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GENERAL INTEREST

Cliff Zukin, Carl Van Horn and Allison Kopicki
Unhappy, Worried, and Pessimistic: Americans in the Aftermath of the Great Recession
John J. Hendrich Center for Workforce Development - August 2014
http://heldrich.rutgers.edu/files/media/Work_Trends_August_2014.pdf

"Americans are not optimistic about economic recovery in the United States. The recession officially ended in June 2009, yet the majority of Americans do not see the economy as having improved… As a result, 71 percent of Americans believe that the recession has brought permanent, lasting changes to the American economy (up from just 49 percent who believed this was the case in November 2009 and 60 percent who believed this in January 2013)… According to the report, 42 percent of Americans believed that government could help to deal with the United States' economic situation in January 2013, while 59 percent believed that the government could do little to help. But as of August 2014, just 22 percent of respondents expressed optimism that the government could help to fix the economy, while 78 percent believed that the government could do little, if anything."

Karlyn Bowman, Jennifer K. Marsico
The State of the American Worker 2014: Attitudes about Work in America
American Enterprise Institute - August 27, 2014
http://fr.scribd.com/doc/237929580/The-state-of-the-American-worker-2014-Attitudes-about-work-in-America

"As we approach Labor Day weekend, we've assembled recent polls and historical trends on how workers feel about their jobs, benefits, co-workers, and the quality of their work life. In a related study, we look beyond concerns about work to assess economic insecurity in America. Both studies show improvement in Americans' attitudes since the 2008 crash, although many Americans do not believe the economy has turned the corner yet."

INCOMES – INEQUALITY

Income and Poverty in the United States 2013
U.S. Census Bureau - September 2014 – 72 pages
http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf

The nation's official poverty rate in 2013 was 14.5 percent, down from 15.0 percent in 2012. The 45.3 million people living at or below the poverty line in 2013, for the third consecutive year, did not represent a statistically significant change from the previous year's estimate. Median household income in the United States in 2013 was $51,939; the change in real terms from the 2012 median of $51,759 was not statistically significant. This is the second consecutive year that the annual change was not statistically significant, following two consecutive annual declines.

Health Insurance Coverage in the United States: 2013
U.S. Census Bureau - September 2014 – 28 pages
http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-250.pdf

The Current Population Survey shows that the percentage of people with health insurance for all or part of 2013 was 86.6 percent, and 13.4 percent did not have health insurance for the entire year.

Who Is the Economy Working For? The Impact of Rising Inequality on the American Economy
Senate Committee on Banking, Housing, and Urban Affairs – Hearing - September 17, 2014
http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=0570dc0a-a60e-4014-9bc1-16ff62f15661

The witnesses are: Ms. Heather McGhee, President, Demos; Dr. Amir Sufi, Professor of Finance, University of Chicago; and Ms. Claudia Viek, CEO, California Association for Micro Enterprise Opportunity (CAMEO), and Dr. Adam Hersh, Senior Economist, Center for American Progress.

Richard Reeves
Saving Horatio Alger – Equality, Opportunity, and the American Dream
Brookings – Papers on Economic Activity – Essay – August 20, 2014
http://www.brookings.edu/research/essays/2014/saving-horatio-alger#

"Alger-style upward mobility has always contained at least an element of myth….Alger was born in 1832… But it is the stories he wrote that matter, and these ultimately sold hundreds of millions of copies around the world, the largest number by far in his own country, precisely because they so vividly embodied the national creed. A century after his death in 1899, he still ranked as the fifth best-selling author in U.S. history."

Jennifer Erickson
The Middle-Class Squeeze
Center for American Progress - September 24, 2014 – 152 pages
http://cdn.americanprogress.org/wp-content/uploads/2014/09/MiddeClassSqueezeReport.pdf
Summary – 19 pages
http://cdn.americanprogress.org/wp-content/uploads/2014/09/MiddeClassSqueezeReport-INTRO.pdf

"The middle-class share of national income has fallen, middle-class wages are stagnant, and the middle class in the United States is no longer the world's wealthiest. But income is only one side of the story. The cost of being in the middle class—and of maintaining a middle-class standard of living—is rising fast too. For fundamental needs such as child care and health care, costs have risen dramatically over the past few decades, taking up larger shares of family budgets. The reality is that the middle class is being squeezed… Because of the critical role that middle-class consumers play in creating aggregate demand, the American economy is in trouble when the American middle class is in trouble. And the long-term health of the U.S. economy is at risk if financially squeezed families cannot afford—and smart public policies do not support—developing the next generation of America's workforce."

Jill H. Wilson
Investing in English Skills: The Limited English Proficient Workforce in U.S. Metropolitan Areas
Brookings Institution - September 24, 2014 – 48 pages
http://www.brookings.edu/~/media/Research/Files/Reports/2014/09/english%20skills/Srvy_EnglishSkills_Sep22.pdf

Almost one in ten adults of working age in the United States lacks full proficiency in English. English proficiency is a strong predictor of economic standing among immigrants regardless of the amount of education they have attained, and it is associated with the greater academic and economic success of the workers' children.

FISCAL AND TAX POLICIES

Leslie McGranahan and Jacob Berman
Measuring Fiscal Impetus: The Great Recession in Historical Context
FRB Chicago – Economic Perspectives – 3rd Quarter 2014 – 13 pages
http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2014/3Q2014_part1_mcgranahan_berman.pdf

"The authors use a measure of fiscal impetus to examine how fiscal policy has behaved during business cycles in the past, how it responded to the most recent recession, and how it is likely to evolve over the next several years. They find that policy was more expansionary than average during the 2007 recession and has been significantly more contractionary than average during the recovery. By the end of 2012, fiscal impetus was below its historical business-cycle average and it is forecast to remain depressed well into the future."

William G. Gale and Andrew A. Samwick
Effects of Income Tax Changes on Economic Growth
Brookings - Paper - September 9, 2014 – 16 pages
http://www.brookings.edu/~/media/research/files/papers/2014/09/09%20effects%20income%20tax%20changes%20economic%20growth%20gale%20samwick/09_effects_income_tax_changes_economic_growth_gale_samwick.pdf

"This paper examines how changes to the individual income tax affect long-term economic growth. The structure and financing of a tax change are critical to achieving economic growth. Tax rate cuts may encourage individuals to work, save, and invest, but if the tax cuts are not financed by immediate spending cuts they will likely also result in an increased federal budget deficit, which in the long-term will reduce national saving and raise interest rates…The results suggest that not all tax changes will have the same impact on growth. Reforms that improve incentives, reduce existing subsidies, avoid windfall gains, and avoid deficit financing will have more auspicious effects on the long-term size of the economy, but may also create trade-offs between equity and efficiency."

Lawrence M. Mead
Overselling the Earned Income Tax Credit
American Enterprise Institute, September 22, 2014
http://www.aei.org/article/economics/overselling-the-earned-income-tax-credit/

"The Earned Income Tax Credit clearly does reduce poverty, but it raises work levels far less than some of the statistical studies of the past decade claim, and it appears to do so by encouraging working people to keep working, rather than driving the non-working poor toward jobs. We must add other suasions to promote and enforce work, including mandating participation in work programs and setting some threshold of working hours that claimants have to achieve to get benefits."

