Where It Really Hurts: Job Losses for Low-Skill Workers by State

Urban Institute – Fact Sheet - October 11, 2011 – 2 pages

<http://www.urban.org/UploadedPDF/412420-Job-Losses-for-Low-Skill-Workers-by-State.pdf>

Labor market deterioration during the Great Recession has been both substantial overall and unevenly distributed across regions and types of workers. In particular, low-skill workers have lost proportionately more jobs than other workers nationwide and done particularly poorly in a number of states. This fact sheet shows the loss of low-skill jobs by state over the recession and how it compares to overall job losses by state.

Algernon Austin

High Black Unemployment Widespread Across Nation’s Metropolitan Areas

The Economic Policy Institute – Issue Brief - October 2011 – 8 pages

http://w3.epi-data.org/temp2011/IB315_R2_LE-final.pdf

“Even before the recession, many Midwestern African American communities were in economic distress (...). In contrast, blacks were doing relatively well in Sun Belt metropolitan areas (...) Unfortunately, these metros are now showing some of the highest unemployment rates and largest percentage-point increases in unemployment. As a result, black unemployment rates in 2010 were high in Rust Belt and Sun Belt areas alike. Milwaukee stands out for being among the worst off for African Americans on all of the unemployment measures examined in this issue brief, including having the largest black-to-white unemployment rate disparity in 2010.”

Algernon Austin

Hispanic Unemployment Highest in Northeast Metropolitan Areas

The Economic Policy Institute – Issue Brief - October 2011 – 8 pages

http://w3.epi-data.org/temp2011/IB314_R2LE-final.pdf

“When many people think of high Hispanic unemployment, they think of metropolitan areas like Las Vegas and Los Angeles. This is understandable since these areas have high levels of Hispanic unemployment and large Hispanic populations. But as this issue brief emphasizes, the Hispanic population is not only in the West. In fact, the two highest Hispanic metropolitan unemployment rates are in the Northeast: Providence, R.I., and Hartford, Conn. It is important to understand high Hispanic unemployment in the Northeast because solutions in this area may differ from the solutions for Hispanic job seekers in the West”

Daniel Kuehn

Metropolitan Job Growth Patterns in the Great Recession

The Urban Institute – October 2011 – 14 pages

<http://www.urban.org/UploadedPDF/412421-Metropolitan-Job-Growth-Patterns-in-the-Great-Recession.pdf>

“The pace of job growth across the country in this recovery has been slow but not uniform. Metropolitan areas have fared differently, with some experiencing substantially lower job loss than others. This paper examines employment changes across industries that pay low, medium, and high-wages on average by metropolitan area to identify which metros are faring better not only in total employment but in different types of jobs.”

The Aviation Workforce: Industry and Labor Perspectives on Training Needs and Challenges

Senate Committee on Commerce, Science and Transportation – Hearing – October 24, 2011

http://commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=a2a60d0b-fce9-4fb8-b8c0-22b49708e507&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

“The hearing will examine both local and Federal efforts to foster the development of the aviation workforce. Key issues to be addressed at the hearing will include: employer and worker needs; efforts to develop and expand educational programs that support aviation and aerospace training; workforce initiatives that establish, prepare, and grow a pipeline of students who are career-ready for scientific, technical, engineering, and math (STEM) opportunities; life-long learning strategies; and government efforts to partner with industry to foster innovation and collaboration.”

Nowhere to Go: Geographic and Occupational Immobility and Free Trade

Joint Economic Committee – Report - October 12, 2011 – 4 pages

http://jec.senate.gov/public/index.cfm?a=Files.Serve&File_id=27894f8b-2fc7-4dad-8107-65d83dbad5c2

“Displacements costs from trade liberalization can be quite high.”

Stephen Steigleder

House Majority Proposal Eliminates Funding for Job Training (Again!) -Don't Fall for the Budgeting Gimmicks in Labor Appropriations Bill

American Progress – October 2011 – 10 pages

http://www.americanprogress.org/issues/2011/10/pdf/job_training_funding.pdf

“Our nation continues to suffer through an unemployment crisis. As many as 25 million American workers are either unemployed or underemployed, while businesses continue to struggle to find workers with the right mix of skills to fill millions of job vacancies. Further, economists predict that high unemployment and skills mismatches will continue to persist for the next few years. And yet House Republicans believe it is a good time to eliminate funding for workforce development programs that serve millions of unemployed workers, local businesses, and regional economies.”

