

Sylvie VACHERET
 Spécialiste Economie des Etats-Unis
 Tel: 06 72 67 41 93
 E-Mail: vacheret.eco@orange.fr

US ECO/Vacheret

A SELECTION OF DOCUMENTS RECENTLY PUBLISHED ON THE WEB

N° 24 – October/November 2014

GENERAL INTEREST.....	2
The Growth Imperative: How Slow Growth Threatens Our Future and the American Dream.....	2
Are We There Yet? Assessing Progress Toward Full Employment and Price Stability	3
‘Whatever it Takes’ Breaks Down	3
What’s Behind This Year’s Buoyant Market	3
INCOMES – INEQUALITY	3
Perspectives on Inequality and Opportunity from the Survey of Consumer Finances	3
Equality of Opportunity: Definitions, Trends, and Interventions	4
For Richer, for Poorer: How Family Structures Economic Success in America.....	4
Retailer Revelations: Why America’s Struggling Middle Class Has Businesses Scared.....	4
Raising the Federal Minimum Wage to \$10.10 Would Save Safety Net Programs Billions and Help Ensure Businesses Are Doing Their Fair Share	4
The Changing Profile of Student Borrowers	5
FISCAL AND TAX POLICIES	5
The Federal Budget: Overview and Issues for FY2015 and Beyond	5
How CBO Analyzes the Effects of Changes in Federal Fiscal Policies on the Economy.....	5
The Earned Income Tax Credit (EITC): An Overview	5
Harnessing the EITC and Other Tax Credits to Promote Financial Stability and Economic Mobility	5
How Tax Reform Would Help American Families.....	6
Wireless Taxation in the United States 2014.....	6
MONETARY POLICY	6
Current Lessons from the Past: How the Fed Repeats Its History.....	6
Were the Federal Reserve and U.S. Treasury Working at Cross Purposes in Response to the Great Recession?	6
Does Slower Growth Imply Lower Interest Rates?.....	7
FINANCE.....	7
Managing Risk in the Recovery	7
Controlling Security Risk and Fraud in Payment Systems.....	7
Supervisory Stress Tests.....	7
Can The ‘Single Point of Entry’ Strategy Be Used To Recapitalize a Failing Bank?.....	8
Small-Dollar Credit: Consumer Needs and Industry Challenges	8
OTHER ECONOMIC POLICY ISSUES	8
Housing Market Headwinds	8
The Nonprofit Sector in Brief 2014.....	8
Regulation: Killing Opportunity.....	9
Time to Reform FTC Advertising Regulation.....	9

LOCAL ECONOMIC DEVELOPMENT	9
Rural America at a Glance, 2014 Edition	9
State “Income Migration” Claims Are Deeply Flawed	9
Reforming State Gas Taxes	10
AGRICULTURE - FISHING	10
The Future of Farming and Rise of Biotechnology	10
The Importance of Federal Crop Insurance Premium Subsidies	10
EMPLOYMENT	10
The State of the U.S. Labor Market: Pre-November 2014 Jobs Release	10
A Look at New Employment Data for Metropolitan Labor Markets	11
Rural Employment in Recession and Recovery	11
Characteristics of the Long-Term Unemployed in March 2007 and March 2014	11
Long-Term Unemployment Has Not Damaged the Productivity of Workers	11
Understanding the Organization, Operation, and Victimization Process of Labor Trafficking in the United States	12
TRADE	12
Does Foreign Outsourcing Supplant or Augment Domestic Economic Activity?	12
The Importance of the Internet and Transatlantic Data Flows for U.S. and EU Trade and Investment	12
Opening the Skies - Put Free Trade in Airline Services on the Transatlantic Trade Agenda	12
Will Nonmarket Economy Methodology Go Quietly into the Night? U.S. Antidumping Policy toward China after 2016	13
Conflict Minerals and Resource Extraction: Dodd-Frank, SEC Regulations, and Legal Challenges	13
ENVIRONMENTAL ECONOMICS	13
In Times of Drought: Nine Economic Facts about Water in the United States	13
The Initial Incidence of a Carbon Tax across US States	13
Reducing Methane Pollution from Fossil-Fuel Production on America’s Public Lands	14
ENERGY	14
Energy Policy: Information on Federal and Other Factors Influencing U.S. Energy Production and Consumption from 2000 through 2013	14
The 2013 State Energy Efficiency Scorecard	14
Complex Market Forces Are Challenging Appalachian Coal Mining	14
Changing Crude Oil Markets	15
The Market Structure of Shale Gas Drilling in the United States	15
Natural Gas: Federal Approval Process for Liquefied Natural Gas Exports	15
Nuclear Energy Policy	15

