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GENERAL INTEREST

Robert Kuttner

The Hidden History of Prosperity

The American Prospect – Essay – June 2014

<http://prospect.org/article/hidden-history-prosperity>

“For most Americans, the central economic fact of the past four decades is the stagnation and decline of earnings. Yet this shift is not the central political fact. Why hasn’t the system’s brutal turn against the working and middle class risen to a first-tier public issue?... How to break out of this vicious circle? How to make the economic plight of working families the core concern that it ought to be? How to restore constructive government to a leading role in that project? The obstacles to reclaiming a fairer society have little to do with immutable characteristics of the new, global, digital economy. They are mainly political.”

Economy to Move Down the Road at a Solid Pace in 2014 and Accelerate Slightly in 2015

FRB Chicago – Fed Letter – Posted in June 2014 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2014/cfljuly2014_324b.pdf

According to participants in the Chicago Fed’s annual Automotive Outlook Symposium, the nation’s economic growth is forecasted to be solid this year and to strengthen somewhat in 2015. Inflation is expected to increase in 2014 and remain flat in 2015. The unemployment rate is anticipated to move lower but remain near 6% through the end of 2015. Light vehicle sales are predicted to improve moderately in 2014 and 2015.

John H. Makin

Worry about Growth, not Inflation

American Enterprise Institute – Paper - June 2014 – 8 pages

http://www.aei.org/files/2014/06/27/-makin-june-2014_141658158694.pdf

“The US Department of Commerce's third estimate of first-quarter GDP growth, -2.9 percent, does not bode well for US economic growth in 2014. The Federal Reserve has done well to ignore inflation alarmists' calls to increase interest rates following May's modest increase in consumer price index inflation growth. Nonetheless, the Fed needs to stop talking about when it will start raising interest rates and instead focus on actions it might take to boost a weak US economy.”

Filip Jolevski and James Sherk

Shrinking Workweeks: A Sign of Unequal Recovery from the Great Recession

Heritage Foundation - Backgrounder - June 12, 2014

<http://www.heritage.org/research/reports/2014/06/shrinking-workweeks-a-sign-of-unequal-recovery-from-the-great-recession>

“During the Great Recession of 2008 and 2009, employers cut many of their employees’ work hours. For most, the average workweek eventually returned to pre-recession levels, but that was not true for those at the bottom quintile of the wage distribution. On average, low-wage employees work one hour less per week than they did in 2007, forgoing \$500 per year in income. This trend has significantly affected several industries and occupations. Obamacare will further reduce hours by increasing the costs of hiring full-time employees while discouraging workers from working full-time. Fewer work hours will impede income mobility for low-wage workers.”

Dreams Deferred: Young Workers and Recent Graduates in the U.S. Economy

Committee on Banking, Housing, And Urban Affairs – Hearing - June 25, 2014

http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_id=974411d4-4fa8-4d96-9311-6348362408af

The witnesses are: Ms. Emma Kallaway, Executive Director, Oregon Student Association; Mr. Rory O’Sullivan, Deputy Director, Young Invincibles; Dr. Heidi Shierholz, Economist, Economic Policy Institute; and Dr. Keith Hall, Senior Research Fellow, Mercatus Center at George Mason University.

Jaison R. Abel and Richard Deitz

Do the Benefits of College Still Outweigh the Costs?

Federal Reserve Bank of New York – Current Issues in Economics and Finance – June 2014 – 12 pages

http://www.ny.frb.org/research/current_issues/ci20-3.pdf

“In recent years, students have been paying more to attend college and earning less upon graduation—trends that have led many observers to question whether a college education remains a good investment. However, an analysis of the economic returns to college since the 1970s demonstrates that the benefits of both a bachelor’s degree and an associate’s degree still tend to outweigh the costs, with both degrees earning a return of about 15 percent over the past decade. The return has remained high in spite of rising tuition and falling earnings because the wages of those without a college degree have also been falling, keeping the college wage premium near an all-time high while reducing the opportunity cost of going to school.”

Ben Miller And Robert D. Atkinson

Raising European Productivity Growth Through ICT

The Information Technology & Innovation Foundation – Report - June 2014 – 43 pages

<http://www2.itif.org/2014-raising-eu-productivity-growth-ict.pdf>

“After converging with the U.S. for over 40 years, since 1995 Europe has fallen farther and farther behind in productivity. This report discusses how lower rates of information and communication technology (ICT) investment by companies in Europe have played a key role in this dynamic, and analyzes the factors driving it. In particular, over-regulation in areas like the labor market and IT (e.g. privacy) and a desire to grow Europe’s IT industry through such ill-advised policies as supporting a "European Cloud", hurt, not help, broad-based adoption of ICT. To get growth back on track, Europe needs to focus not on growing IT companies, but on policies that encourage ICT adoption throughout the entire economy.”

MOBILITY – INEQUALITY

Income Inequality in America: Fact and Fiction

Economics 21 - Manhattan Institute - May 2014 – 35 pages

http://www.economics21.org/files/e21ib_1.pdf

Should We Care About Income Inequality? Scott Winship, Manhattan Institute

The Importance of Consumption for Measuring Inequality - Bruce Meyer, University of Chicago

How the Top's Share of Income Changes with Comprehensive Measurements - Philip Armour, Cornell University

How Changing Demographics Affect Inequality - Diana Furchtgott-Roth, Manhattan Institute

Historical Perspectives on Income Inequality and Mobility - Gerald Auten, U.S. Department of the Treasury

Relative and Absolute Mobility Across Generations - Scott Winship, Manhattan Institute

Has Worker Compensation Tracked Productivity? James Sherk, Heritage Foundation

Inequality and Risk-Taking in a 21st Century Economy - Edward Conard, American Enterprise Institute

Richard V. Reeves

Planning the American Dream: The Case for an Office of Opportunity

Brookings - Paper - May 29, 2014 – 8 pages

http://www.brookings.edu/~media/research/files/papers/2014/05/planning_american_dream_office_of_opportunity_reeves/planning_american_dream_office_of_opportunity_reeves.pdf

“Adopting an official measure of social mobility and charging an office to track it would help create a shared understanding of the facts, a clear assessment of U.S. challenges and progress, and a better foundation for developing policies likely to make America more socially mobile.”

Harry Stein

How the Government Subsidizes Wealth Inequality

Center for American Progress – Issue Brief - June 25, 2014 – 12 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/06/WealthInequality.pdf>

“This issue brief puts aside the question of whether new policies, such as a global wealth tax, should be enacted to reduce economic inequality. Instead, it explores two existing policies that actually subsidize wealth inequality. First, reduced tax rates on capital gains and dividends increase the after-tax rate of return on wealth, which makes it more likely that the rate of return on capital will exceed the overall economic growth rate. Second, capital gains are never subject to the income tax at all if the investor dies, which subsidizes wealth concentration within a family dynasty. These two subsidies will cost the U.S. federal government about \$2 trillion over the next 10 years, almost all of which will go to the wealthiest Americans.”

Lawrence Mishel and Alyssa Davis

CEO Pay Continues to Rise as Typical Workers Are Paid Less

Economic Policy Institute – Issue Brief - June 12, 2014 – 12 pages

<http://s1.epi.org/files/2014/ceo-pay-continues-to-rise.pdf>

“Average CEO compensation was \$15.2 million in 2013, using a comprehensive measure of CEO pay that covers CEOs of the top 350 U.S. firms and includes the value of stock options exercised in a given year, up 2.8 percent since 2012 and 21.7 percent since 2010. From 1978 to 2013, CEO compensation, inflation-adjusted, increased 937 percent, a rise more than double stock market growth and substantially greater than the painfully slow 10.2 percent growth in a typical worker’s compensation over the same period. The CEO-to-worker compensation ratio was 20-to-1 in 1965 and 29.9-to-1 in 1978, grew to 122.6-to-1 in 1995, peaked at 383.4-to-1 in 2000, and was 295.9-to-1 in 2013, far higher than it was in the 1960s, 1970s, 1980s, or 1990s.”