Ron Haskins

Work-Family Conflict: Look to Employers and Communities for Solutions

Brookings Institution - Fall 2011 – 8 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/1005_work_family_haskins/1005_work_family_haskins.pdf

“Most American parents are under severe time pressure because they need to work while simultaneously caring for their children and, increasingly, for elderly family members as well. Government mandates on businesses to provide workplace flexibility for employees to relieve some of this pressure are minimal to nonexistent, and most parents do not qualify for government child care programs. Unprecedented government budget strains make it unlikely that legislative bodies will provide relief in the foreseeable future. The best hope for struggling working parents lies in voluntary provision of workplace flexibility by employers and more support from community institutions, according to the authors.”

IMMIGRATION

Rubén Hernández-Murillo and Christopher J. Martinek

Immigrants: Skills, Occupations and Locations

Federal Reserve Bank of Saint Louis – October 2011, 2 pages

http://www.stlouisfed.org/publications/pub_assets/pdf/re/2011/d/immigrants.pdf

“In a previous Regional Economist article, we remarked that in order to assess the costs and benefits of immigration (both legal and illegal) one has to consider the distribution of skills in the foreign-born population and compare it with the distribution of skills among U.S.-born workers (...) Identifying the differences in the composition of skills across local markets can help analyze the impact of immigration because an increase in the number of immigrants may have different effects across locations. There may also be effects unrelated to the effects on wages.”

Pia Orrenius and Madeline Zavodny

Immigrants’ Employment Outcomes over the Business Cycle

FRB Dallas – Staff paper – December 2011 – 13 pages

<http://dallasfed.org/research/staff/2011/staff1104.pdf>

“Immigrants have figured prominently in U.S. economic growth for decades, but the recent recession hit them hard. Immigrants’ labor market outcomes began deteriorating even before the recession was officially under way, largely as a result of the housing bust. An analysis of employment and unemployment rates over the past fifteen years shows that immigrants’ labor market outcomes are more cyclical than those of natives. The greater cyclicity of immigrants’ employment and unemployment is concentrated among less-educated immigrants, but college-educated immigrants nonetheless have more-cyclically sensitive employment outcomes than college-educated natives.”

America's Agricultural Labor Crisis: Enacting a Practical Solution”

Senate Judiciary Committee – Hearing - October 4, 2011

<http://www.judiciary.senate.gov/hearings/hearing.cfm?id=0bd5589287f5bbb3d229c1850f7b44e2>

“The current situation is simply untenable. Every day, American farms are closing and America has to import more and more food from abroad because it is far cheaper to buy foreign food than it is to produce food here. Failing to act is both a food security threat and an economic security hazard. I am confident that our distinguished panelists today will help us better understand the problems and guide us toward the best solution for reforming our agricultural immigration system.”

Bruce Stokes

US Falls Behind in Global Race for Talent.

Yale Global - October 2011

<http://yaleglobal.yale.edu/content/us-falls-behind-global-race-talent>

“The U.S. has long attracted the world's top talent coming to its shores for study and work and benefited richly from their innovations. Advanced engineering, math and science programs of U.S. universities depend on students from China, India and South Korea: More than a third of the U.S. doctoral-level science and engineering workforce was born outside the United States, reports Bruce Stokes. Yet aspiring engineers and scientists are having second thoughts as they encounter an economy in decline and American ambivalence over the contributions of immigration, education and science. Australia, Great Britain and Canada adjust policies to attract top students, and fast growth in emerging economies also beckons graduates. A first step to reinvigorating the U.S. economy could be crafting education and immigration policies to attract and keep students with top skills.”

Stuart Anderson

Keeping Talent in America

National Foundation for American Policy – October 2011, 17 pages

http://www.nfap.com/pdf/KEEPING_TALENT_IN_AMERICA_NFAP_October_2011.pdf

“Foreign nationals with masters degrees or higher in science and technology fields are important contributors to product development, patent filings, startups and company expansions in America. Today’s legislative proposals are being driven by concern that skilled foreign nationals faced with other options are deciding America is no longer the land of opportunity. Current legislation proposes requiring a valid job offer at a salary comparable to an American professional to qualify for the employment-based green card. Wise decisions made on how to structure legislation, including who would qualify, could help achieve a political consensus and result in a landmark policy change that would benefit the United States for years to come.”

STEM the Tide: Should America Try to Prevent an Exodus of Foreign Graduates of U.S. Universities with Advanced Science Degrees?