Kyle Pomerleau
Corporate Income Tax Rates around the World, 2014
Tax Foundation, August 20, 2014.
http://taxfoundation.org/article/corporate-income-tax-rates-around-world-2014

"The corporate income tax rate is one of many aspects of what makes a country's tax code and economy attractive for investment. However, as the rest of the world's economies mature and their tax rates on corporate income continue to decline, the United States risks losing its competitive edge due to its exceptionally high corporate income tax rate."

Donald J. Marples and Jane G. Gravelle
Corporate Expatriation, Inversions, and Mergers: Tax Issues
Congressional Research Service – Report - September 25, 2014 – 21 pages
http://fas.org/sgp/crs/misc/R43568.pdf?x

"News reports in the late 1990s and early 2000s drew attention to a phenomenon sometimes called corporate "inversions" or "expatriations": instances where U.S. firms reorganize their structure so that the "parent" element of the group is a foreign corporation rather than a corporation chartered in the United States… These types of inversions largely ended with the enactment of the American Jobs Creation Act of 2004… However, two avenues for inverting remained. Several high profile companies have more recently indicated an interest in merging or plans to merge with a non-U.S. headquartered company… This "second wave" of inversions again raises concerns about an erosion of the U.S. tax base. Two policy options have been discussed in response."

Thomas L. Hungerford
Why Are So Many U.S. Corporations Trying to Invert?
Economic Policy Institute – Economic Snapshot - September 10, 2014
http://www.epi.org/publication/corporations-invert/

The effective tax rate—the tax rate that firms actually pay—is lower than the statutory tax rate. As the figure shows, due to loopholes and tax breaks, the average effective U.S. corporate tax rate is 27.7 percent. This is not different from the average of 16 similar, economically advanced countries.

Thomas L. Hungerford
Policy Responses to Corporate Inversions: Close the Barn Door Before the Horse Bolts
Economic Policy Institute - Issue Brief - September 8, 2014 – 9 pages
http://www.epi.org/files/2014/corporate-inversions.pdf

EPI Director of Tax and Budget Policy Thomas L. Hungerford finds that the recent uptick in corporate inversions—a maneuver whereby U.S. multinational corporations merge with much smaller foreign corporations so as to move the corporation to a lower-tax country—is threatening to cost American taxpayers billions in lost revenue. Hungerford argues that targeted legislation that reduces the incentives and ability of firms to invert is necessary to protect the corporate tax base.

MONETARY POLICY

Robert E. Lucas, Jr.
Liquidity: Meaning, Measurement, Management
Federal Reserve Bank of St. Louis Review - Third Quarter 2014 -pp. 199-212
http://research.stlouisfed.org/publications/review/2014/q3/lucas.pdf

This article is based on the author's Homer Jones Memorial Lecture delivered at the Federal Reserve Bank of St. Louis, April 2, 2014.

Yi Wen
When and How To Exit Quantitative Easing?
Federal Reserve Bank of St. Louis Review - Third Quarter 2014 -pp. 243-265
http://research.stlouisfed.org/publications/review/2014/q3/wen.pdf

"The essence of quantitative easing (QE) is reducing the cost of private borrowing through large-scale purchases of privately issued debt instead of public debt (Bernanke, 2009). Considering the economy has drastically recovered, it is time to consider how exiting from these private asset purchases will affect the economy. In a standard economic model, if monetary injections can increase aggregate output and employment, then the reverse action may undo such effects. But does this imply that the U.S. economy will dive into another recession once the Fed starts its large-scale asset sales (under the assumption that QE has successfully pulled the economy out of the Great Recession)? This article studies the likely impact of QE and its exit strategy on the economy."

Bill Medley
Highways of Commerce: Central Banking and the U.S. Payments System
FRB Kansas City – Book – September 2014 – 172 pages
http://kansascityfed.org/publicat/highwaysofcommerce/highwaysofcommerce.pdf

"Throughout U.S. history, consumers, merchants, financial institutions, policymakers and others have grappled with the question of who is ultimately responsible for the nation's payments system. This book explores the history behind the Federal Reserve's current roles as overseer and participant in the payments system and the often contentious debate over the central bank's responsibilities."

Stephanie Lo and J. Christina Wang
Bitcoin as Money?
FRB Boston – Current Policy Perspectives – September 4, 2014 – 28 pages
http://www.bostonfed.org/economic/current-policy-perspectives/2014/cpp1404.pdf

"This policy brief discusses how some features of bitcoin, as designed and executed to date, have hampered its ability to perform the functions required of a fiat money—as a medium of exchange, unit of account, and store of value. Furthermore, we document how various forms of intermediaries have emerged and evolved within the Bitcoin network, particularly noting the convergence toward concentrated processing, both on and off the blockchain."

FINANCE

Thomas Klitgaard and Preston Mui
The Declining U.S. Reliance on Foreign Investors
FRB New York - Liberty Street Economics - August 20, 2014
http://libertystreeteconomics.newyorkfed.org/2014/08/the-declining-us-reliance-on-foreign-investors.html#.VC1Rr_1_s1M

"The United States has been borrowing from the rest of the world since the mid-1980s. From 2000 to 2008, this borrowing averaged over $600 billion per year, which translates into U.S. spending exceeding income by almost 5.0 percent of GDP. Borrowing fell during the recent recession, as would be expected, and then rebounded with the recovery. Since 2011, however, borrowing has trended down and fell to 2.4 percent of GDP in 2013, the smallest amount as a share of GDP since 1997. A reduced dependency on foreign funds can be viewed as a favorable development to the extent that it reflects an improvement in the fiscal balance to a more easily sustainable level. However, it also reflects the lackluster recovery in residential investment, which is one reason the economy has yet to get back to its full operating potential."

Wall Street Reform: Assessing and Enhancing the Financial Regulatory System
Senate Committee on Banking, Housing, and Urban Affairs – Hearing - September 9, 2014
http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=b15fc832-df18-47d7-8c7d-1367e5770086

The witnesses are: The Honorable Daniel K. Tarullo, Governor, Board of Governors of the Federal Reserve System; The Honorable Martin J. Gruenberg, Chairman, Federal Deposit Insurance Corporation; The Honorable Thomas J. Curry, Comptroller of the Currency; Office of the Comptroller of the Currency; The Honorable Richard Cordray, Director, Consumer Financial Protection Bureau; The Honorable Mary Jo White, Chair, U.S. Securities and Exchange Commission; and The Honorable Timothy G. Massad, Chairman, U.S. Commodity Futures Trading Commission.

Marc Labonte
Systemically Important or "Too Big to Fail" Financial Institutions
Congressional Research Service – Report - September 19, 2014 – 61 pages
http://fas.org/sgp/crs/misc/R42150.pdf

"Although "too big to fail" (TBTF) has been a perennial policy issue, it was highlighted by the near-collapse of several large financial firms in 2008. Financial firms are said to be TBTF when policy makers judge that their failure would cause unacceptable disruptions to the overall financial system, and they can be TBTF because of their size or interconnectedness. In addition to fairness issues, economic theory suggests that expectations that a firm will not be allowed to fail create moral hazard—if the creditors and counterparties of a TBTF firm believe that the government will protect them from losses, they have less incentive to monitor the firm's riskiness because they are shielded from the negative consequences of those risks. If so, they could have a funding advantage compared with other banks, which some call an implicit subsidy. S.Con.Res. 8, passed by the Senate on March 22, 2013, and H.Con.Res. 25, as amended and passed by the Senate on October 16, 2013, create a non-binding budget reserve fund that allows for future legislation to address the TBTF funding advantage."