Josh Bivens, Elise Gould, Lawrence Mishel, and Heidi Shierholz

Raising America’s Pay: Why It’s Our Central Economic Policy Challenge

Economic Policy Institute – Report - June 4, 2014 – 7- pages

<http://s2.epi.org/files/2014/Raising-America's-Pay-2014-Report.pdf>

“Our country has suffered from rising income inequality and chronically slow growth in the living standards of low- and moderate-income Americans. This disappointing living-standards growth—which was in fact caused by rising income inequality—even preceded the Great Recession. Fortunately, income inequality and middle-class living standards are now squarely on the political agenda. But despite their increasing salience,

these issues are too often discussed in abstract terms. This paper—and the Raising America’s Pay project that it launches—exposes the easy-to-understand root of rising income inequality, slow living-standards growth, and a host of other key economic challenges: the near stagnation of hourly wage growth for the vast majority of American workers over the past generation.”

FISCAL AND TAX POLICIES

Donald J. Marples and Jane G. Gravelle

Corporate Expatriation, Inversions, and Mergers: Tax Issues

Congressional Research Service – Report - May 27, 2014 – 14 pages

<http://www.fas.org/sgp/crs/misc/R43568.pdf>

The U.S. corporate income tax is based on worldwide economic activity. If all of a corporation’s economic activity is in the United States, then tax administration and compliance is, relatively, straight-forward. Many corporations, however, operate in several jurisdictions, which creates complications for tax administration and compliance. Further, corporations may actively choose where and how to organize to reduce their U.S. and worldwide tax liabilities. Some of these strategies have been referred to as expatriation, inversions, and mergers. This report examines them in light of recent expansion of their use and growing congressional interest.

Chuck Marr and Chye-Ching Huang

Repatriation Tax Holiday Would Lose Revenue and Is a Proven Policy Failure

Center on Budget and Policy Priorities – Report - June 19, 2014 – 15 pages

<http://www.cbpp.org/files/6-19-14tax.pdf>

“Some policymakers are promoting another “repatriation tax holiday” to encourage multinational corporations to bring overseas profits back to the United States by offering them a temporary, very low tax rate on those profits. In particular, some have described a repatriation holiday as a “win-win” that would boost corporate investment and create jobs in the United States and also generate a tax windfall to help finance needed infrastructure spending. In reality, a repatriation tax holiday would accomplish neither goal and instead would worsen the nation’s fiscal and economic problems over time.”

MONETARY POLICY

Was the Fed a Good Idea?

Cato Journal – Summer 2014

<http://www.cato.org/cato-journal/springsummer-2014>

“Today the Federal Reserve System is much different than a century ago. How well has the Fed performed? Was the Fed a good idea? Can we do better? To address those and related questions, the Cato Institute brought together some of the most respected monetary scholars and policymakers at its 31st Annual Monetary Conference in Washington, D.C., on November 14, 2013. The papers from that conference are featured in this volume.”

Stephen Williamson

Monetary Policy in the United States: A Brave New World?

Federal Reserve Bank of St. Louis Review - Second Quarter 2014 - pp. 111-122

<http://research.stlouisfed.org/publications/review/2014/q2/williamson.pdf>

“This article is a reflection on monetary policy in the United States during Ben Bernanke’s two terms as Chairman of the Federal Open Market Committee, from 2006 to 2014. Inflation targeting, policy during the

financial crisis, and post-crisis monetary policy (forward guidance and quantitative easing) are discussed and evaluated.”

John C. Williams

The Economic Recovery and Monetary Policy: The Road Back to Ordinary

FRB San Francisco - Economic Letter - June 2, 2014 – 6 pages

<http://www.frbsf.org/economic-research/publications/economic-letter/2014/june/economic-recovery-monetary-policy-normalization/el2014-16.pdf>

Monetary policy is moving slowly and cautiously towards normalization. Signs of improvement—falling unemployment, better financial conditions, and abating headwinds—indicate the United States is changing from extraordinary economic times back to ordinary ones. Risks to the recovery’s momentum linger, and “normalizing” should not be confused with “tightening.” Monetary policy will remain highly accommodative for some time. Overall, however, the outlook is positive. The following is adapted from a presentation by the president and CEO of the Federal Reserve Bank of San Francisco to the Association of Trade and Forfeiting in the Americas in San Francisco on May 22, 2014.”

John C. Williams

Financial Stability and Monetary Policy: Happy Marriage or Untenable Union?

FRB San Francisco - Economic Letter - June 9, 2014 – 8 pages

<http://www.frbsf.org/economic-research/publications/economic-letter/2014/june/financial-stability-monetary-policy/el2014-17.pdf>

The very real and sizable costs of using monetary policy to deal with risks to financial stability—along with the uncertain benefits of doing so—argues for finding alternative tools with more favorable tradeoffs. Policymakers should study ways to design policy frameworks that support financial stability, with only a modest cost to macroeconomic goals and anchoring inflation expectations. The following is adapted from a presentation by the president and CEO of the Federal Reserve Bank of San Francisco at the conference “Housing Markets and the Macroeconomy: Challenges for Monetary Policy and Financial Stability” in Eltville am Rhein, Germany, on June 5, 2014.

Floating Rate Notes Can Help Treasury Meet Borrowing Goals, but Additional Actions Are Needed to Help Manage Risk

GAO – Report – June 2014 – 48 pages

<http://www.gao.gov/assets/670/664106.pdf>

“To continue meeting its goal of financing the federal government’s borrowing needs at the lowest cost over time, Treasury began issuing a new type of security—a 2-year floating rate note (FRN)—in January 2014. The FRN pays interest at a rate that resets periodically based on changes in the rate of the 13-week Treasury bill (to which the FRN is indexed). GAO was asked to review Treasury debt management, including this product and other debt management issues. This report (1) evaluates Treasury’s rationale for introducing FRNs and (2) identifies the demand for Treasury securities from a broad range of investors to assess whether changes would help Treasury meet its goals.”

Virtual Currencies: Emerging Regulatory, Law Enforcement, and Consumer Protection Challenges

GAO - Report – May 2014 – 56 pages

<http://www.gao.gov/assets/670/663678.pdf>

“This report discusses (1) federal financial regulatory and law enforcement agency responsibilities related to the use of virtual currencies and associated challenges and (2) actions and collaborative efforts the agencies have undertaken regarding virtual currencies. To address these objectives, GAO reviewed federal laws and regulations, academic and industry research, and agency documents; and interviewed federal agency officials,

researchers, and industry groups.”

Mike Bryan

Torturing CPI Data until They Confess: Observations on Alternative Measures of Inflation

FRB Atlanta – Remarks – May 30, 2014 – 15 pages

http://www.frbatlanta.org/documents/news/speeches/140530_speech_bryan.pdf

“With the time afforded me this morning, I'd like to describe some of the ways I and others have tortured Commissioner Groshen's consumer price data to produce alternative measures of the inflation experience. This is not to say that I think the Bureau of Labor Statistics has somehow gotten it wrong. I don't believe that. I think the Consumer Price Index (CPI) is an exceptionally well-designed statistic for its intended purpose. It's just that I don't believe its purpose is, or was ever intended to be, the measurement of the inflation that a central bank controls.