House Committee on the Judiciary – Hearing - October 5, 2011

http://judiciary.house.gov/hearings/hear_10052011_2.html

“In 2009, foreign students earned about 11,000 doctorate degrees in STEM – science, technology, engineering and math – fields from U.S. universities. With tweaks to our immigration system, we can accommodate those graduates whom American universities and businesses most desire and who are most able to contribute to our economy.”

INCOMES

Edward Harris, Frank Sammartino

Trends in the Distribution of Household Income between 1979 and 2007

Congressional Budget Office – October 2011 – 63 pages

<http://www.cbo.gov/ftpdocs/124xx/doc12485/10-25-HouseholdIncome.pdf>

“From 1979 to 2007, real (inflation-adjusted) average household income, measured after government transfers and federal taxes, grew by 62 percent. During that period, the evolution of the nation’s economy and the tax and spending policies of the federal government and state and local governments had varying effects on households at different points in the income distribution: Income after transfers and federal taxes (denoted as after-tax income in this study) for households at the higher end of the income scale rose much more rapidly than income for households in the middle and at the lower end of the income scale (...) To assess trends in the distribution of household income, the Congressional Budget Office (CBO) examined the span from 1979 to 2007 because those endpoints allow comparisons between periods of similar overall economic activity (they were both years before recessions).”

Katharine Bradbury

Trends in U.S. Family Income Mobility, 1969–2006

FRB Boston - Working Paper – October 2011 – 51 pages

<http://www.bostonfed.org/economic/wp/wp2011/wp1110.pdf>

Much of America's promise is predicated on economic mobility--the idea that people are not limited or defined by where they start, but can move up the economic ladder based on their efforts and accomplishments... Using data from the Panel Study of Income Dynamics and a number of mobility concepts and measures drawn from the literature, this paper examines family income mobility levels and trends for U.S. working-age family heads and spouses during the time span 1969-2006... By most measures, mobility is lower in more recent periods (1995-2005) than in the late seventies and the eighties (the 1977-1987 or 1981-1991 periods).

Ajit Zacharias

The Measurement of Time and Income Poverty

Levy Economics Institute of Bard College – October 2011 – 26 pages

http://www.levyinstitute.org/pubs/wp_690.pdf

“Official poverty thresholds are based on the implicit assumption that the household with poverty-level income possesses sufficient time for household production to enable it to reproduce itself as a unit. Several authors have questioned the validity of the assumption and explored alternative methods to account for time deficits in the measurement of poverty. I critically review the alternative approaches within a unified framework to highlight the commonalities and relative merits of individual approaches. I also propose a two-dimensional, time-income poverty measure that accounts for intrahousehold disparities in the division of household labor and briefly discuss its uses in thinking about antipoverty policies.”

Daniel H. Cooper, Byron F. Lutz, Michael G. Palumbo

Quantifying the Role of Federal and State Taxes in Mitigating Income Inequality

Federal Reserve Bank of Boston – October 2011 – 42 pages

<http://www.bostonfed.org/economic/ppdp/2011/ppdp1107.pdf>

“Income inequality has risen dramatically in the United States since at least 1980. This paper quantifies the role that the tax policies of the federal and state governments have played in mitigating this income inequality. The analysis, which isolates the contribution of federal taxes and state taxes separately, employs two approaches. First, cross-sectional estimates compare before-tax and after-tax inequality across the 50 states and the District of Columbia. Second, inequality estimates across time are calculated to assess the evolution of the effects of tax policies.”

Thomas L. Hungerford

An Analysis of the "Buffett Rule"

Congressional Research Service, Library of Congress - October 7, 2011 – 14 pages

<http://democrats.waysandmeans.house.gov/media/pdf/112/CRSBuffettRule.pdf>

“Warren Buffett, the chairman of Berkshire Hathaway, noted that he paid 17.4% of his taxable income and payroll taxes. He stated that “the mega-rich pay income taxes at a rate of 15 % on most of their earnings but pay practically nothing in payroll taxes.” Within a month, the Obama Administration unveiled a plan for economic growth and deficit reduction. The Administration stated that one of its principles for tax reform was to observe the “Buffet rule, no household making over \$1 million annually should pay a smaller share of its income in taxes than middleclass families pay.” The report examines the Buffett rule, but uses a measure of income that captures the ability to pay taxes and incorporates the effect of the corporate income tax in addition to the individual income tax and the payroll tax.”