Gary Shorter and Rena S. Miller
Dark Pools in Equity Trading: Policy Concerns and Recent Developments
Congressional Research Service – Report - September 26, 2014 – 18 pages
http://fas.org/sgp/crs/misc/R43739.pdf

"Securities regulators and state officials have raised policy concerns about the pools, as have Members of Congress in various committee oversight hearings. Such concerns include the impact of the pools on market quality, their lack of pre-trade transparency, transparency about whether the pools allow high-frequency trading (HFT), and to what extent they do so. This report explains what dark pools are, outlines recent developments of significance to the pools (including public policy and regulatory developments), and examines various current public policy concerns."

Simon Kwan
Long Road to Normal for Bank Business Lending
FRB San Francisco – Economic Letter - August 4, 2014 – 5 pages
http://www.frbsf.org/economic-research/publications/economic-letter/2014/august/bank-business-lending-terms-analysis/el2014-23.pdf

"Following the 2007–09 financial crisis, bank lending to businesses plummeted. Five years later, the dollar amount of bank commercial and industrial lending has finally surpassed the previous peak. However, despite very accommodative monetary policy and abundant excess reserves in the banking system, the spread of the commercial loan interest rates over the target federal funds rate remains above its long-run average. This suggests that business loans are not yet cheap relative to banks' funding cost."

Susan M. Dynarski
An Economist's Perspective on Student Loans in the United States
Brookings – Working Paper – September 2014 – 28 pages
http://www.brookings.edu/~/media/research/files/papers/2014/09/economist_perspective_student_loans_dynarski/economist_perspective_student_loans_dynarski

"In this paper, I provide an economic perspective on policy issues related to student debt in the United States. I lay out the economic rationale for government provision of student loans and summarize time trends in student borrowing. I describe the structure of the U.S. loan market, which is a joint venture of the public and private sectors. I then turn to three topics that are central to the policy discussion of student loans: whether there is a student debt crisis, the costs and benefits of interest subsidies, and the suitability of an income-based repayment system for student loans in the United States. I close with a discussion of the gaps in the data required to fully analyze and steer student-loan policy."

Alex Musatov and William Watts
Despite Cautionary Guidance, Leveraged Loans Reach New Highs
Federal Reserve Bank of Dallas - Economic Letter – September 2014 – 4 pages
http://www.dallasfed.org/assets/documents/research/eclett/2014/el1410.pdf

"Leveraged lending has grown significantly since 2010 as underwriting standards have loosened. Despite regulatory concerns, markets have reached new highs that may hint at a buildup of risk."

OTHER ECONOMIC POLICY ISSUES

Ann Norman, Xinyuan Zou and Joe Barnett
Critical Minerals: Rare Earths and the U.S. Economy
National Center for Policy Analysis - Policy Backgrounder - September 2014 – 16 pages
http://www.ncpa.org/pdfs/bg175.pdf

"Rare earths are 17 elements in the Earth's crust used in a variety of applications, from hybrid cars and x-ray units to cell phones and wind turbines…Unfortunately, the United States is largely dependent on China for these critical minerals, posing a serious threat to the American economy. With few suppliers, disruptions in the Chinese rare earth market lead to price fluctuations, with ripple effects across rare earth-dependent industries. Notably, the United States has a considerable rare earths supply; what it lacks is an efficient permitting process to attract investment and promote extraction."

W. Mark Crain and Nicole V. Crain
The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business
National Association of Manufacturers - September 10, 2014 – 77 pages
http://www.nam.org/~/media/A7A8456F33484E498F40CB46D6167F31.ashx

"The National Association of Manufacturers (NAM) has issued a report that shows the macroeconomic impact of federal regulations. The study also reveals the extent to which manufacturers bear a disproportionate share of the regulatory burden, and that burden is heaviest on small businesses and manufacturers because their compliance costs are often not affected by economies of scale."

Robert E. Litan
Source of Weakness: Worrisome Trends in Solvency Regulation of Insurance Groups in a Post-Crisis World
Brookings - Paper - August 6, 2014 – 18 pages
http://www.brookings.edu/~/media/research/files/papers/2014/08/trends%20insurance%20group%20solvency%20regulation%20litan/trends_insurance_group_solvency_regulation_litan.pdf

"The regulation of insurer financial strength in the United States historically has focused on a fundamental principle: that the premiums and capital of any insurer are meant to pay the claims of that insurer's policyholders and not to be drawn on to rescue a failing affiliate within the same group. This is a customer-centric approach, based on the individual insurance contract that is issued by a separately capitalized insurer for a specific period of time, in which the premiums charged are regulated based on that issuer's solvency position and the risk assumed under that contract. Since the financial crisis, however, international financial bodies, including the EU, have been pressing U.S. policy makers to adopt the EU's very different approach toward insurance regulation for globally and systemically important insurers, and potentially for all insurers, borrowing from the banking industry the notion of "group capital" regulation."

Daniel J. Richardson
The U.S. Postal Service's Financial Condition: A Primer
Congressional Research Service – Report - September 22, 2014 – 14 pages
http://fas.org/sgp/crs/misc/R43162.pdf?

"Congress designed the USPS to be financially self-supporting. The agency's ability to remain financially self-sustaining over the long term is questionable. In FY2013, the USPS's revenues began to rise after falling for four consecutive years. However, expenses have not fallen quickly enough to allow the Postal Service to meet its statutory prefunding commitments to the RHBF and place the agency on a more sustainable financial course… Despite these organizational actions and the increase in revenue for the USPS in FY2013, the Postal Service projects that legislative change will be necessary to improve liquidity moving forward. With no further borrowing authority the USPS could find itself with insufficient funds to continue operations, leading to a need for payment prioritization and the continued deferral of capital and infrastructure expenditures."

Katie Jones
An Overview of the HOME Investment Partnerships Program
Congressional Research Service – Report - September 11, 2014 - 35 pages
http://fas.org/sgp/crs/misc/R40118.pdf

"The HOME Investment Partnerships Program was authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625). HOME is a federal block grant program that provides funding to states and localities to be used exclusively for affordable housing activities to benefit low-income households. Funds for HOME are appropriated annually to the Department of Housing and Urban Development (HUD), which in turn distributes funding to states and certain localities by formula. Forty percent of HOME funds are allocated to states and 60% are allocated to localities."

Andreas Fuster, Basit Zafar, and Matthew Cocci
Why Aren't More Renters Becoming Homeowners?
FRB New York - Liberty Street Economics - September 08, 2014
http://libertystreeteconomics.newyorkfed.org/2014/09/why-arent-more-renters-becoming-homeowners.html#.VBMGLPl_s1M

"Recent activity in the U.S. housing market has been widely perceived as disappointing. For instance, sales of both new and existing homes were about 5 percent lower over the first half of 2014 than over the first half of 2013. From a longer-term perspective, a striking statistic is that the homeownership rate in the United States has fallen from 69 percent in 2005 to 65 percent in the first quarter of 2014. This decrease in homeownership is particularly pronounced for younger households, implying that many of them are remaining renters for longer than in the past. In this post, we use survey evidence to shed some light on what is driving this sluggish transition from renting to homeownership."