FINANCE

Marc Labonte and Jared C. Nagel

Foreign Holdings of Federal Debt

Congressional Research Service - June 16, 2014 – 10 pages

<http://fas.org/sgp/crs/misc/RS22331.pdf>

This report presents current data on estimated ownership of U.S. Treasury securities and major holders of federal debt by country. Federal debt represents the accumulated balance of borrowing by the federal government. To finance federal borrowing, U.S. Treasury securities are sold to investors. Treasury securities may be purchased directly from the Treasury or on the secondary market by individual private investors, financial institutions in the United States or overseas, and foreign, state, or local governments. Foreign investment in federal debt has grown in recent years, prompting questions on the location of the foreign holders and how much debt they hold.

Hesna Genay Rich Podjasek

What Is the Impact of a Low Interest Rate Environment on Bank Profitability?

FRB Chicago – Fed Letter – July 2014 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2014/cfljuly2014_324.pdf

“The economic conditions and low interest rate environment of recent years have been challenging for banks that rely on a wide spread between long- and short-maturity yields to generate earnings. The authors’ analysis indicates that a low interest rate environment is associated with decreased profitability for banks, particularly for small institutions. However, the estimated negative effects on bank profits are economically small and are outweighed by the likely positive effects on profits of low interest rates boosting economic activity.”

Chuck S. Morris and Kristen Regehr

What Explains Low Net Interest Income at Community Banks?

FRB Kansas City – Economic Review – Forthcoming – 30 pages

<http://www.kansascityfed.org/publicat/econrev/pdf/14q2Morris-Regehr.pdf>

“While performance has improved significantly over the four and a half years since the end of the recession, commentary from bankers and industry analysts suggest community banks are still struggling. While profitability has largely recovered, the quality of earnings largely has not. In particular, net interest income—the difference between interest income and interest expense as a share of average assets—rose early in the recovery but has since turned down and is near a 40-year low.”

Gary Shorter and Rena S. Miller

High-Frequency Trading: Background, Concerns, and Regulatory Developments

Congressional Research Service - June 19, 2014 – 47 pages

<http://fas.org/sgp/crs/misc/R43608.pdf>

“High-frequency trading (HFT) is a broad term without a precise legal or regulatory definition. It is used to describe what many characterize as a subset of algorithmic trading that involves very rapid placement of orders, in the realm of tiny fractions of a second. Regulators have been scrutinizing HFT practices for years, but public concern about this form of trading intensified following the April 2014 publication of a book by author Michael Lewis. The Federal Bureau of Investigation (FBI), Department of Justice (DOJ), Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), the Office of the New York Attorney General, and the Massachusetts Secretary of Commerce have begun HFT-related probes.”

High Frequency Trading’s Impact on the Economy

Senate Subcommittee on Securities, Insurance, and Investment – Hearing - June 18, 2014

http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=2ab3ead5-3ee1-422d-a0ce-a8c599fac03d

The witnesses are: Professor Hal S. Scott, Nomura Professor of International Financial Systems, Harvard Law School; Mr. Andrew Brooks, Head of U.S. Equity Trading, T. Rowe Price; and Mr. Jeffrey Solomon, Chairman and Chief Executive Officer, Cowen Group, Inc.

Beth Akers and Matthew M. Chingos

Is a Student Loan Crisis on the Horizon?

Brookings - Report - June 24, 2014 – 27 pages

<http://www.brookings.edu/~media/research/files/reports/2014/06/24%20student%20loan%20crisis%20akers%20chingos/is%20a%20student%20loan%20crisis%20on%20the%20horizon.pdf>

“College tuition and student debt levels have been increasing at a fast pace for at least two decades. These well-documented trends, coupled with an economy weakened by a major recession, have raised serious questions about whether the market for student debt is headed for a crisis, with many borrowers unable to repay their loans and taxpayers being forced to foot the bill. In this report, Beth Akers and Matthew Chingos analyze more than two decades of data on the financial well-being of American households and find that in reality, the impact of student loans may not be as dire as many commentators fear.”

LOCAL ECONOMIC DEVELOPMENT

Tom Gray and Robert Scardamalia

America's Top Metros: Who's Leading the Recovery, and Why

Manhattan Institute – Report - June 2014 – 52 pages

http://www.manhattan-institute.org/pdf/cr_89.pdf

“In a slow, uneven economic recovery, some cities have managed not only to survive but even to thrive. Their stories, along with those of the not-so-successful, are the subject of this study. Using data since 2009 for the nation’s metropolitan statistical areas (MSAs), we identify leaders and laggards as measured by growth in economic output (GDP), personal income, and jobs. Among the 100 largest MSAs—which together make up about two-thirds of the nation’s population—we take a detailed look at the top 20 and bottom 20 economic performers... This analysis turns up no simple formula for success but does lead to some tentative conclusions about the conditions that help foster economic leadership in today’s economy.”

Erica Williams

A Guide to State Fiscal Policies for a Stronger Economy

Center on Budget and Policy Priorities – Paper - Updated June 24, 2014 - 8 pages

<http://www.cbpp.org/files/2-8-12sfp.pdf>

Building stronger state economies that create jobs and expand opportunity will require sensible, forward-looking state fiscal policies. States need to invest adequately in education, health care, transportation, and workforce development. To do that, they need to make decisions about how to raise and spend revenues with an eye toward the future. This paper is a guide to fiscal policies that can create jobs now and prime states for long-term prosperity. Each section contains links to CBPP analyses that describe these best practices in more detail.

Devashree Saha, Kenan Fikri and Nick Marchio

FDI in U.S. Metro Areas: The Geography of Jobs in Foreign-Owned Establishments

Brookings – Report - June 20, 2014 – 64 pages

<http://www.brookings.edu/~media/research/files/reports/2014/06/20%20fdi%20us%20metro%20areas/metrofdi.pdf>

“This paper advances the understanding of foreign direct investment (FDI)—that is to say, the U.S. operations of foreign companies— in U.S. metro areas. It presents new data on jobs in foreign-owned establishments (FOEs) across the nation’s 100 largest metropolitan areas between 1991 and 2011... These findings together with the existing empirical literature suggest that good FDI policy does not treat FDI attraction as an end in itself but rather regards it as a tool for strengthening industry clusters, infusing new knowledge and technology into U.S. production systems, and increasing global engagement in U.S. regions.”

Bruce Katz and Julie Wagner

The Rise of Innovation Districts

Brookings Metropolitan Policy Program – Report – May 2014 – 34 pages

<http://www.brookings.edu/~media/Programs/metro/Images/Innovation/InnovationDistricts1.pdf>

Research from Brookings Metropolitan Policy Program profiles a new urban model that's transforming American ingenuity: the innovation district. Think Kendall Square in Cambridge, South Lake Union in Seattle, or Downtown and Midtown in Detroit. Innovation districts are spreading across America, supercharging urban economies and fueling national growth.

Richard H. Mattoon and Sarah Wetmore

After Detroit: How will Illinois and its communities respond?

FRB Chicago – Fed Letter – July 2014 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2014/cfljuly2014_324a.pdf

“Detroit’s bankruptcy filing has highlighted fiscal pressures being experienced by communities across the nation, including Chicago. Problems such as flat or declining property tax revenues, underfunded public pensions, and reduced state support are straining local government operations. To investigate how municipalities are adjusting to fiscal stress, the Civic Federation and the Federal Reserve Bank of Chicago held a forum on April 23, 2014, that brought together over 140 participants.”

Prosperity at a Crossroads: Targeting Drivers of Economic Growth for Greater Kansas City

Brookings - Report - June 13, 2014 – 44 pages

<http://www.brookings.edu/~media/research/files/reports/2014/06/12%20kansas%20city/prosperity%20at%20a%20crossroads%20full%20report>

“The Greater Kansas City region has a number of enviable assets: a high quality of life; good jobs in industries as diverse as vehicle manufacturing and financial services; and a predictable and reliable economy

for attracting businesses and talent. But these assets can no longer be taken for granted. New analysis on the performance of the Greater Kansas City economy provides evidence that the region is becoming less competitive, weakening its ability to create jobs and sustain higher standards of living.”