Income Security: Older Adults and the 2007-2009 Recession

GAO – Report – October 17, 2011 – 55 pages

<http://www.gao.gov/new.items/d1276.pdf>

This report examined: (1) What changes have occurred in the employment status of older adults, generally those 55 and older, with the recession? (2) How have the incomes and wealth of older adults in or near retirement changed with the recession? (3) What changes have occurred in the costs of medical care, the purchasing power of Social Security benefits, and mortality rates for older adults in recent years?

The Recession and Older Americans: Where Do We Go from Here

Senate Subcommittee on Primary Health and Aging – Hearing – October 18, 2011

<http://help.senate.gov/hearings/hearing/?id=fd793323-5056-9502-5d1f-16c3289892fb>

Witnesses :

Barbara Bovbjerg , Government Accountability Office, Washington, DC

Gail Ruggles , Lyndonville, VT

Eric Kingson , Syracuse University and Social Security Works, Syracuse, NY

Sandra Nathan , National Council on Aging, Washington, DC

Heidi Hartmann , Institute for Women's Policy Research, Washington, DC

Liz Schott , Clare Cho

General Assistance Programs: Safety Net Weakening Despite Increased Need

Center on Budget and Policy Priorities – October 2011 – 19 pages

<http://www.cbpp.org/files/10-26-11pov.pdf>

"State General Assistance programs, which provide a safety net of last resort for those who are very poor and do not qualify for other public assistance, have weakened considerably in recent decades and are continuing to do so, despite the large increase in need resulting from the recession. This report discusses how General Assistance Programs have been weakened over the years, with a closer look at actions in 2011 state legislative sessions, and provides an overview of program policies across the 30 states with programs in 2011. The information in this report is based on our new national survey of General Assistance programs and provides the first comprehensive and published survey in 13 years."

HEALTH ECONOMIC ISSUES

Containing the Growth of Spending in the U.S. Health System

The Urban Institute – Paper - October 2011 – 30 pages

<http://www.urban.org/UploadedPDF/412419-Containing-the-Growth-of-Spending-in-the-US-Health-System.pdf>

"In this paper we review data on health care spending growth and the reasons for the persistent high rates of growth. We discuss the cost containment provisions that are incorporated into the Affordable Care Act. A number of options that are not included in the ACA are then analyzed. We use a consistent analytic framework for making estimates relying on an extensive body of research evidence. We make estimates of the savings from eliminating tax exclusion, malpractice reform, chronic care management, prevention and various approaches to setting rates for providers. We conclude that no one option could provide substantial savings by themselves and that a combination of several policies is necessary to reduce the rate of growth."

Robert Moffit

The First Stage of Medicare Reform: Fixing the Current Program

The Heritage Foundation – Background - October 17, 2011 – 18 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2611.pdf

"Medicare spending, a major driver of the federal debt, is expected to jump from \$522.8 billion in 2010 to \$932 billion in 2020. Instead of resorting to the traditional "solutions" of raising taxes, cutting benefits, or cutting payments to health care providers, Congress should begin a two-stage structural reform of Medicare to transform the program into a robust system of consumer choice and competition. Such a system would serve beneficiaries better while restraining Medicare spending to protect current and future taxpayers."

Linda J. Blumberg et al.

Why Employers Will Continue to Provide Health Insurance: The Impact of the Affordable Care Act

Urban Institute - October 26, 2011 – 26 pages

<http://www.urban.org/UploadedPDF/412428-The-Impact-of-the-Affordable-Care-Act.pdf>

The Congressional Budget Office, the Rand Corporation, and the Urban Institute have estimated that the Affordable Care Act (ACA) will leave employer-sponsored coverage largely intact; in contrast, some economists and benefit consultants argue that the ACA encourages employers to drop coverage thereby making both their workers and their firms better off (a "win-win" situation). The brief's analysis shows that no such "win-win" situation exists and that employer-sponsored insurance will remain most workers' primary source of coverage. Analysis of three issues—the terms of the ACA, worker characteristics, and the fundamental economics of competitive markets—supports this conclusion.

Robert Kocher, Nikhil R. Sahni.