LOCAL ECONOMIC DEVELOPMENT

The Changing State of States' Economies
FRB Atlanta – Blog - September 15, 2014
http://macroblog.typepad.com/macroblog/2014/09/the-changing-state-of-states-economies.html

"No state in the country escaped the Great Recession unscathed, although some states suffered more than others. Similarly, the ensuing recovery has unfolded unevenly. A macroblog post examines the impact of the downturn and the rebound at the state level"

Erica Williams and Chris Mai
State Earned Income Tax Credits and Minimum Wages Work Best Together
Center on Budget and Policy Priorities – Report – September 3, 2014 – 10 pages
http://www.cbpp.org/files/7-12-06sfp.pdf

As states continue to recover from the recession, state lawmakers should look to help working families recover, too. They can do this effectively by strengthening their states' earned income tax credits (EITCs) and minimum wages. EITCs and the minimum wage are twin pillars of making work pay for families that earn low wages.

They boost income, widen the path out of poverty, and reduce income inequality. They also help to build a stronger future economy by putting children on a better path.

BUSINESS - MANUFACTURING

The Decline in Business Formation: Implications for Entrepreneurship and the Economy
House Committee on Small Business – Hearing - September 11, 2014
http://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=384542

The purpose of the hearing was to examine the failure of the United States' to rebound economically and the how the declining rate of small business creation effects the economy. Witnesses:
Mr. Jonathan Ortmans, Senior Fellow, Kauffman Foundation, Washington, DC
Mr. John Dearie, Executive Vice President, Financial Services Forum, Washington, DC
Mr. Chad Moutray, Chief Economist, National Association of Manufacturers, Washington, DC
Dr. John Deskins, Director and Associate Professor, Bureau of Business & Economic Research, College of Business & Economics, West Virginia University, Morgantown, WV

Harold L. Sirkin, Michael Zinser, and Justin Ros
The Shifting Economics of Global Manufacturing: How Cost Competitiveness Is Changing Worldwide
Boston Consulting Group – August 19, 2014
https://www.bcgperspectives.com/content/articles/lean_manufacturing_globalization_shifting_economics_global_manufacturing/

"For the better part of three decades, a rough, bifurcated conception of the world has driven corporate manufacturing investment and sourcing decisions. Latin America, Eastern Europe, and most of Asia have been viewed as low-cost regions. The U.S., Western Europe, and Japan have been viewed as having high costs. But this worldview now appears to be out of date. Years of steady change in wages, productivity, energy costs, currency values, and other factors are quietly but dramatically redrawing the map of global manufacturing cost competitiveness."

Federico J. D□ez and Gita Gopinath
The Competitiveness of U.S. Manufacturing
FRB Boston – Current Policy Perspectives – June 2014 – 25 pages
http://www.bostonfed.org/economic/current-policy-perspectives/2014/cpp1403.pdf

"We study the competitiveness of U.S. manufacturing. For the period 1999–2012 we find little support for a significant offshoring reversal. We show that the share of domestic demand that is met by imports and the terms of trade show no signs of reversal, even in sectors dominated by imports from China. We do, however, find some evidence consistent with the U.S. shale-gas energy revolution raising the competiveness of U.S. energy-intensive sectors."

Automotive Value Creators Report 2014: A Comeback in the Making
Boston Consulting Group – August 19, 2014
https://www.bcgperspectives.com/content/articles/automotive_value_creation_strategy_2014_automotive_value_creators_comeback_making/

"The automotive industry is making an impressive comeback from the financial crisis. Three companies' successes show the steps others should consider as the industry recovers… The report analyzes the industry's two largest sectors, original-equipment manufacturers (OEMs) and makers of automotive components that are sold either to OEMs or to end users in the aftermarket."

SCIENCE – TECHNOLOGY

Restoring the Foundation: The Vital Role of Research in Preserving the American Dream
American Academy of Arts & Sciences - September 15, 2014 – 36 pages
36 pages:
http://www.amacad.org/multimedia/pdfs/publications/researchpapersmonographs/restoringFoundationBrief.pdf
152 pages:
http://www.amacad.org/multimedia/pdfs/publications/researchpapersmonographs/restoringFoundation.pdf

Scientific and technological advances are fundamental to the prosperity, health, and security of America. Innovation and rapid integration of new knowledge and technologies emerge from investments in research and development, and rely on the partnership among universities, federal and state governments, and industry. Staying globally competitive will require a stronger partnership and a greater focus on long-term planning in scientific and engineering research. The report offers actionable recommendations for the long-term sustainability of the U.S. science and engineering research system to ensure that the American people receive the maximum benefit from federal investments in research.

Harry Stein, Jennifer Erickson, and Alex Rowell
Closing the Science Gap - Why We Need to Reinvest in Basic Research
Center for American Progress – Report - September 2, 2014 – 10 pages
http://cdn.americanprogress.org/wp-content/uploads/2014/08/ScienceGap1.pdf

Despite bipartisan agreement to double funding for basic research, Congress has not followed up with the appropriations necessary to meet this goal. In the three years after the America COMPETES Reauthorization Act of 2010 was passed, NSF, NIST, and DOE Science faced a gap of nearly $6 billion in funding; this can be thought of as “Science Gap 1.0.” Given the huge return on investment from basic research, this lost funding has major economic implications and even risks eroding the science-based military advantage that serves as a cornerstone of our national security. But the even more worrying reality is that we are about to face “Science Gap 2.0.”

Scott Andes, Mark Muro and Matthew Stepp
Going Local: Connecting the National Labs to their Regions to Maximize Innovation and Growth
Brookings - Report - September 10, 2014 – 19 pages
http://www.brookings.edu/~/media/research/files/reports/2014/09/10%20national%20labs/bmpp_doe_brief.pdf

“Since their inception in the 1940s, the Department of Energy (DOE) national laboratories have been in the vanguard of America’s global research and development leadership. However, the national innovation system has changed in the past 70 years. This brief argues that, in order to improve the impact of the national labs, DOE and Congress should: Improve the labs as an economic asset; Open labs to small- and medium-sized businesses; Increase labs’ relevance to regional and metropolitan clusters; Provide greater flexibility in oversight and funding.”

The Robots are Coming
Brookings – September 2014
http://www.brookings.edu/research/flash-topics/flash-topic-folder/civilian-robotics

“We are increasingly reliant on robots for security and military purposes, commercial benefit, and personal, everyday use. And while innovations in robotics moves at a rapid pace, the law and regulatory guidelines around these technologies have not. Who will regulate the integration of these technologies into our societies? How will we allocate risk and liability around these technologies? How will the economic benefits of this innovative technology be maximized? How should we think about robotic design to best serve humans’ interest? What are the major regulatory challenges around robotics? What new laws or legal clarifications are needed? How should the government intervene, or not? This paper series – focused on the future of civilian robotics – seeks to answer the varied legal questions around the integration of robotics into human life."