Strength of Economy, Limited Benefit Eligibility in Texas Curb Long-Term Unemployment Rate

Federal Reserve Bank of Dallas - Southwest Economy - Second Quarter 2014

<http://www.dallasfed.org/assets/documents/research/swe/2014/swe1402b.pdf>

A greater ability to find work and a higher incidence of individuals exiting the labor force have helped keep the Texas long-term unemployment rate below the nation’s after the Great Recession.

ENTREPRENEURSHIP - INDUSTRY

Farah Ahmad

How Women of Color Are Driving Entrepreneurship

Center for American Progress – Report – June 2014 – 8 pages

<http://americanprogress.org/issues/race/report/2014/06/10/91241/how-women-of-color-are-driving-entrepreneurship>

“Women of color are a principal force behind one of the most important components of America’s current marketplace and our nation’s future economy: entrepreneurship. Today, women of color are the majority owners of close to one-third of all women-owned firms in the nation. Increased access to business capital—including microenterprises, venture-capital-funded firms, and crowd funding—has helped the number of women entrepreneurs grow substantially. But women of color face significant obstacles in starting their own businesses, leading to the question of why so many of them turn to entrepreneurship. The growth of women of color as business owners is part of a long-term trend, but the question of why this trend is occurring is often left unanswered. Looking at the alternative to entrepreneurship—the traditional workplace—sheds light on some of the reasons.”

Theodore H. Moran and Lindsay Oldenski

The US Manufacturing Base: Four Signs of Strength

Peterson Institute for International Economics – Policy Brief - June 2014 – 12 pages

<http://www.iie.com/publications/pb/pb14-18.pdf>

Laments over the decline of the manufacturing base in the United States are widespread. But while manufacturing employment has steadily declined for many decades, more direct measures of manufacturing productivity show that the growth of the US manufacturing sector has actually been strong and not simply in the subsectors affected by computer production, according to this report. In the last two years, the United States has been doing much better than most of the rest of the world, including China. In addition, increased offshoring by US manufacturing multinational corporations (MNCs), a phenomenon criticized as contributing to domestic job losses, is actually associated with overall greater investment and increases in jobs at home. New evidence also suggests positive effects of offshoring by US manufacturers on research and development (R&D) spending in the United States. Accordingly, policies aimed at restricting global expansion by US MNCs would be misguided, according to this report.

Grow it Here, Make it Here: Creating Jobs through Bio-Based Manufacturing

Senate Committee on Agriculture – Hearing – June 17, 2014

<http://www.ag.senate.gov/hearings/grow-it-here-make-it-here-creating-jobs-through-bio-based-manufacturing>

The hearing will examine the role that bio-based products are playing in helping to revitalize and re-energize American manufacturing, and how that is helping to grow the economy and create jobs.

Ian Hathaway and Robert E. Litan

Entrepreneurship and Job Creation in the U.S. Life Sciences Sector

Brookings – Paper – 11 pages – June 2014

http://www.brookings.edu/~media/research/files/papers/2014/06/entrepreneurship%20job%20creation%20life%20sciences%20sector%20litan/entrepreneurship_job_creation_life_sciences_sector_litan

This brief analyzes entrepreneurship and job creation in the U.S. life sciences sector—defined as the group of industries engaged in the application of biological science and related knowledge for commercial purposes, primarily for human health care. This definition contains three major subgroups: drugs and pharmaceuticals; medical devices and equipment; and research, testing, and medical laboratories.

The State of U.S. Travel and Tourism: Government Efforts to Attract 100 Million Visitors Annually

Senate Committee on Commerce, Science, and Transportation – Hearing - June 26, 2014

http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=5524437a-df5e-4914-b3e1-f1c5853b859b&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

The Subcommittee will examine the federal government’s role and efforts to support the U.S. travel and tourism industry, especially in relation to the 2012 National Travel and Tourism Strategy’s goal of attracting 100 million international visitors to the U.S. annually by the end of 2021. In addition, the hearing will offer the opportunity to assess Brand USA, the public-private corporation charged with promoting travel to the U.S. The hearing follows the Subcommittee’s May 8, 2014 hearing that focused on the travel and tourism industry’s perspectives on the economic needs and benefits of increasing travel and tourism to the U.S., as well as the industry’s assessment of the National Travel and Tourism Strategy and Brand USA.

SCIENCE – TECHNOLOGY

Heather B. Gonzalez

The National Science Foundation: Background and Selected Policy Issues

Congressional Research Service - June 5, 2014 – 33 pages

<http://fas.org/sgp/crs/misc/R43585.pdf>

The NSF is a primary source of federal support for U.S. university research, especially in certain fields such as mathematics and computer science. It is also responsible for significant shares of the federal science, technology, engineering, and mathematics (STEM) education program portfolio and federal STEM student aid and support.

Robert D. Atkinson

Understanding the U.S. National Innovation System

Information Technology and Innovation Foundation – Report – June 2014 – 27 pages

<http://www2.itif.org/2014-understanding-us-innovation-system.pdf>

“This report identifies the broad elements that make up a national innovation system, including a description of the innovation success triangle, which measures the business environment, regulatory environment, and innovation environment of a nation, and is used to predict the success of an innovation system in promoting technological development and economic growth. Unfortunately, in many areas, the U.S. national innovation system falls behind our global competitors, hampering our ability to foster the innovation that is imperative for success in the 21st century economy.”

Matt Hourihan

Historical Trends in Federal R&D

American Association for the Advancement of Science – Chapter of report FY2015 – 6 pages

<http://www.aaas.org/page/aaas-report-xxxix-research-and-development-fy-2015>

“The Administration’s budget would not counteract the long-term decline in federal R&D investments as a share of U.S. gross domestic product (GDP). In spite of the real-dollar growth described above, federal research investments are shrinking as a share of the U.S. economy, as shown in Figure 3. Gains in the NIH budget and defense R&D increased the ratio briefly in the first years of the 21st century, but the long-term trend is clearly downward. The Administration’s base budget would continue this decline, with federal R&D as a share of GDP dropping to 0.75 percent, a 50-year low.”

John F. Sargent Jr

Federal Research and Development Funding: FY2015

Congressional Research Service - June 2, 2014 – 62 pages

<http://www.fas.org/sgp/crs/misc/R43580.pdf>

President Obama’s budget request for FY2015 includes \$135.352 billion for research and development (R&D), a \$1.670 billion (1.2%) increase from the FY2014 level of \$133.682 billion. The request represents the President’s R&D priorities; Congress may opt to agree with part or all of the request, or it may express different priorities through the appropriations process. In particular, Congress will play a central role in determining the growth rate and allocation of the federal R&D investment in a period of intense pressure on discretionary spending. Low or negative growth in the overall R&D investment may require movement of resources across disciplines, programs, or agencies to address priorities.

TELECOMS

Angele A. Gilroy

Access to Broadband Networks: The Net Neutrality Debate

Congressional Research Service - June 12, 2014 – 25 pages

<http://fas.org/sgp/crs/misc/R40616.pdf>

“As congressional policy makers continue to debate telecommunications reform, a major point of contention is the question of whether action is needed to ensure unfettered access to the Internet. The move to place restrictions on the owners of the networks that compose and provide access to the Internet, to ensure equal access and non-discriminatory treatment, is referred to as “net neutrality.” While there is no single accepted definition of “net neutrality,” most agree that any such definition should include the general principles that owners of the networks that compose and provide access to the Internet should not control how consumers lawfully use that network, and they should not be able to discriminate against content provider access to that network. A major focus in the debate is concern over whether it is necessary for policy makers to take steps to ensure access to the Internet for content, services, and applications providers, as well as consumers, and if so, what these steps should be.”