Rethinking Health Care Labor

New England Journal of Medicine – October 13, 2011 – 3 pages

<http://www.nejm.org/doi/pdf/10.1056/NEJMp1109649>

“Health care, as it is designed and delivered today, is very labor-intensive. Yet unlike virtually all other sectors of the U.S. economy, health care has experienced no gains over the past 20 years in labor productivity, defined as output per worker. Even more striking is that despite the failure of health care workers to increase their real output value, health care wages overcame the recession, growing at an annual rate of 3.4 percent from 2005 to 2010. Now, taking into account effects of the Affordable Care Act (ACA), growing demand for health care will exacerbate these disparities even further.”

ENVIRONMENTAL ECONOMIC ISSUES

Nicolas Loris and Jack Spencer

The Department of Energy Should Not Be the Green Banker

The Heritage Foundation – Backgrounder - October 6, 2011 – 4 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2613.pdf

“The Clean Energy Deployment Administration (CEDA) proposed in the Clean Energy Financing Act would act as a “green bank” to provide loan guarantees to energy and automotive projects that Washington deems worthy. Similar to President Obama’s proposed infrastructure bank, in effect, CEDA would distort the energy market by redirecting capital inefficiently and create unlimited taxpayer liability. As demonstrated in several European countries and by the Solyndra scandal, subsidies for green energy programs ensure that the public pays for the failures while the private sector reaps the benefits of any successes.”

Innovative Practices to Create Jobs and Reduce Pollution

Senate Subcommittee on Green Jobs and the New Economy – Hearing - October 13, 2011

http://epw.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=dbb7448d-802a-23ad-4d5f-3d897179fbe4

Witnesses:

Mr. Phil Schoen, CEO, GEO-Enterprises

Mr. Kyle W. Kempf, Senior Director, Government Affairs, National Small Business Association

Mr. Edward White, Jr., Vice President of Energy Products, National Grid

Dr. Anne Smith, Senior Vice President, NERA Economic Consulting

Mr. Steve Rowlan, General Manager, Environment Nucor Corporation

Andrew Hargadon

The Business of Innovating: Bringing Low-Carbon Solutions to Market.

Pew Center on Global Climate Change - October 2011 – 142 pages.

<http://www.pewclimate.org/docUploads/LowCarbonInnovation.pdf>

« Climate change, and efforts to mitigate it, are creating an increasingly uncertain future for businesses. The long-term effects of a warming climate are enormously difficult to predict. In the near term, however, new policies, technologies, and market preferences are already altering the competitive landscape of entire industries. That is creating opportunities for companies that effectively produce and manage low-carbon innovations in their markets and threatening those that, by choice or circumstance, do not. «

Dodo J. Thampapillai

Economic Fixes Should Not Worsen Environmental Crisis.

YaleGlobal - October 2011 -

<http://yaleglobal.yale.edu/content/economic-fixes-should-not-worsen-environmental-crisis>

“During economic crises, political leaders often urge suspension of environmental protections to save jobs. That is a mistake because the economy ultimately depends on a healthy environment and sustainable use of resources... By ignoring environmental protections in financial-recovery packages, governments invite new crises.”

Chemical Risk Assessment: What Works for Jobs and the Economy?

House Committee on Energy and Commerce – Hearing - October 6, 2011

<http://energycommerce.house.gov/hearings/hearingdetail.aspx?NewsID=8961>

“The purpose of the hearing is to explore U.S. Environmental Protection Agency’s (EPA) chemical risk assessment program, the Integrated Risk Information System (IRIS), and the relationship between that program and EPA’s regulatory requirements, specifically whether IRIS is producing high quality science-based risk assessments that are suitable for regulatory objectives, or policy judgments that could harm businesses and the public.”

CHINA

U.S.-China Economic Relationship

House Ways and Means Committee – Hearing - October 25, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=264909>

The hearing will focus on the significant opportunities presented by the Chinese market as well as the barriers that U.S. companies, farmers, and workers continue to face. The hearing will explore the Administration’s plans to address China’s persistent barriers to trade and investment.

Derek Scissors

The Facts About China’s Currency, Chinese Subsidies, and American Jobs

The Heritage Foundation – Background - October 4, 2011 – 8 pages

http://thf_media.s3.amazonaws.com/2011/pdf/bg2612.pdf

“There is great concern in the U.S. about Chinese currency policy costing American jobs. But over two decades, there has been no evidence that a weak yuan causes high American unemployment. What American policymakers should focus on is other Chinese actions that do harm the U.S. and the entire global economy, particularly China’s market-distorting and anti-competitive subsidies. Heritage Foundation Asia economic policy expert Derek Scissors explains why the U.S. must identify and measure Chinese subsidies as the necessary first step in reducing the damage they cause.”