GENERAL INTEREST

Douglas Holtz-Eakin

The Growth Imperative: How Slow Growth Threatens Our Future and the American Dream

U.S. Chamber of Commerce Foundation – Report – November 2014 – 36 pages

<http://www.uschamberfoundation.org/sites/default/files/The%20Growth%20Imperative.pdf>

“America’s future is in jeopardy. Over the entire postwar period from 1947 to 2013, the trend for economic growth in America was 3.3%. Unfortunately, looking at the period as a whole masks a marked deterioration in U.S. growth performance. Since 2007, the rate has downshifted to a mere 1.5%, which translates into a meager 0.7% in growth per capita in the United States. Even more troubling, the nonpartisan Congressional Budget Office (CBO) projects that growth will only average 2.5 % over the next 10 years and drop off to 2.0% at the end of the period. Americans need faster economic growth. An additional one percentage point of faster growth has considerable positive impact on jobs, income, and opportunity. This report offers insight into the historical rate of economic growth since 1947, and warns of the troubling implications of our current slow growth path.”

Richard W. Fisher and Evan F. Koenig

Are We There Yet? Assessing Progress Toward Full Employment and Price Stability

FRB Dallas – Economic Letter – October 2014 – 4 pages

<http://www.dallasfed.org/assets/documents/research/eclett/2014/el1413.pdf>

“With help from accommodative monetary policy, there are good reasons to believe that the economy will achieve full employment and price stability fairly soon. That prospect raises challenging issues for Federal Reserve policymakers.”

John H. Makin

‘Whatever it Takes’ Breaks Down

American Enterprise Institute - |October 2014 – 11 pages

http://www.aei.org/files/2014/10/21/-whatever-it-takes-breaks-down_113720467298.pdf

“Key points: High hopes for global economic growth in 2014 have been dashed by still-declining growth and inflation, and outright global deflation is becoming more likely. The policy measures enacted thus far to reinvigorate the economy are not working, and policymakers have expressed no clear idea about what to do next. Central banks and governments must be more open about alternative approaches to managing the threat of stagnation and low growth and should prepare for a period of sharp market correction that may make these new policies more necessary.”

Ritesh Jain, Bin Jiang, and Tim Koller

What’s Behind This Year’s Buoyant Market

McKinsey – Article - October 2014

http://www.mckinsey.com/insights/corporate_finance/Whats_behind_this_years_buoyant_market

“For much of this year, the S&P 500 index has demonstrated fitful but steady growth, lifting it from just over 1,800 in January to just over 2,000 in September—a new record. That’s something of a disconnect with lackluster economic growth and rising interest rates, and it has investors puzzled and executives casting a gimlet eye on their share prices... In fact, much of the market’s value today is clearly tied to underlying sources of economic performance—and, in particular, the high level of profit margins in several high-performing sectors.”

INCOMES – INEQUALITY

Janet L. Yellen

Perspectives on Inequality and Opportunity from the Survey of Consumer Finances

Conference on Economic Opportunity and Inequality - FRB Boston - October 17, 2014 – 33 pages

<http://www.federalreserve.gov/newsevents/speech/yellen20141017a.pdf>

“In my remarks, I will review trends in income and wealth inequality over the past several decades, then identify and discuss four sources of economic opportunity in America--think of them as “building blocks” for the gains in income and wealth that most Americans hope are within reach of those who strive for them. The first two are widely recognized as important sources of opportunity: resources available for children and affordable higher education. The second two may come as more of a surprise: business ownership and inheritances. Like most sources of wealth, family ownership of businesses and inheritances are concentrated among households at the top of the distribution. But both of these are less concentrated and more broadly distributed than other forms of wealth, and there is some basis for thinking that they may also play a role in providing economic opportunities to a considerable number of families below the top.”

Richard V. Reeves and Isabel V. Sawhill

Equality of Opportunity: Definitions, Trends, and Interventions

Federal Reserve Bank of Boston - Conference Paper - October 2014 – 55 pages

<http://www.bostonfed.org/inequality2014/papers/reeves-sawhill.pdf>

“In this paper, we discuss the normative and definitional questions that guide the selection of measures intended to capture ‘equality of opportunity’; argue for one measure in particular, namely relative intergenerational income mobility (RIIM); briefly summarize the state of knowledge on mobility in the United States; describe a new micro-simulation model designed to examine RIIM – the Social Genome Model (SGM); and report results from the model on the impact of repeated policy interventions across different life stages on rates of relative mobility.”