Net Neutrality Matters: Protecting Consumers and Competition Through Meaningful Open Internet Rules
Senate Committee on the Judiciary – Hearing - September 17, 2014
http://www.judiciary.senate.gov/meetings/why-net-neutrality-matters-protecting-consumers-and-competition-through-meaningful-open-internet-rules

"On Monday, the Federal Communications Commission (FCC) closed the public comment period n its proposed rules to protect an open Internet. An astounding 3.7 million Americans made their voices heard on an issue that is of critical importance to consumers and businesses. An overwhelming number of comments called on the FCC to enact meaningful rules that will protect consumers and preserve competition online. I agree, and the FCC should heed their call… This testimony and the testimony we will hear today underscore the importance of why net neutrality matters. It matters for our economic growth and competitiveness. It matters because the Internet is an equalizer that can help break cycles of unemployment and poverty. It matters because the online world is the ultimate tool for free expression and democracy—a tool so powerful that it has helped topple totalitarian governments…Meaningful rules would stop so-called "paid prioritization" deals that would allow large corporations to drown out smaller competitors."

INFRASTRUCTURE - TRANSPORTATION

Sylvain Leduc and Dan Wilson
Fueling Road Spending with Federal Stimulus
FRB San Francisco – Economic Letter - August 25, 2014 – 5 pages
http://www.frbsf.org/economic-research/publications/economic-letter/2014/august/recovery-act-federal-stimulus-highway-spending/el2014-25.pdf

"Highway spending in the United States between 2008 and 2011 was flat, despite the serious need for improvements and the big boost to state highway funds from the Recovery Act of 2009. A comparison of how much different states received and spent shows that these federal grants actually boosted highway spending substantially. However, this was offset by pressures to reduce state highway spending due to plummeting tax revenues. In fact, analysis suggests national highway spending would have fallen roughly 20% over this period without federal highway grants from the Recovery Act."

Tracking the Economy: An Old Industry Chugs Along
FRB Atlanta – EconSouth – Article – May/August 2014 – 5 pages
http://www.frbatlanta.org/documents/pubs/econsouth/14q2-tracking-economy-old-industry-chugs-along.pdf

EconSouth explores trains' vital role in U.S. commerce. One of the country's early infrastructure projects was also one of its most ambitious, and its success has endured: the freight railroad system. Despite profound changes in the U.S. economy, railroads still play a vital role in commerce.

Impact of Fuel Price Increases on the Aviation Industry
GAO – Report – September 2014 – 30 pages
http://www.gao.gov/assets/670/666128.pdf

"The aviation industry is vital to the U.S. economy… Between 2002 and 2013, jet fuel prices more than quadrupled from $0.72 to $2.98 per gallon and general aviation gasoline prices more than tripled from $1.29 to $3.93 per gallon in nominal terms… This report discusses (1) the impact of increases in fuel prices from 2002 to 2013 on commercial passenger aviation, (2) the impact of increases in fuel prices from 2002 to 2012 on general aviation, and (3) the results of GAO's analysis of how future increases in fuel prices could impact the trust fund."

Randal O'Toole
Policy Implications of Autonomous Vehicles
Cato Institute – Policy Analysis - September 18, 2014 – 16 pages
http://object.cato.org/sites/cato.org/files/pubs/pdf/pa758_1.pdf

"Autonomous vehicles that can take over some or most driving functions will transform the 21st century in the same way that mass-produced automobiles trans-formed the 20th. Auto travel will become safer. Congestion will decline if not disappear. People who can be productive rather than endure the stress of driving will look at travel in an entirely new way. Eventually, mobility will be available to everyone, not just those who have a driver's license." Considering the technology available today and what ex-perts think will be available in the near future, the author offers policy recommendations.

AGRICULTURE - FISHING

Randy Schnepf
Agriculture in the WTO: Rules and Limits on Domestic Support
Congressional Research Service – Report - September 18, 2014 – 17 pages
http://fas.org/sgp/crs/misc/RS20840.pdf

Omnibus U.S. farm legislation—referred to as the farm bill—is renewed about every five years. Farm income and commodity price support programs have been a part of U.S. farm bills since the 1930s. Each successive farm bill usually involves some modification or replacement of existing farm programs. A key question likely to be asked of every new farm proposal or program is how it will affect U.S. commitments under the World Trade Organization's (WTO's) Agreement on Agriculture (AoA) and its Agreement on Subsidies and Countervailing Measures (SCM)."

Gary W. Brester
20 Years in, NAFTA Finally Sours the US Sugar Program
American Enterprise Institute – Policy Study - September 04, 2014
http://www.aei.org/files/2014/09/03/-20-years-in-nafta-finally-sours-the-us-sugar-program_162748881632.pdf

"Although the North American Free Trade Agreement (NAFTA) was signed 20 years ago, it only truly began affecting the US sugar industry over the past two years as world sugar production has increased and world prices have declined. Recent trade negotiations have complicated the US Department of Agriculture's ability to control total US sugar supplies. The US sugar industry will need to reduce annual domestic production by 5 to 10percent to meet US trade commitments and minimize taxpayer costs."

Melissa S. Kearney, Benjamin H. Harris, and Brad Hershbein
What's the Catch? Challenges and Opportunities of the U.S. Fishing Industry
Brookings – Hamilton Project – September 2014 – 8 pages
http://www.hamiltonproject.org/files/downloads_and_links/Challenges_opportunities_fishing_industry_policybrief.pdf

"The economic importance of the fishing sector extends well beyond the coastal communities for which it is a vital industry. Commercial fishing operations, including seafood wholesalers, processors, and retailers, all contribute billions of dollars annually to the U.S. economy. Recreational fishing—employing both fishing guides and manufacturers of fishing equipment—is a major industry in the Gulf Coast and South Atlantic. Estimates suggest that the economic contribution of the U.S. fishing industry is nearly $90 billion annually, and supports over one and a half million jobs. A host of challenges threaten fishing's viability as an American industry."

Christopher Costello
Tomorrow's Catch: A Proposal to Strengthen the Economic Sustainability of U.S. Fisheries
Brookings – Hamilton Project – September 2014 – 8 or 27 pages
http://www.hamiltonproject.org/papers/tomorrows_catch_strengthening_economic_sustainability_of_fisheries/

"For wild fisheries in U.S. waters, economic prosperity and environmental sustainability go hand in hand. Yet the tremendous economic potential of U.S. fisheries is left largely untapped due to command-and-control style regulations that incentivize inefficient use of economic inputs, overexploitation, and overcapitalization. These perverse incentives can lead to economic, and often ecological, disaster. Fortunately, a collection of promising fishery management tools is available. This suite of solutions, collectively called catch shares, is based on the principle of property rights to individuals, cooperatives, or fishing communities; the policy and legal infrastructure for implementation of catch shares already exists in the United States. This proposal calls for an amendment to the Magnuson-Stevens Fishery Conservation and Management Act, the federal law currently guiding the management of U.S. fisheries."

EMPLOYMENT

Slack in the Labor Market in 2014
CBO – Blog - September 2, 2014
http://www.cbo.gov/publication/45683?

"Although conditions in the labor market have improved notably in recent quarters, a significant amount of slack remains, in CBO's estimation. As discussed in a blog post last week and in our updated budget and economic outlook, CBO anticipates that economic growth will pick up in the next few years. That faster growth will reduce the amount of slack in the economy. Similarly, in CBO's judgment, ongoing gains in employment will largely eliminate the existing slack in the labor market during the next few years."