Net Neutrality: Is Antitrust Law More Effective than Regulation in Protecting Consumers and Innovation?

House Judiciary Committee – Hearing – June 20, 2014

<http://judiciary.house.gov/index.cfm/hearings?ID=CCF704C2-E445-4D9A-8B84-26F6B9A59CC6>

There are few more important issues that will impact the future of the Internet than the question of whether to apply antitrust law or regulation to protect the Internet from anticompetitive and discriminatory conduct...The Judiciary Committee has long played a role in ensuring that antitrust laws are properly equipped and can be applied effectively in the telecommunications industry. This Committee will continue to play a strong role advocating for key antitrust enforcement and certainly will examine these issues closely to the extent telecommunications laws are rewritten over the coming years.

Robert E. Litan

Regulating Internet Access as a Public Utility: A Boomerang on Tech If It Happens

Brookings - Paper - June 2, 2014 – 4 pages

http://www.brookings.edu/~media/research/files/papers/2014/06/regulating_internet_access_public_utility_litan/regulating_internet_access_public_utility_litan.pdf

“Net neutrality – the notion that all internet traffic, regardless of its source, must be treated the same by Internet Service Providers (ISPs) – is back on the political radar because of a decision in January by the D.C. Court of Appeals in *Verizon v. FCC*, which overturned the Commission’s prior “Open Internet Order.” The essence of the court’s ruling was that the Commission lacked legal authority to impose the specific anti-discrimination requirements embodied in that order, which prohibited telephone and cable companies, on the one hand, and content providers on the other, from negotiating rates for speedier delivery or “paid prioritization.” The court’s rationale was that the Commission had previously declined to designate Internet access “common carriage” under Title II of the Telecommunications Act, a classification that the court essentially suggested could have justified the rules.”

Lennard G. Kruger

Internet Domain Names: Background and Policy Issues

Congressional Research Service – Report - June 10, 2014

<http://fas.org/sgp/crs/misc/97-868.pdf>

“On March 14, 2014, the DOC’s National Telecommunications and Information Administration (NTIA) announced its intention to transition its stewardship role and procedural authority over key domain name functions to the global Internet multistakeholder community. If a satisfactory transition and Internet governance mechanism can be achieved, NTIA will let its contract with ICANN expire on September 30, 2015. NTIA has stated that it will not accept any transition proposal that would replace the NTIA role with a government-led or an intergovernmental organization solution. The 113th Congress is likely to closely examine the benefits and risks of NTIA’s proposed transition of its authority over ICANN.”

Ann Cavoukian and Daniel Castro

Setting the Record Straight: De-Identification Does Work

Information Technology & Innovation Foundation – Report- June 2014 – 18 pages

<http://www2.itif.org/2014-big-data-deidentification.pdf>

“Properly applied, de-identification of data is an effective tool to protect privacy, while allowing for the analysis and use of information to improve numerous aspects of society. Unfortunately, a number of privacy advocates have taken to perpetuating the myth that individual identities cannot be completely stripped out of data sets and have argued that this is reason enough to slow, or even prohibit the use of data analytics. The perpetuation of this myth has the potential to adversely impact the continued evolution of the data economy. This report, written jointly with Ann Cavoukian, the Information and Privacy Commissioner of the Province of Ontario, examines the misconceptions and presents best practices to ensure both protection of privacy and the continued benefits of data innovation.”

INFRASTRUCTURE - TRANSPORTATION

Clifford Winston

How the Private Sector Can Improve Public Transportation Infrastructure

Mercatus Center – Working Paper - June 2014 – 43 pages

<http://mercatus.org/sites/default/files/Winston-Highway-Aviation.pdf>

“Transportation infrastructure, including roads, bridges, airports, and the like, significantly contributes to America’s prosperity by facilitating access to the workplace, shopping, and leisure activities, as well as giving employers easy access to labor, capital, and potential consumers. However, current capacity for transport has

become increasingly strained, and travelers and shippers have experienced more congestion and delays. The public sector's "strategy" to increase infrastructure spending fails to generate the large promised benefits because its pricing and investment and operating policies are so inefficient. Accordingly, this paper explores how the private sector could improve infrastructure performance."

The Future of Surface Transportation

House Subcommittee on Research and Technology - Hearing - June 18, 2014

<http://science.house.gov/hearing/subcommittee-research-and-technology-hearing-future-surface-transportation>

"The future of America's transportation systems is rooted in the effective development and use of new technologies. Technology allows us to enhance both the capacity and safety of our roadways, to better control traffic congestion, and to extend the life of our transportation infrastructure. The Moving Ahead for Progress in the 21st Century Act of 2012 outlines the Department of Transportation's research, development and technology priorities. These priorities include promoting safety, reducing congestion, improving mobility, preserving the environment and existing transportation systems, enhancing the durability of our infrastructure, and improving movement along our transportation systems."

Surface Transportation Reauthorization: Examining the Safety and Effectiveness of our Transportation Systems

Senate Committee on Commerce, Science, and Transportation – Hearing – June 3, 2014

http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=68242b3c-22dc-40f9-9565-26e29c237497&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

This hearing focused on the surface transportation reauthorization and evaluate the safety and effectiveness of rail, motor carrier, hazardous materials, and research programs currently administered through the U.S. Department of Transportation.

Randal O'Toole

The Worst of Both: The Rise of High-Cost, Low-Capacity Rail Transit

Cato Institute – Policy Analysis - June 3, 2014 – 24 pages

http://object.cato.org/sites/cato.org/files/pubs/pdf/pa750_web.pdf

"Most new rail transit lines in the United States and around the world are either light rail, including lines that sometimes run in or cross city streets, or heavy rail, which are built in exclusive rights of way, usually elevated or in subways. Heavy rail costs far more to build than light rail, but the capacity of light rail to move people is far lower than heavy rail. In fact, the terms light and heavy refer to people-moving capacities, not the actual weight of the equipment. Recently, a number of cities in the United States and elsewhere have built or are building a hybrid form of rail transit that can best be described as the worst of both, combining the cost-disadvantages of heavy rail with the capacity limits of light rail."

Airport Financing and Development

House Transportation Committee - Subcommittee on Aviation - Hearing - June 18, 2014

<http://transportation.house.gov/calendar/eventsingle.aspx?EventID=383492>

"The Subcommittee will receive testimony from the Federal Aviation Administration (FAA), Government Accountability Office (GAO), and industry stakeholders on the state and future of airport financing and development. The United States has over 19,700 airports providing important services to our aviation system, and in many communities they are key economic drivers. The National Plan of Integrated Airport Systems (NPIAS) identifies 3,330 airports that are significant to national air transportation and thus eligible to receive federal grants under the Airport Improvement Program (AIP). It also includes estimates of the amount of AIP money needed to fund infrastructure development projects that will bring these airports up to current design

standards and add capacity to congested airports. The NPIAS contains all commercial service airports, all reliever airports, and selected general aviation airports.”

EMPLOYMENT - WAGES

Steven A. Camarota and Karen Zeigler

All Employment Growth since 2000 Went to Immigrants

Center for Immigration Studies – Study – June 2014 – 29 pages

<http://c7.nrostatic.com/sites/default/files/CIS%20Report%20On%20Employment%20Gains%20And%20Losses.pdf>

“Net employment growth in the United States since 2000 has gone entirely to immigrants, legal and illegal. Using data from the Bureau of Labor Statistics, the authors found that there were 127,000 fewer working-age natives holding a job in the first quarter of 2014 than in 2000, while the number of immigrants with a job was 5.7 million above the 2000 level. The rapidity with which immigrants recovered from the Great Recession, as well as the fact that they held a disproportionate share of jobs relative to their share of population growth before the recession, help to explain their findings, the authors report. In addition, native-born Americans and immigrants were affected differently by the recession.”