W. Bradford Wilcox and Robert I. Lerman

For Richer, for Poorer: How Family Structures Economic Success in America

American Enterprise Institute - October 28, 2014 – 56 pages

http://www.aei.org/wp-content/uploads/2014/10/IFS-ForRicherForPoorer-Final_Web.pdf

“The standard portrayals of economic life for ordinary Americans and their families paint a picture of stagnancy, even decline, amidst rising income inequality or joblessness. But rarely does the public conversation about the changing economic fortunes of Americans and their families look at questions of family structure. This is an important oversight because, as this report shows, changes in family formation and stability are central to the changing economic landscape of American families, to the declining economic status of men, and to worries about the health of the American dream.”

Brendan Duke and Ike Lee

Retailer Revelations: Why America’s Struggling Middle Class Has Businesses Scared

Center for American Progress – Report - October 13, 2014 – 32 pages

http://cdn.americanprogress.org/wp-content/uploads/2014/10/CorporateMiddleOut_report3.pdf

The decline of the U.S. middle class has corporate America and Wall Street scared. And nobody is more frightened than America’s biggest retailers. Five years after the 2001 recession ended, real retail spending per person had climbed 7 percent above its prerecession level. More than five years after the end of the Great Recession—August 2014—retail spending per person had finally reached its prerecession level... The culprit is obvious: low wage and income growth for the middle class. Median household income in 2013 stood 8 percentage points below its 2007 prerecession level. The simple fact of the matter is that when households do not have money, retailers do not have customers. The failure of incomes to keep up with the growing cost of college, child care, and other middle-class staples leaves even less money for retail spending.”

David Cooper

Raising the Federal Minimum Wage to \$10.10 Would Save Safety Net Programs Billions and Help Ensure Businesses Are Doing Their Fair Share

Economic Policy Institute – Report - October 16, 2014 – 14 pages

<http://s4.epi.org/files/2014/safety-net-savings-from-raising-minimum-wage-final.pdf>

“After rising in line with economy-wide productivity in the three decades following its inception in 1938, the federal minimum wage has been raised so inadequately and so infrequently since the late 1960s that today’s minimum-wage workers make roughly 25 percent less in inflation-adjusted terms than their counterparts 45 years ago... David Cooper finds that if the minimum wage were raised to \$10.10 an hour, 1.7 million Americans would no longer rely on government assistance, and government spending on current income-support programs would decline by at least \$7.6 billion per year. This money could then be repurposed into either new programs or expansions of existing programs to fight poverty.”

The Changing Profile of Student Borrowers

Pew Research Social & Demographic Trends - October 7, 2014 – 28 pages

http://www.pewsocialtrends.org/files/2014/10/2014-10-07_Student-Debtors-FINAL.pdf

In 2012, a record share of the nation’s new college graduates (69%) had taken out student loans to finance their education, and the typical amount they had borrowed was more than twice that of college graduates 20 years ago. A new analysis of recently released government data finds that the increase in the rate of borrowing over the past two decades has been much greater among graduates from more affluent families than among those from low-income families. Fully half of the 2012 graduates from high-income families borrowed money for college, double the share that borrowed in 1992-93. [Note: contains copyrighted material].

FISCAL AND TAX POLICIES

Mindy R. Levit

The Federal Budget: Overview and Issues for FY2015 and Beyond

Congressional Research Service – Report - November 4, 2014 – 22 pages

<http://fas.org/sgp/crs/misc/R43472.pdf>

“Though the federal budget deficit has fallen in recent years, CBO, GAO, and the Administration agree that current federal fiscal policies are unsustainable in the long term. Projections indicate that putting the federal budget on a sustainable long-term path will require an agreement on additional deficit reduction. Such an agreement could include increases in revenues, changes to large spending programs, or some combination of the two.”

How CBO Analyzes the Effects of Changes in Federal Fiscal Policies on the Economy

Congressional Budget Office – Report - November 10, 2014 – 12 pages

<http://www.cbo.gov/sites/default/files/cbofiles/attachments/49494-FiscalPolicies.pdf>

“Analyzing the effects on the overall economy of changes in federal fiscal policies—that is, policies governing taxes and spending—requires complex modeling and a significant amount of time. CBO undertakes such analyses in certain reports and for some major pieces of legislation; some of those analyses include the feedback effects of changes in the economy on the federal budget. CBO estimates the economic effects of changes in fiscal policies in both the short term and the longer term. The agency conducts its analyses using evidence about the effects of similar policies that have been implemented previously and using results from a variety of economic models.”