Daniel Cooper and María José Luengo-Prado
Labor Market Exit and Re-Entry: Is the United States Poised for a Rebound in the Labor Force Participation Rate?
FRB Boston – Current Policy Perspectives – September 3, 2014 – 24 pages
http://www.bostonfed.org/economic/current-policy-perspectives/2014/cpp1402.pdf

"The U.S. labor force participation rate has declined sharply since 2007—far faster than can be explained by demographic shifts in the population. This brief analyzes the re-entry probability for individuals who exit the labor force as well as the financial demographic, and employment characteristics of these individuals. The vast majority of individuals under 45 years of age re-enter the labor market within four years of exiting; however, the re-entry rate drops substantially for 50–54 year-olds and 55–59 year-olds. Those individuals who exit the labor market appear more marginally attached to the labor force, and they have less financial resources to sustain themselves during long periods of being out of work. There is also some evidence that intra-household labor market substitution occurs when the household head exits the labor market first/first exits the labor market."

James Sherk
Not Looking for Work: Why Labor Force Participation Has Fallen During the Recovery
Heritage - Backgrounder - September 4, 201 – 17 pages
http://thf_media.s3.amazonaws.com/2014/pdf/BG2722_2014.pdf

“The post-recession economy has undergone the slowest recovery in 70 years. In addition to more than 6 percent unemployment five years after the recession officially ended, labor force participation has fallen sharply since the recession began in December 2007. Today, 6.9 million fewer Americans are working or searching for work. The drop in unemployment since 2009 is almost entirely due to the fact that those not looking for work do not count as unemployed. Demographic factors explain less than one-quarter of the decreased labor force participation. The rest comes from increased school enrollment and more people collecting disability benefits. Over 6 percent of U.S. adults are now on Social Security Disability Insurance. This is no time to make it more difficult for businesses to create jobs.”

Jaison R. Abel and Richard Deitz
Are the Job Prospects of Recent College Graduates Improving?
New York Fed – Liberty Street Economics – September 2014
http://libertystreeteconomics.newyorkfed.org/2014/09/are-the-job-prospects-of-recent-college-graduates-improving.html#.VAyQe_1_s1M

“In our final post of this week’s blog series, we take a look at the job prospects of recent college graduates. While unemployment among recent graduates has continued to fall since 2011, underemployment has continued to climb—meaning that fewer graduates are finding jobs that make use of their degrees. Do these trends mean that there has been a decline in the demand for those with college degrees? Using data on online job postings, we show that after falling sharply during the Great Recession, the demand for college graduates rebounded during the early stages of the recovery, but has been flat for the past year and a half, suggesting that the demand for college graduates has leveled off. All in all, while finding a job has become easier for recent college graduates over the past few years, finding a good job has not, and doing so is likely to remain a challenge for some time to come.”

Sarah Ayres
National Standards for Strong Apprenticeships
Center for American Progress – Report – August 27, 2014 - 8 pages
http://cdn.americanprogress.org/wp-content/uploads/2014/08/ApprenticeshipStandards-brief.pdf

“While today’s registered apprenticeship programs are high quality, few employers know what an apprenticeship entails or what competencies a potential employee who has completed an apprenticeship possesses. This is especially true in fields other than building and construction, where the majority of apprenticeships are now concentrated. As policymakers look to expand apprenticeships into new sectors and occupations, it will be crucial to establish apprenticeship as a credible form of certification in the eyes of employers. To accomplish this, employers should develop industrywide standards that validate that a worker who has successfully completed an apprenticeship possesses the specific knowledge and competencies required for employment in that industry. By developing a robust apprenticeship system, the United States can better meet business demand for skilled labor and strengthen its competiveness in the global economy.”

WAGES

Daniel Aaronson and Andrew Jordan
Understanding the Relationship between Real Wage Growth and Labor Market Conditions
FRB Chicago – Fed Letter – October 2014 – 4 pages
http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2014/cfloctober2014_327.pdf

“The authors find that the share of the labor force that is medium-term unemployed (five to 26 weeks unemployed) and the share working part time (less than 35 hours per week) involuntarily are strongly correlated with real wage growth. Moreover, they estimate that average real wage growth would have been between one-half of a percentage point and a full percentage point higher in June 2014 if 2005–07 labor market conditions had been restored, indicating that the slack in the jobs market still weighs heavily on the real wage prospects of U.S. workers."

Elise Gould
Why America's Workers Need Faster Wage Growth—And What We Can Do About It
Economic Policy Institute – Briefing Paper - August 27, 2014 – 29 pages
http://s4.epi.org/files/2014/why-americas-workers-need-faster-wage-growth-final.pdf

"This paper, hand-in-hand with the overview paper (Bivens et al. 2014) for EPI's Raising America's Pay initiative, explains in detail why we need to raise wages in order to achieve real gains in the living standards of the vast majority of Americans. This paper begins by documenting the pronounced rise in income inequality in recent decades and then examines the implications of this rise in inequality for living standards growth for the vast majority. It then examines the link between wage growth and these wider income trends before undertaking a thorough analysis of wage trends since 1979. It concludes with an examination of the policy changes that have helped spur these wage trends by shifting bargaining power from the vast majority of workers to corporations and CEOs. The paper highlights an underappreciated subset of these policies: changes in labor market policies and business practices."

David G. Blanchflower and Adam S. Posen
Wages and Labor Market Slack: Making the Dual Mandate Operational
Peterson Institute - Working Paper – September 2014 - 29 pages
http://www.piie.com/publications/wp/wp14-6.pdf

"Blanchflower and Posen examine the downward pressure on wages resulting from increased nonparticipation in the labor force. This pressure is over and above the impact of the unemployment rate itself, in a pattern that holds across recent decades in the US data. The relationship between labor market slack and wage stagnation strengthens in recent years when the variation in participation increases. The authors also conclude that the impact of long-term unemployment on wages is no different from that of short-term unemployment. Their analysis provides strong empirical support for the assessment that continuing labor market slack is a key reason for the persistent shortfall in inflation relative to the Federal Open Market Committee's (FOMC) 2 percent inflation goal. They suggest wage inflation should be an additional intermediate target for monetary policy by the FOMC."

Brady Meixell and Ross Eisenbrey
An Epidemic of Wage Theft Is Costing Workers Hundreds of Millions of Dollars a Year
Economic Policy Institute - Issue Brief - September 11, 2014 - 8 pages
http://www.epi.org/files/2014/wage-theft.pdf

"EPI Vice President Ross Eisenbrey and Brady Meixell find that wage theft—employers' failure to pay workers money they are legally entitled to—affects far more people than more well-known and feared forms of theft. The total amount recovered for the victims of wage theft who retained private lawyers or complained to federal or state agencies was at least $933 million in 2012, almost three times greater than all the money stolen in robberies that year. However, since most victims never report wage theft and never sue, the real cost of wage theft to workers is much greater—and could be close to $50 billion a year."