William Dupor

The 2009 Recovery Act: Directly Created and Saved Jobs Were Primarily in Government

Federal Reserve Bank of St. Louis Review -Second Quarter - pp. 123-146

<http://research.stlouisfed.org/publications/review/2014/q2/dupor.pdf>

“Over one-half of the fiscal spending component of the American Recovery and Reinvestment Act (ARRA; i.e., the Recovery Act) was allocated via grants, loans, and contracts. Businesses, nonprofits, and nonfederal government agencies that received this type of stimulus funding were required to report the number of jobs directly created and saved as a result of their funding. Created and saved jobs represent, precisely, the full-time equivalent of jobs funded by first- and second-tier recipients of and contractors on ARRA grants, loans, and contracts. In this article, the author categorizes these jobs into either the private sector (businesses and nonprofits) or the government sector. It is estimated that at the one-year mark following the start of the stimulus, 166,000 of the 682,000 jobs directly created/ saved were in the private sector...Thus, stimulus-funded jobs were heavily tilted toward government.”

Employment Still Trails Prerecession Rates in Most States

Pew Charitable Trusts - States' Fiscal Health - May 27, 2014

<http://www.pewtrusts.org/en/research-and-analysis/analysis/2014/04/21/employment-still-trails-prerecession-rates-in-most-states>

“Employment rates for 25- to 54-year-olds were lower in 34 states in 2013 than in 2007, before the Great Recession. This decline means less revenue for state governments from personal and business income taxes and sales tax—and often increased strain on assistance programs. In 2007, leading up to the Great Recession, nearly 80 of every 100 people ages 25 to 54 in the United States had a job. In 2013, well after the recession ended, slightly fewer than 76 of every 100 people in that age group were working.”

Looking Beyond the Job-Finding Rate: The Difficulty of Finding Full-Time Work

FRB Atlanta – Blog Post - June 09, 2014

<http://macroblog.typepad.com/macroblog/2014/06/looking-beyond-the-job-finding-rate-the-difficulty-of-finding-full-time-work-.html>

“Finding a job is one thing, but finding a satisfactory job is another. Since the end of the recession, the number of unemployed has declined, thanks in part to a gradually improving rate of job finding. But the job-finding

rate is still relatively low, and the ability of an unemployed job seeker who wants to work full-time to actually find full-time work remains a significant challenge.”

Rakesh Kochhar

Latino Jobs Growth Driven by U.S. Born Immigrants No Longer the Majority of Hispanic Workers

Pew Research Center – June 19, 2014

<http://www.pewhispanic.org/2014/06/19/latino-jobs-growth-driven-by-u-s-born/>

“For the first time in nearly two decades, immigrants do not account for the majority of Hispanic workers in the United States. Meanwhile, most of the job gains made by Hispanics during the economic recovery from the Great Recession of 2007-09 have gone to U.S.-born workers. In 2013, 49.7% of the more than 22 million employed Latinos were immigrants. This share was down sharply from the pre-recession peak of 56.1% in 2007. Although Latinos have gained 2.8 million jobs since the recession ended in 2009, only 453,000 of those went to immigrants.”

Aparna Mathur, Peter Hansen

Solutions To Get The Older Long-Term Unemployed Back To Work

American Enterprise Institute – Article - June 03, 2014

<http://www.aei.org/papers/economics/fiscal-policy/labor/solutions-to-get-the-older-long-term-unemployed-back-to-work/>

“The Great Recession has been particularly hard on older workers, who have had difficulty finding new jobs after being unemployed for long spells. This is especially troubling for this population because of their pressing needs for health care and retirement preparation. The government must intervene with carefully crafted policy to level the playing field for older workers. Job-placement services, employee-based subsidies, and start-up subsidies are the most promising options to help the older long-term unemployed find jobs.”

Aparna Mathur and Abby McCloskey

How to Improve Economic Opportunity for Women

American Enterprise Institute – Research Report - June 27, 2014 – 22 pages

http://www.aei.org/files/2014/07/01/-how-to-improve-economic-opportunity-for-women_084923980191.pdf

“American women have made significant progress in the labor market over the last several decades, but many working women are still struggling with challenges related to child care, single motherhood, low-paying and low-promotion jobs, and an unfair tax code. In particular, high child care costs cause women to leave the workforce or take lower-paying jobs with less-demanding hours. Reforms to existing child care credits would increase professional opportunities, especially for low-income women. To improve economic opportunity in America, we must critically examine any and all factors that could hold back more than half of the population from full economic opportunity.”

Empowerment in the Workplace

US Congress - Joint Economic Committee – Hearing – June 18, 2014

<http://www.jec.senate.gov/republicans/public/index.cfm?p=Hearings>

On May 21st, the Joint Economic Committee held a hearing on “Women’s Retirement Security.” Today, we turn our focus to the workplace—which policies help to empower or harm American workers, and especially women, in their quest to attain their vision of the American Dream...

**Science, Technology, Engineering, and Mathematics Education:
Assessing the Relationship between Education and the Workforce**

GAO- Report - May 8, 2014 – 80 pages

<http://www.gao.gov/assets/670/663079.pdf>

“Both the number of science, technology, engineering, and mathematics (STEM) degrees awarded and the number of jobs in STEM fields increased in recent years. The number of degrees awarded in STEM fields grew 55 percent from 1.35 million in the 2002-2003 academic year to over 2 million in the 2011-2012 academic year, while degrees awarded in non-STEM fields increased 37 percent. Since 2004, the number of STEM jobs increased 16 percent from 14.2 million to 16.5 million jobs in 2012, and non-STEM jobs remained fairly steady. The trends in STEM degrees and jobs varied across STEM fields. It is difficult to know if the numbers of STEM graduates are aligned with workforce needs, in part because demand for STEM workers fluctuates. For example, the number of jobs in core STEM fields, including engineering and information technology, declined during the recession but has grown substantially since then.”

PENSIONS

Mark Wolff

State Public Pension Investments Shift Over Past 30 Years

Pew Charitable Trusts - Report - June 3, 2014 – 16 pages

<http://www.pewtrusts.org/~media/Assets/2014/06/PensionInvestments06032014.pdf>

“As of 2012, the most recent year for which comprehensive data are publicly available, state and local public workers had earned more than \$4 trillion in expected benefit payouts, and public pension plans had approximately \$3 trillion in assets to make those payouts—leaving a gap of more than \$1 trillion between the two. Although governments and employees make contributions to public pensions, investment earnings on the plans’ assets are expected to fund about 60 percent of promised pension benefits. Recent investment performance for public pension funds has been strong: for example, large funds posted returns of over 12 percent in the fiscal year ending June 2013. Future investment returns, however, are inherently uncertain, and a significant funding gap remains. The way these investments are managed by policymakers and pension plan administrators has significant influence on both the cost and the health of our nation’s public pension systems.”

Andrew G. Biggs, Sylvester Schieber

Is There A Retirement Crisis?

American Economic Institute – The Ledger – Article - June 25, 2014

<http://www.aei.org/article/economics/is-there-a-retirement-crisis/>

“But the facts are not nearly so simple, and the story of the retirement crisis has often been sold as much as told. Sometimes this selling is entirely well-intentioned, moved by a desire to get Americans to save more. In other cases, there may be selfish motives: Ask yourself, what are the chances the financial-services industry will tell me I’m saving too much for retirement? In yet other cases, the motives are political: By arguing that America’s private retirement-savings system has failed, progressives pave the way to eliminate tax incentives for retirement saving and expand Social Security to take its place.”