Gene Falk

The Earned Income Tax Credit (EITC): An Overview

Congressional Research Service – Report - October 22, 2014 – 26 pages

<http://fas.org/sgp/crs/misc/RL31768.pdf>

“The Earned Income Tax Credit (EITC or EIC) began in 1975 as a temporary program to return a portion of the Social Security tax paid by lower-income taxpayers (the credit was, and remains, calculated as a percentage of earned income, with no direct link to Social Security taxes paid by the tax filer), and was made permanent in 1978. In the 1990s, the program became a major component of federal efforts to reduce poverty, and is now the largest need-tested, anti-poverty cash entitlement program.”

Rebecca Vallas, Melissa Boteach, and Rachel West

Harnessing the EITC and Other Tax Credits to Promote Financial Stability and Economic Mobility

Center on American Progress – Report - October 7, 2014 – 26 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/10/EITC-report10.8.pdf>

“Both the EITC and CTC have enjoyed wide bipartisan support throughout their history. Presidents from both political parties have taken action to strengthen the EITC since its enactment in 1975, and more recently, Republicans and Democrats alike have joined in praising the program for its effectiveness as an anti-poverty tool. However, while the EITC effectively boosts economic security among families headed by low-wage workers, it is not a substitute for a living wage. Efforts to strengthen the EITC and CTC must go hand in hand with minimum-wage policies to ensure that no one who works full time has to live in poverty.”

Curtis S. Dubay

How Tax Reform Would Help American Families

Heritage – October 20, 2014

<http://www.heritage.org/research/reports/2014/10/how-tax-reform-would-help-american-families>

“There is widespread support for tax reform, yet Congress and the President have failed to take serious action. Tax reform is one of the most pressing policy improvements that Congress needs to make because the current tax system stifles opportunity for American families. However, American families likely do not know the full extent of the damage the tax system inflicts upon them. This lack of knowledge explains why they do not put more pressure on their representatives to pass tax reform. Those in favor of tax reform need to show families how a properly structured consumption tax would greatly improve their lives. If families knew how much tax reform would benefit them, they would demand more strongly that Washington act.”

Scott Mackey, Joseph Henchman

Wireless Taxation in the United States 2014

Tax Foundation – Fiscal facts - October 08, 2014

<http://taxfoundation.org/article/wireless-taxation-united-states-2014>

“Americans pay an average of 17.05 percent in combined federal, state, and local tax and fees on wireless service. This is comprised of a 5.82 percent federal rate and an average 11.23 percent state-local tax rate... Wireless consumers continue to face excessive tax burdens when compared to the tax burden on other goods and services purchased in the competitive marketplace. The average rates of taxes and fees on wireless telephone services are more than two times higher than the average sales tax rates that apply to most other taxable goods and services. Consumers in seven states—Washington, Nebraska, New York, Florida, Illinois, Rhode Island, and Missouri—pay total taxes and fees in excess of 20 percent of their bills.”

MONETARY POLICY

Allan H. Meltzer

Current Lessons from the Past: How the Fed Repeats Its History

Cato Institute – Cato Journal – Fall 2014 – 20 pages

<http://object.cato.org/sites/cato.org/files/serials/files/cato-journal/2014/9/cj34n3-4.pdf>

“The Federal Reserve’s current mistakes are the third major blunder in its first 100 years. I have tried to show that the Fed repeats its history. Current errors are versions of past errors. History has an important message for theory and policy. The two longest periods of stable growth, low inflation, and mild recessions are the years when the Federal Reserve was guided by a rule, the gold-exchange standard from 1923 to 1928 and the Taylor rule from 1985 to 2003.”

Robin Greenwood, Samuel Hanson, Joshua Rudolph, and Lawrence Summers

Were the Federal Reserve and U.S. Treasury Working at Cross Purposes in Response to the Great Recession?

<http://www.brookings.edu/blogs/brookings-now/posts/2014/10/federal-reserve-treasury-cross-purposes-response-to-great-recession>

A new working paper from the Hutchins Center on Fiscal and Monetary Policy finds that Fed and Treasury policies in response to the Great Recession pushed long-term interest rates in opposite directions, in effect partially canceling each other out.

Sylvain Leduc and Glenn D. Rudebusch

Does Slower Growth Imply Lower Interest Rates?