The Minimum Wage
Center on Budget and Policy Priorities - Policy Basics – September 2014 – 3 pages
http://www.cbpp.org/files/PolicyBasics_MinimumWage.pdf

Minimum wage laws set the lowest hourly rate an employer can legally pay workers covered under the law. The federal minimum wage is currently $7.25 per hour. Where states and municipalities have enacted their own, higher, minimum wage laws, employers must pay at least the state or local minimum. As of August 1, 2014, 23 states and the District of Columbia have minimum wages above the federal minimum wage.

This Policy Basic explains various aspects of the minimum wage, including: Who Is Covered by the Minimum Wage? Who Is Paid the Minimum Wage? History of the Minimum Wage, Economic Effects of Raising the Minimum Wage, Current Proposals

Sarah Jane Glynn, Milia Fisher, and Emily Baxter
7 Actions that Could Shrink the Gender Wage Gap
Center for American Progress - Report - September 18, 2014 – 5 pages
http://cdn.americanprogress.org/wp-content/uploads/2014/09/GenderWageGap.pdf

"Although women are the primary, sole, or co-breadwinners in nearly two-thirds of families, dollar for dollar they continue to earn, on average, 22 percent less than their male counterparts, with Latinas and African American women experiencing the sharpest pay disparities compared to white men. There are a number of factors that contribute to the pay gap, including where women work, differences in hours worked, and education differences. But there is also a portion of the pay gap that is unexplained; researchers have estimated that as much as 10 percent to 40 percent of the gender wage gap cannot be explained… Closing the gap will require multifaceted solutions that together help ensure that the work women perform is valued fairly, that women are not penalized unfairly for their caregiving responsibilities, and that there is greater transparency in workplace pay practices. Here are seven steps we can take that could make a difference."

PENSIONS

Paul N. Van de Water
Understanding the Social Security Trust Funds
Center on Budget and Policy Priorities – Updated August 18, 2014 - 5 pages
http://www.cbpp.org/files/10-5-10socsec.pdf

"Few budgetary concepts generate as much unintended confusion and deliberate misinformation as the Social Security trust funds. Political candidates of both parties accuse their opponents of "raiding" the trust funds. Some writers disparage the trust funds as "funny money," "IOUs," or a "fiction." All these claims are nonsense. In fact, the Social Security trust funds are invested in Treasury securities that are every bit as sound as the U.S. government securities held by investors around the globe; investors regard those securities as being among the world's very safest investments. This brief paper provides some basic information about the Social Security trust funds."

Private Employer Defined Benefit Pension Plans
House Ways and Means Committee – Hearing - September 17, 2014
http://waysandmeans.house.gov/calendar/eventsingle.aspx?EventID=393078

The hearing will focus on some of the challenges facing employers, employees, and retirees who rely on defined benefit pension plans to help provide retirement security. It will examine the funding rules governing multiemployer plans, as well as selected issues that affect single employer plans.

Retirement Savings 2.0: Updating Savings Policy for the Modern Economy
United States Senate Committee on Finance – Hearing - September 16, 2014
http://www.finance.senate.gov/hearings/hearing/?id=9bcd48e6-5056-a032-520c-a6994823568d

"Take a look at the state of retirement savings in the U.S., and it's clear that something is out of whack. The American taxpayer delivers $140 billion each year subsidizing retirement accounts, but millions of Americans are nearing retirement with little or nothing saved. The incentives for savings in the tax code are not getting to the people who need them."

TRADE

Miriam Sapiro
Why Trade Matters
Brookings – Policy Paper - September 2014 – 30 pages
http://www.brookings.edu/~/media/research/files/papers/2014/09/why%20trade%20matters/trade%20global%20views_final.pdf

"This policy brief explores the economic rationale and strategic imperative of an ambitious domestic and global trade agenda from the perspective of the United States. International trade is often viewed through the relatively narrow prism of trade-offs that might be made among domestic sectors or between trading partners, but it is important to consider also the impact that increased trade has on global growth, development and security. With that context in mind, this paper assesses the implications of the Asia-Pacific and European trade negotiations underway, including for countries that are not participating but aspire to join. It outlines some of the challenges that stand in the way of completion and ways in which they can be addressed. It examines whether the focus on "mega-regional" trade agreementscomes at the expense of broader liberalization or acts as a catalyst to develop higher standards than might otherwise be possible."

The Contribution of Exports to Economic Growth and the Important Role of the Export-Import Bank
US Congress - Joint Economic Committee – Report - September 2014 – 7 pages
http://www.jec.senate.gov/public/?a=Files.Serve&File_id=c8610de2-c3d8-4b12-afde-01ae22bd2f40

This report analyzes the contribution of exports to economic growth and the recovery. It discusses the role the Ex-Im Bank plays in supporting U.S. exports and how reauthorizing it fits into a policy strategy of promoting export growth.

Cross Border Data Flows: Could Foreign Protectionism Hurt U.S. Jobs?
House Energy and Commerce Committee – Hearing - September 17, 2014
http://energycommerce.house.gov/hearing/%E2%80%9Ccross-border-data-flows-could-foreign-protectionism-hurt-us-jobs%E2%80%9D

"The U.S. is in the midst of trade negotiations that will set the baseline for international data transfer policy. As the Trans-Pacific Partnership (TPP), Trade in Services Agreement (TiSA), Transatlantic Trade and Investment Partnership (TTIP), and Safe Harbor Framework negotiations progress, it is critical to understand how important cross border data flows are for economic growth and jobs. It is just as important to understand the negative effects of some possibly protectionist policies, whether under the pretext of privacy concerns or hopes of supporting local businesses."

The Trans-Pacific Partnership: Lessons from Negotiations
National Bureau of Asian Research - September 4, 2014 – 2 pages
http://www.nbr.org/publications/analysis/pdf/brief/090414__Katz_TPP.pdf

The Trans-Pacific Partnership (TPP), a proposed free trade agreement (FTA) encompassing twelve nations in Asia and the Americas, was intended to be the most far-reaching and comprehensive FTA yet negotiated. It goes beyond traditional market access issues to deal with the thorny problems in intellectual property rights, investment codes, and state-owned enterprises, in ways far beyond the World Trade Organization (WTO) or past FTAs negotiated by the United States. According to the report, unless a TPP agreement is signed by the first few months of 2015, the entire venture could go the way of the Doha Round of WTO talks, with unending negotiations that never reach agreement.

Derek M. Scissors
Non-Treasury Chinese investment in the US headed to $100 billion
American Enterprise Institute - Real Clear Markets – Article - August 13, 2014
http://www.aei.org/article/economics/international-economy/non-treasury-chinese-investment-in-the-us-headed-to-100-billion

"The American Enterprise Institute-Heritage Foundation China Global Investment Tracker follows Chinese investment all over the world. Through June 30 2014, and excluding China's gigantic holdings of American treasury bonds, the U.S. had received over $70 billion in Chinese investment. This is the most of any country, and much more could be on the way… Chinese (non-bond) investments in the U.S. range from minority stakes in large financial enterprises, to outright purchases of small medical companies, to the building of office towers in major cities. Last year saw a record amount of such investment, a record which may be exceeded this year. Besides the rising amount, other prominent trends have been increasing diversification by state and by industry as well as a much greater role for China's private sector."