INTERNATIONAL RELATIONS – TRADE

Devashree Saha, Kenan Fikri and Nick Marchio

Trade Enforcement: Using Trade Rules to Level the Playing Field for U.S. Companies and Workers

United States Senate Committee on Finance – Hearing - June 25, 2014

<http://www.finance.senate.gov/hearings/hearing/?id=e2227102-5056-a032-5262-9d177c5f753f>

“Much of the recent debate in Congress over international trade has focused on agreements currently in the works, including the Trans Pacific Partnership and the Transatlantic Trade and Investment Partnership. Not enough time is spent on the trade agreements already in place - have they created American jobs, have they boosted our economy, are they being effectively enforced?”

Trade Secrets: Promoting and Protecting American Innovation, Competitiveness and Market Access In Foreign Markets

House Judiciary Committee – Hearing – June 24, 2014

<http://judiciary.house.gov/index.cfm/hearings?ID=01570313-F0D4-4B54-9013-CB5A768A0E78>

Though trade secrets are not formally reviewed, they are protected from “misappropriation,” which includes obtaining the trade secret through improper or unlawful means, and “misappropriation” can take many forms, whether it is an employee selling blueprints to a competitor or a foreign agent hacking into a server. In addition, one could argue that even a foreign government’s policies to require forced technology transfer is a form of “misappropriation.” Though most states base their trade secret laws on the Uniform Trade Secrets Act, the federal government protects trade secrets through the Economic Espionage Act (“EEA”).

Advancing the U.S. Trade Agenda:

Benefits of Expanding U.S. Agriculture Trade and Eliminating Barriers to U.S. Exports

House Ways and Means Committee – Hearing - June 11, 2014

<http://waysandmeans.house.gov/calendar/eventsingle.aspx?EventID=383491>

“The focus of the hearing is on the benefits of U.S. agriculture trade to the U.S. economy and the challenges faced because of foreign barriers. The hearing focus will include: (1) U.S. successes as the world’s largest agriculture exporter, including job creation and economic growth; (2) foreign tariff and non-tariff barriers faced by U.S. agriculture exports; and (3) how current and future trade negotiations and other efforts can reduce those barriers.”

Examining Reauthorization of the Export-Import Bank: Corporate Necessity or Corporate Welfare?

House – Committee on Financial Services – Hearing - June 25, 2014

<http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=385048>

The Ex-Im Bank’s authorization expires on September 30, 2014. This hearing will examine the role of the Ex-Im Bank, the efficacy of the 2012 reforms, and the arguments for and against reauthorizing the Ex-Im Bank.

Shayerah Ilias Akhtar and Vivian C. Jones

Proposed Transatlantic Trade and Investment Partnership (T-TIP): In Brief

Congressional Research Service - June 11, 2014 – 16 pages

<http://fas.org/sgp/crs/row/R43158.pdf>

“Congress has a direct interest in the T-TIP, both through influencing the Administration’s positions on issues in the negotiations and considering implementing legislation for any final T-TIP agreement for it to enter into force. The 113th Congress may consider the renewal of Trade Promotion Authority (TPA) for the T-TIP. Many in Congress support liberalizing international trade, but there are divergent views among Members on the general role and direction of U.S. trade policy, as well as the costs and benefits of trade liberalization. Skeptics of trade liberalization argue that its costs and benefits are not equitably distributed among stakeholders. A transatlantic agreement would also likely have implications for a number of U.S. economic sectors of direct interest to Members of Congress.”

ENVIRONMENTAL ECONOMICS

Ted Gayer and W. Kip Viscusi

The EPA Is Shifting Its Approach for Calculating Benefits of Climate Rules, Including For Power Plants Emissions

Brookings – Paper – June 4, 2014 – 31 pages

http://www.brookings.edu/~media/research/files/papers/2014/06/04%20determining%20proper%20scope%20climate%20change%20benefits%20gayer/04_determining_proper_scope_climate_change_benefits.pdf

“President Obama’s proposed rule for limiting carbon dioxide emissions from the nation’s power plants is estimated to have a compliance cost \$7.3 billion dollar while providing a climate benefit of \$30 billion in 2030. But a new working paper from Ted Gayer and Kip Viscusi suggests that the EPA’s methodology for calculating the benefit represents a shift away from typical practice. A more traditional cost-benefit analysis would estimate climate benefits of only \$2 billion to \$7 billion – less than the estimated compliance cost of the rule.”

Warwick J. McKibbin, Adele Morris and Peter J. Wilcoxon

The Economic Consequences of Delay in U.S. Climate Policy

Brookings – Paper – June 3, 2014 – 36 pages

http://www.brookings.edu/~media/research/files/papers/2014/06/03%20economic%20consequences%20delay%20us%20climate%20policy/03_economic_consequences_delay_us_climate_policy.pdf

“The United States Environmental Protection Agency (EPA) has begun regulating existing stationary sources of greenhouse gases (GHG) using its authority under the Clean Air Act (the Act). The regulatory process under the Act is long and involved even in the best of circumstances. The complexity and contentiousness of GHG regulation could draw out the process even further, raising the prospect that significant U.S. action might be delayed for years. This paper examines the economic implications of such a delay.”

Jane A. Leggett

President Obama’s Climate Action Plan

Congressional Research Service -May 28, 2014 – 18 pages

<http://www.fas.org/sfp/crs/misc/R43120.pdf>

On June 25, 2013, President Obama announced a Climate Action Plan (CAP) to reduce emissions of carbon dioxide (CO₂) and other greenhouse gases (GHG), and to encourage adaptation to expected climate change. The President affirmed his 2009 pledge to reduce U.S. GHG emissions by 17% below 2005 levels by 2020 if all other major economies agreed to limit their emissions as well. In 2012, U.S. gross GHG emissions were approximately 10% below 2005 levels. The President stated willingness to work with Congress toward enacting a bipartisan, marketbased scheme to reduce GHG emissions. He also said that he would take executive branch actions in the absence of congressional support. His CAP identifies measures in three categories: Cut carbon pollution in America; Prepare the United States for the impacts of climate change; Lead international efforts to address global climate change.

Ted Gayer and W. Kip Viscusi

Determining the Proper Scope of Climate Change Benefits

Brookings – Report – June 3, 2014 – 31 pages

<http://www.brookings.edu/research/papers/2014/06/04-determining-proper-scope-climate-change-benefits-gayer>

President Obama’s proposed rule for limiting carbon dioxide emissions from the nation’s power plants is estimated to have a compliance cost \$7.3 billion dollar while providing a climate benefit of \$30 billion in 2030. But a new working paper from Ted Gayer and Kip Viscusi suggests that the EPA’s methodology for calculating the benefit represents a shift away from typical practice. A more traditional cost-benefit analysis would estimate climate benefits of only \$2 billion to \$7 billion – less than the estimated compliance cost of the rule.

ENERGY

American Energy Jobs: Opportunities for Innovation - Opportunities for States and Localities - Opportunities for Education

House Subcommittee on Energy and Mineral Resources – Hearings - June 12, 18 & 24, 2014

<http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=381511>

<http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=381702>

<http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=384518>

Series of hearings examining the benefits of domestic energy, oil and natural gas development.

The Water-Energy Nexus: Challenges and Opportunities

Department of Energy – Report – June 2014

<http://www.energy.gov/downloads/water-energy-nexus-challenges-and-opportunities>

The report lays out an array of technical and operational challenges across the water-energy nexus at local, regional, and national scales. The report notes that water scarcity, variability, and uncertainty are becoming more prominent, potentially leading to vulnerabilities of the U.S. energy system. System evolution brought on by climate change, population growth, technological advances, and policy developments are increasing the urgency for informed action. DOE is uniquely suited to meet a key national need for data-driven and empirical solutions to address these challenges. DOE's longstanding technology and modeling research and development (R&D) positions the Department to guide research, demonstration, and deployment, as well as enhance and integrate data and models to better inform researchers, decision makers, and the public.