FRB San Francisco Economic Letter - November 10, 2014 – 5 pages

<http://www.frbsf.org/economic-research/publications/economic-letter/2014/november/interest-rates-economic-growth-monetary-policy/el2014-33.pdf>

“Over the past two years, both monetary and fiscal policy projections have been based on the view that declines in the long-run potential growth rate of the economy will in turn push down interest rates. In contrast, examination of private-sector professional forecasts and historical data provides little evidence of such a linkage. This suggests a greater risk that future interest rates may be higher than expected.”

FINANCE

Marshall Eckblad

Managing Risk in the Recovery

FRB Chicago – Fed Letter – November 2014 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2014/cflnovember2014_328a.pdf

“The Chicago Fed’s Supervision and Regulation Department, in conjunction with the Center for Financial Services at DePaul University’s Driehaus College of Business, held the seventh annual Financial Institution Risk Management Conference on April 8–9, 2014. The conference brought together business professionals, academics, and regulatory agency staff to discuss current risks and challenges facing a broad range of financial institutions.”

Controlling Security Risk and Fraud in Payment Systems

FRB Kansas City - Economic Review – Third Quarter 2014 – 32 pages

<http://kansascityfed.org/publicat/econrev/pdf/14q3Sullivan.pdf>

A poor record of recent data breaches may have undermined the public's confidence in payment security. Richard J. Sullivan examines fraud loss across payment methods to evaluate current security performance and highlight potential improvements.

Beverly Hirtle and Andreas Lehnert

Supervisory Stress Tests

FRB New York – Staff Paper - November 2014 - 28 pages

http://www.newyorkfed.org/research/staff_reports/sr696.pdf

“This article describes the background, design choices and particular details of stress tests used as part of an overall supervisory regime; that is, their formal integration into the process of the ongoing prudential supervision of banks and other large financial institutions. We then describe how the U.S. CCAR/DFAST regime is designed and what that means for the macroprudential vs. microprudential nature of the U.S. exercises. We argue routine stress tests have the potential to substantially change the nature of the supervisory process. In addition, we argue that a great deal depends on the philosophy underpinning modeling decisions, which has not received as much attention as scenario design, disclosure or other stress test design choices.”

Paul H. Kupiec, Peter J. Wallison

Can The ‘Single Point of Entry’ Strategy Be Used To Recapitalize a Failing Bank?

AEI Economic Policy Working Paper Series - November 4, 2014 – 40 pages

<https://www.aei.org/wp-content/uploads/2014/11/SPOE-Working-paper-Nov-5.pdf>

“We analyze the ability of the “Single Point of Entry” strategy (SPOE) to resolve large banks without financial market disruption. We identify several legal and financial impediments that could prevent SPOE’s use. In particular, Title II of the Dodd-Frank Act was conceived by Congress as an alternative to bankruptcy liquidation, not a mechanism for recapitalizing financial institutions through SPOE or otherwise, especially banks. The failure of the largest banks will not generally endanger the solvency of parent BHCs, preventing the secretary of the Treasury from using SPOE for these major institutions. However, other large BHCs would be bankrupt if their subsidiary bank failed, and here SPOE expands the government safety net and reinforces TBTF. On balance, the evidence suggests that SPOE does not solve TBTF or provide a way to recapitalize a failing bank.”

Signe-Mary McKernan, Caroline Ratcliffe, Caleb Quakenbush

Small-Dollar Credit: Consumer Needs and Industry Challenges

Urban Institute – October 2014 – 7 pages

<http://www.urban.org/UploadedPDF/413278-Small-Dollar-Credit-Consumer-Needs-Industry-Challenges.pdf>

Managing finances can be a tightrope walk, especially for low- and moderate-income families. To deal with these challenges, many households turn to expensive small-dollar credit. This brief, based on a convening of 25 small-dollar credit researchers, credit union experts, and bank representatives, discusses the opportunities and challenges of providing small-dollar credit products. Ability to repay, flexibility, and transparency are important features for consumer success. Products that bundle credit with savings provide pathways to greater financial stability. Small loan amounts, the costs of underwriting and servicing loans, and regulatory and reputational risks pose challenges to providers.