ENVIRONMENTAL ECONOMICS

Economics and the Environment
FRB Saint Louis - Page One Economics – Article – September 2014 – 4 pages
http://research.stlouisfed.org/pageone-economics/uploads/newsletter/2014/PageOne0914_Economics_and_the_Environment.pdf

"How are economics and the environment related? The quick answer is that environmental quality is a worthy goal, but there is an economic trade-off -- a clean environment does not come without costs. This article provides some economic strategies for protecting the environment."

Robert Pollin, Heidi Garrett-Peltier, James Heintz, and Bracken Hendricks
Green Growth - A U.S. Program for Controlling Climate Change and Expanding Job Opportunities
Center for American Progress – Report - September 2014 – 6 pages
http://cdn.americanprogress.org/wp-content/uploads/2014/09/PERI_summary.pdf

"The question now is, how we can stabilize an already-changing climate in a way that promotes economic prosperity? While recently established domestic policies have made strides toward a lower carbon future, such measures are stepping stones. They prescribe the initial path but will not lead to the final goal of achieving the reductions in greenhouse gas emissions necessary to help stabilize global temperatures. Effectively mitigating climate change requires identifying exactly how the United States will transform its energy economy to attain international goals to help protect our climate. This report quantifies the level of investment required for the United States to align emissions reductions with international goals in an economically beneficial and technically feasible manner."

Robert Meltz
Climate Change and Existing Law: A Survey of Legal Issues Past, Present, and Future
Congressional Research Service – Report - August 20, 2014 – 42 pages
http://fas.org/sgp/crs/misc/R42613.pdf

This report surveys existing law for legal issues that have arisen, or may arise in the future, on account of climate change and government responses thereto. The report takes as its point of departure the current scientific consensus that climate change is occurring and, to the degree it continues, will cause sea level rise and extreme weather events. Inclusion of some legal issues was based further on the predominant scientific view that human activities are contributing to climate change.

ENERGY

Brent D. Yacobucci
Energy Policy: 113th Congress Issues
Congressional Research Service – Report - September 18, 2014 – 11 pages
http://fas.org/sgp/crs/misc/R42756.pdf

"In the 113th Congress, energy legislation has generally been focused on specific topics, as opposed to broad legislation like that enacted in 1992, 2005, and 2007. Congress has enacted statutes on generally less controversial topics including hydroelectric licensing and permitting and pipeline safety documentation (P.L. 113-30). The 113th Congress also enacted the Water Resources Reform and Development Act of 2014 (WRRDA, P.L. 113-121), omnibus reauthorization of water resource activities. A number of issues, some of which drew attention in previous Congresses, have been taken up in proposed legislation."

Reforming America's Outdated Energy Tax Code
United States Senate Committee on Finance – Hearing - September 17, 2014
http://www.finance.senate.gov/hearings/hearing/?id=cfd3ba55-5056-a032-5258-2751125c414c

Witnesses:
Don Nickles, Chairman and CEO, The Nickles Group, LLC, Washington, DC
Norman R. Augustine, Retired Chairman and CEO, Lockheed Martin Corporation, Bethesda, MD
Dr. Gilbert Metcalf, Professor of Economics, Tufts University, Medford, MA
Ethan Zindler, Head of Policy Analysis, Bloomberg New Energy Finance, Washington, DC
Dr. David W. Kreutzer, Research Fellow in Energy Economics and Climate Chane, Center for Data Analysis, The Heritage Foundation, Washington, DC

Peter Folger and Molly F. Sherlock
Clean Coal Loan Guarantees and Tax Incentives: Issues in Brief
Congressional Research Service – Report - August 19, 2014 – 16 pages
http://fas.org/sgp/crs/misc/R43690.pdf

"As part of federal efforts to reduce greenhouse gas emissions, loan guarantees and tax incentives have been made available to support private sector investment in "clean coal." Both loan guarantees and tax incentives were included in the Energy Policy Act of 2005 (EPACT05, P.L. 109-58). Mitigating CO2 emissions has also become the primary focus of U.S. Department of Energy (DOE) efforts within the clean coal research and development program (now Coal R&D) within its Office of Fossil Energy. At issue for Congress is the extent to which the private sector has used the financial incentive tools available, and whether they are the right tools for promoting the development of technology to reduce CO2 emissions from fossil fuel power plants."

Joshua Linn, Lucija Anna Muehlenbachs, Yushuang Wang
How Do Natural Gas Prices Affect Electricity Consumers and the Environment?
Resources for the Future - Discussion Paper - July 2014 – 43 pages
http://www.rff.org/RFF/Documents/RFF-DP-14-19.pdf

"Between 2008 and 2012, the delivered price of natural gas to the U.S. power sector fell 60 percent. This paper addresses, in theory and in practice, the effects of this negative price shock on electricity consumers and the environment. We demonstrate with a simple model that the larger the effects of gas prices on consumer welfare, the smaller the effects on pollution emissions and the smaller the increase in profits of existing natural gas–fired generators. Using detailed data on electricity prices, fuel consumption, and fuel prices from 2001 to 2012, we confirm this hypothesis. Regions that experience greater reductions in pollution emissions experience smaller reductions in electricity prices and consumer welfare."

Bakken Petroleum: The Substance of Energy Independence
House Subcommittee on Energy and Subcommittee on Oversight - Joint Hearing – September 9, 2014
http://science.house.gov/hearing/subcommittee-energy-and-subcommittee-oversight-joint-hearing-bakken-petroleum-substance

"Petroleum from the Bakken region recently passed 1 million barrels per day, which accounts for approximately 12% of total domestic production. This is an important resource for the United States and it deserves due attention. That said, we are not here today to debate the merits of rail or pipeline transportation, or their current and proposed regulations. Those are important issues, but today we have a scientific focus: the characteristics and behavior of Bakken petroleum."

Global Shale Gas Development: Water Availability & Business Risks
World Resources Institute Report - September 2014.
http://www.wri.org/publication/global-shale-gas-development-water-availability-business-risks
For many nations around the world, shale gas represents an opportunity to strengthen energy security while cutting emissions. In fact, shale gas adds 47 percent to the world's natural gas reserves. But as governments and businesses explore this new and abundant resource, freshwater availability is a key challenge they must address. Extracting oil or natural gas from shale poses a number of risks to the environment and requires large quantities of nearby water. Much of this water is needed for fracturing the shale to allow hydrocarbons to flow to the surface. This report analyzes water availability across all potentially commercial shale resources worldwide. It also reveals that water availability could limit shale resource development on every continent except Antarctica.

Lei Tian, Zhongmin Wang, Alan J. Krupnick, Xiaoli Liu
Stimulating Shale Gas Development in China: A Comparison with the US Experience
Resources for the Future - Discussion Paper - July 2014 – 26 pages
http://www.rff.org/RFF/Documents/RFF-DP-14-18.pdf

"In this paper, we use the US shale gas experience to shed light on how China might overcome the innovation problem inherent in exploring and developing shale gas plays with complex geology. We separate shale gas development into two stages, an innovation stage and a scaling-up stage, with the first presenting a much bigger challenge than the latter. Our analysis suggests that China's national oil companies offer the best hope for overcoming the innovation problem. China's policy of opening shale gas development to new entrants is a market-oriented reform that can be justified on various grounds, but the new entrants will not play a major role in overcoming the innovation problem even though they may help scale up production later on."