Nexus of Energy and Water for Sustainability Act of 2014

Senate Committee on Energy and Natural Resources – Hearing – June 25, 2014

<http://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=f708ef7a-a503-4e75-8753-71e42343a900>

Witnesses:

Mr. Jonathan Pershing, Principal Deputy Director EPSA and Deputy Assistant Secretary, DOE

Mr. Tom Iseman, Deputy Assistant Secretary for Water and Science, Department of the Interior

Ms. Nicole Carter, Policy Expert, Congressional Research Service

Ms. Anda Ray, Vice President, The Electric Power Research Institute, Inc

Ms. Mary Ann Dickinson, President, Alliance for Water Efficiency

Carol Browner, Danielle Baussan, Ben Bovarnick, Mari Hernandez, and Matt Kasper

Clean Energy Investment in the United States: The View to 2030

Center for American Progress – Report – June 2014 – 13 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/06/CleanEnergyInv.pdf>

“The United States has attracted capital in clean energy markets for more than a decade. Renewable energy, or RE, investment in U.S. wind, solar, hydro, and geothermal power has increased nearly 250 percent since 2004, reaching 36.7 billion in 2013. These numbers only represent part of clean energy's full investment potential as new regulations on carbon emissions and advances in technology will significantly increase demand for low-carbon fuels.”

How to Harness A Game-Changing Resource for Export, Domestic Consumption, and Transportation Fuel

Committee on Energy and Natural Resources – Hearing - June 19 2014

<http://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=52a3721a-b9c6-4dcf-a51e-bc3bf898e01d>

Witnesses

Mr. Chris Smith Principal Deputy Assistant Secretary for Fossil Energy, Department of Energy
 Mr. Marty Durbin, President and CEO, America's Natural Gas Alliance
 Mr. Bob McNally, President, Rapidan Group
 Ms. Liz Rosenberg, Senior Fellow and Director of the Energy, Environment and Security Program, Center for a New American Security
 Mr. Daniel J. Weiss, Senior Fellow and the Director of Climate Strategy, Center for American Progress

The New Domestic Energy Paradigm: Downstream Challenges for Small Energy Businesses

House Committee on Small Business – Hearing - June 26, 2014

<http://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=373186>

The purpose of the hearing is to to examine the mismatch between the supplies of oil produced and the capacity of the refining sector to manufacture it into useful products.

Economic Impact of Increased Natural Gas Production

US Congress - Joint Economic Committee – Hearing – June 24, 2014

<http://www.jec.senate.gov/public/index.cfm?p=HearingsCalendar>

Witnesses:

Dr. Daniel Yergin, Vice Chairman IHS
 Mr. Jim Bruce, Vice President of Corporate Public Affairs,
 Ms. Diana Furchtgott-Roth, Director, Economics21, Manhattan Institute for Policy Research
 Mr. Elgie Holstein, Senior Director for Strategic Planning, Environmental Defense Fund
 Mr. Charles Meloy, Executive Vice President, U.S. Onshore Exploration and Production, Anadarko, The Woodlands, TX

Managing the Risks of Shale Gas Development Using Innovative Legal and Regulatory Approaches

Resources for the Future - June 2014 – 24 pages

<http://www.rff.org/RFF/Documents/RFF-DP-14-15.pdf>

Booming production of oil and gas from shale, enabled by hydraulic fracturing technology, has led to tension between hoped-for economic benefits and feared environmental and other costs, with great associated controversy. Study of how policy can best react to these challenges and how it can balance risk and reward has focused on prescriptive regulatory responses and, to a somewhat lesser extent, voluntary industry best practices. While there is undoubtedly room for improved regulation, innovative tools are relatively understudied.

EPA's Proposed Greenhouse Gas Regulations for Existing Power Plants: Frequently Asked Questions

Congressional Research Service – Report - June 9, 2014 – 27 pages

<http://www.fas.org/sgp/crs/misc/R43572.pdf>

Taking action to address climate change by reducing U.S. emissions of greenhouse gases (GHGs) is among President Obama's major goals. At an international conference in Copenhagen in 2009, he committed the United States to reducing emissions of greenhouse gases 17% by 2020, as compared to 2005 levels. At the time, 85 other nations also committed to reductions. Since U.S. GHG emissions peaked in 2007, a variety of factors—some economic, some the effect of government policies at all levels—have brought the United States more than halfway to reaching the 2020 goal. Getting the rest of the way would likely depend, to some degree, on continued GHG emission reductions from electric power plants, which are the largest source of U.S. emissions. In June 2013, the President released a Climate Action Plan that addressed this and other climate

issues. At the same time, he directed the Environmental Protection Agency (EPA) to propose standards for “carbon pollution” (i.e., carbon dioxide, the principal GHG) from existing power plants by June of this year and to finalize them in June 2015. Under the President’s timetable, by June 2016, states would be required to submit to EPA plans to implement the standards.

EPA’s Proposed Carbon Dioxide Regulations for Power Plants

House – Energy and Commerce Committee – Hearing – June 19, 2014

<http://energycommerce.house.gov/hearing/epa%E2%80%99s-proposed-carbon-dioxide-regulations-power-plants>

Witness: Janet McCabe, Acting Assistant Administrator for Air and Radiation, U.S. Environmental Protection Agency.

Thomas Hale and Peter Ogden

Subsidy Phase-Out and Reform Catalyst Bonds - A New Tool to Tackle Fossil-Fuel Subsidies

Center for American Progress – Issue Brief - June 25, 2014 – 13 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/06/FossilFuelSPAR.pdf>

To roll back fossil-fuel subsidies, we need a policy tool strong enough to transform the cost-benefit calculations of key domestic interest groups in order to create the political conditions for reform. This issue brief proposes just such a tool: subsidy phase-out and reform catalyst, or SPARC, bonds. This new financial instrument would be issued to private investors by an international financial institution, such as the World Bank, on behalf of a country. The country would then be able to use the funds to overcome political barriers to reforming fossil-fuel subsidies, such as investing in alternative energy projects, compensating subsidy beneficiaries, or developing other social projects. The future savings from phasing out fossil-fuel subsidies would then be paid back to investors.

Cecilia Springer, Pete Ogden, Nigel Purvis, and Andreas Dahl-Joergensen

Accelerating Global Vehicle Efficiency

Center for American Progress – Report - June 18, 2014 – 29 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/06/Ogden-GlobalVehicle-report.pdf>

According to the authors, the U.S. government should lead a global effort to improve vehicle efficiency through more stringent, long-term fuel-economy standards for cars and trucks. Doing so would align interests in economic growth, energy security, public health, and climate protection across a wide range of countries.

The Renewable Fuel Standard: Issues for 2014 and Beyond

CBO – Report - June 26, 2014 – 38 pages

<http://www.cbo.gov/sites/default/files/cbofiles/attachments/45477-Biofuels2.pdf>

“The Renewable Fuel Standard (RFS) establishes minimum volumes of various types of renewable fuels that must be included in the United States’ supply of fuel for transportation. Those volumes—as defined by the Energy Independence and Security Act of 2007 (EISA)—are intended to grow each year through 2022. In recent years, the requirements of the RFS have been met largely by blending gasoline with ethanol made from cornstarch. In the future, EISA requires the use of increasingly large amounts of “advanced biofuels,” which include diesel made from biomass (such as soybean oil or animal fat), ethanol made from sugarcane, and cellulosic biofuels (made from converting the cellulose in plant materials into fuel)... In this analysis, CBO evaluates how much the supply of various types of renewable fuels would have to increase over the next several years to comply with the RFS. CBO also examines how food prices, fuel prices, and emissions would vary in an illustrative year, 2017, under three scenarios for the Renewable Fuel Standard.”