OTHER ECONOMIC POLICY ISSUES

John Krainer and Erin McCarthy

Housing Market Headwinds

FRB San Francisco Economic Letter - November 3, 2014 – 5 pages

<http://www.frbsf.org/economic-research/publications/economic-letter/2014/november/housing-mortgage-economy-economic-recovery/el2014-32.pdf>

The housing sector has been one of the weakest links in the economic recovery, and the latest data continue to show only modest improvement. One obstacle to a pickup in housing demand has been tight mortgage credit standards. Indeed, loan standards for borrowers with lower credit scores have shown few signs of easing. Still, as the share of new mortgages financed in the private market has started to rise, access to credit may improve.

Brice McKeever, Sarah L. Pettijohn

The Nonprofit Sector in Brief 2014

Urban Institute – October 2014 – 17 pages

<http://www.urban.org/UploadedPDF/413277-Nonprofit-Sector-in-Brief-2014.pdf>

“The Nonprofit Sector in Brief 2014 highlights trends in the number and finances of 501(c)(3) public charities and key findings on two important resources for the nonprofit sector: private charitable contributions and volunteering. Each year, The Nonprofit Sector in Brief 2014 presents the most recent data available on the nonprofit sector. This particular edition of the brief presents data from 2002 to 2012.”

James L. Gattuso and Diane Katz

Regulation: Killing Opportunity

Heritage – Backgrounder – October 31, 2014 – 8 pages

http://thf_media.s3.amazonaws.com/2014/pdf/BG2961.pdf

‘During its first five years, the Obama Administration aggressively exploited regulation to get its way. Issuing 157 new major rules at a cost to Americans approaching \$73 billion annually, this Administration is very likely the most regulatory in U.S. history. And there are many more regulations to come; agencies have identified 120 additional major rules they intend to work on, including dozens linked to the Dodd–Frank financial regulation law and Obamacare. Of particular concern is that the Federal Communications Commission has launched yet another attempt to regulate Internet traffic. Congress—which shares much of the blame for enabling this flood of red tape—must stem it.’

Alden F. Abbott

Time to Reform FTC Advertising Regulation

Heritage – Report - October 29, 2014 – 7 pages

http://thf_media.s3.amazonaws.com/2014/pdf/LM140.pdf

“The U.S. Federal Trade Commission, the principal federal consumer protection and competition watchdog, has a long history of vigorously combating false and deceptive advertising under its statutory authorities, but recent efforts by the FTC to impose excessive “advertising substantiation” requirements on companies go far beyond what is needed to combat false advertising. Such actions threaten to discourage companies from providing useful information that consumers value and that improves the workings of the marketplace. They also are in tension with constitutional protection for commercial speech. The FTC should reform its advertising substantiation policy and allow businesses greater flexibility to tailor their advertising practices, which would further the interests of both consumers and businesses. It should also decline to seek “disgorgement” of allegedly “ill-gotten gains” in cases involving advertising substantiation.”

LOCAL ECONOMIC DEVELOPMENT

Lorin Kusmin

Rural America at a Glance, 2014 Edition

USDA – Economic Research Service - Economic Brief - November 2014 – 6 pages

<http://www.ers.usda.gov/media/1697681/eb26.pdf>

“While urban employment now exceeds pre-recession levels, rural employment remains well below its 2007 peak. Median income in real terms has fallen in both rural and urban areas since 2007, with the drop in rural incomes slightly greater.”

Michael Mazerov

State “Income Migration” Claims Are Deeply Flawed

Center on Budget Policy and Priorities- Report – October 20, 2014 – 10 pages

<http://www.cbpp.org/files/10-20-14sfp.pdf>

“Some proponents of state income tax cuts are making highly inaccurate claims about the impact of interstate migration patterns on states with relatively high income taxes based on a misleading reading of Internal Revenue Service data. Those making these arguments claim that many of the people who leave states with relatively robust income taxes do so largely in order to pay little or no income tax in another state, and that they take their incomes with them when they move, harming the economies of the states they left. As a consequence, these “income migration” proponents claim, states with relatively high income taxes are suffering severe damage from the loss of income as “money walks” out of their states to lower-tax states.”

Richard C. Auxier

Reforming State Gas Taxes

Urban Institute - Research Brief - November 2014 – 15 pages

<http://www.urban.org/publications/413286.html>

“The federal government and most states have per-unit gas taxes. Because they tax gallons purchased, and not a percentage of purchase price, revenues are falling across the country as Americans buy less gas. If states do not want to cut transportation projects they now have to increase tax rates or find new revenue sources. This brief examines the national trends affecting gas tax revenues and describes what different states are doing (or not doing) in response to an eroding tax base.”

AGRICULTURE - FISHING

David Weisser

The Future of Farming and Rise of Biotechnology

National Center for Policy Analysis - Issue Brief - October 2014 – 4 pages

<http://www.ncpa.org/pdfs/ib152.pdf>

“Global hunger will only continue to increase and combating it will not be easy, yet the world is fortunate in that a wealth of research is dedicated to the advancement of farming. For instance, Nobel Prize winner Norman Borlaug was recognized for surpassing technological limits and pushed the boundaries of conventional farming through the use of biotechnology. Borlaug did so by breeding crops with desirable characteristics in an era when it was not possible to directly manipulate DNA. Placing limits on biotechnology restricts the advancements that Borlaug pioneered and only hurts the world’s starving population.”

Erik O'Donoghue

The Importance of Federal Crop Insurance Premium Subsidies

USDA – Economic Research Service – Amber Waves – Article - October 2014

<http://www.ers.usda.gov/amber-waves/2014-october/the-importance-of-federal-crop-insurance-premium-subsidies.aspx#.VEZS6fmsUnM>

“Given the increased reliance on and producers’ adoption of FCI, crop insurance subsidies have outpaced ad hoc disaster assistance payments since 2000. ERS research suggests that the increased premium subsidies introduced through the 2000 Agricultural Risk Protection Act did not appear to draw new acreage into the FCI program, but did appear to induce farmers to select higher levels of coverage. Results suggest that subsidy increases would likely encourage greater use of the FCI program, but at a relatively high cost since premium subsidy changes would affect the price of crop insurance for all producers, including those already enrolled.”

EMPLOYMENT

Michael Madowitz and Jackie Odum

The State of the U.S. Labor Market: Pre-November 2014 Jobs Release

Center for American Progress – November 6, 2014

<https://www.americanprogress.org/issues/economy/news/2014/11/06/100525/the-state-of-the-u-s-labor-market-pre-november-2014-jobs-release/>

“Since the end of the Great Recession, the economy has added 8.5 million jobs, and the unemployment rate has fallen from 10 percent to 5.9 percent. The labor market is much healthier today than at any point since the Great Recession, but beneath the top-line numbers, it still has a long way to go before it returns to historically healthy conditions. Since March, the Federal Reserve has tacitly acknowledged the widening gap between the reality of the labor market and its most well-known measures by switching from a quantitative unemployment threshold to more comprehensive “measures of the labor market” in its forward guidance. The question, then, is this:

What is happening with these broader labor-market indicators the Federal Reserve is looking at? Here's a quick tour of the most important jobs data you should see in the headlines but rarely do."

Alan Berube

A Look at New Employment Data for Metropolitan Labor Markets

Brookings - Paper - October 9, 2014

<http://www.brookings.edu/research/papers/2014/10/09-employment-data-metropolitan-labor-markets-berube>

"This snapshot of data from 2013 confirms that many places are still falling short of the employment opportunity they provided America's workers before the Great Recession. And even among those places that have recovered, several engage well below-average shares of their adults in work today. These trends serve as reminders that five years into the recovery, much work remains to be done in metro America to achieve higher levels of employment and ensure the benefits of economic growth for all."

Thomas Hertz, Lorin Kusmin, Alexander Marré, and Timothy Parker

Rural Employment in Recession and Recovery

USDA – Economic Research Service – Amber Waves – Article - October 2014

<http://www.ers.usda.gov/amber-waves/2014-october/rural-employment-in-recession-and-recovery.aspx#.VEZUqvmsUnM>

"Rural counties as a whole saw a higher rate of employment decline than urban areas in the recession, and rural employment growth has lagged well behind metro growth in the recovery."

Characteristics of the Long-Term Unemployed in March 2007 and March 2014

CBO – Report - October 7, 2014 – 3 pages

<http://www.cbo.gov/sites/default/files/cbofiles/attachments/49448-LongTermUnemployment.pdf>

"The recent recession and slow recovery led to a high rate of long-term unemployment, which is defined as being out of work for more than 26 consecutive weeks. That rate peaked at 4.3 percent in the second quarter of calendar year 2010 and has fallen considerably since then (see Figure 1). It was 2.4 percent in March 2014 and has since fallen further to 1.9 percent in the third quarter of 2014, still about a percentage point above its average from 2001 to 2007."

Josh Bivens

Long-Term Unemployment Has Not Damaged the Productivity of Workers

Economic Policy Institute - September 29, 2014

<http://www.epi.org/publication/long-term-unemployment-scarring/>

The fact that long-term unemployment remains elevated more than five years after the official end of the Great Recession has understandably led many to worry that the downturn inflicted permanent damage on households, workers, and the economy as a whole. On the one hand, these fears are clearly well-founded. The very large increase in unemployment has surely left deep, long-lasting scars on American households. On the other hand, the vast bulk of evidence on both microeconomic and macroeconomic scarring identifies only the increase in total involuntary unemployment—not long-term unemployment—as the driving mechanism. Further, to the limited degree that microeconomic scarring does exist, it seems that it is overwhelmingly driven by employers using long-term unemployment as a signal to screen workers. As such, any greater difficulty the long-term jobless have in securing employment is not a result of long durations of unemployment lowering their potential productivity."

Understanding the Organization, Operation, and Victimization Process of Labor Trafficking in the United States

Urban Institute - October 21, 2014 – 307 pages

<http://www.urban.org/UploadedPDF/413249-Labor-Trafficking-in-the-United-States.pdf>

This study chronicles the experiences of labor trafficking victims from the point of recruitment for work, their forced labor victimization, their attempts to escape and get help, and their efforts to seek justice through civil or criminal cases. The report finds that legal loopholes and lax enforcement enable labor traffickers to commit crimes against workers in major US industries: agriculture, domestic work, hotels, restaurants, and construction. Interview and case file data detail the ubiquity of trafficking, which occurs both in plain sight and behind lock and key. Detailed recommendations propose next steps for policy and practice. [Note: contains copyrighted material]

TRADE

Daniel J. Ikenson

Does Foreign Outsourcing Supplant or Augment Domestic Economic Activity?

Cato Trade Center – Blog - October 23, 2014

<http://www.cato.org/blog/does-foreign-outsourcing-replace-or-augment-domestic-economic-activity>

“The scatterplots presented below reflect the relationships between annual changes in various performance metrics (value added, capital expenditures, R&D expenditures, sales revenues, employment, and compensation per employee) experienced by U.S. parent companies and their foreign affiliates... The metrics considered here suggest a lack of merit to the adverse connections politicians, in particular, make between outsourcing and domestic economic conditions.”

Joshua Meltzer

The Importance of the Internet and Transatlantic Data Flows for U.S. and EU Trade and Investment

Brookings - Paper - October 2014 – 26 pages

<http://www.brookings.edu/~media/Research/Files/Papers/2014/10/internet%20transatlantic%20data%20flows%20meltzer/internet%20transatlantic%20data%20flows%20version%202.pdf>

“The Internet and the free movement of data globally is an important and growing driver of economic growth, jobs and welfare. This growth happens as the Internet increases productivity and reduces trade costs, which also stimulates trade. The United States International Trade Commission (ITC) estimates that digital trade has increased U.S. GDP by 3.4 to 4.8 percent and created up to 2.4 million jobs. The gains could be even higher if countries reduced their barriers to digital trade. Consumers also benefit as they are able to access new and innovative services. Access to the Internet and the ability to move data freely across borders increases the productivity of businesses and reduces trade costs, thereby creating economic growth and jobs. This is providing new opportunities for small and medium-sized enterprises to participate in the global economy. Consumers are also benefiting as they are able to access new and innovative services.”

Kenneth Button

Opening the Skies - Put Free Trade in Airline Services on the Transatlantic Trade Agenda

Cato – Policy Analysis - September 15, 2014 – 16 pages

http://object.cato.org/sites/cato.org/files/pubs/pdf/pa757_3.pdf

“There has been a near absence of discussion in the Transatlantic Trade and Investment Partnership (TTIP) negotiations on freeing trade and investment in commercial airline services. In this new study, Button argues that the objections to liberalization lack genuine merit and describes some of the benefits that have emerged as aviation markets have been freed up over the last 35 years. Button also offers insights into how U.S. airline passengers and transportation-consuming businesses would benefit from opening the domestic air market to competition from foreign carriers.”

K. William Watson

Will Nonmarket Economy Methodology Go Quietly into the Night? U.S. Antidumping Policy toward China after 2016

Cato Center for Trade Policy Studies – Policy Analysis - October 28, 2014 – 20 pages

<http://object.cato.org/sites/cato.org/files/pubs/pdf/pa763.pdf>

“The United States sets antidumping duties using what is called nonmarket economy (NME) methodology. The practice gives license to the U.S. Department of Commerce to ignore Chinese producers’ cost and price data and to turn, instead, to estimates for those data that are usually punitive and almost always unrealistic. Current WTO rules permit the United States to maintain this discriminatory approach, which China agreed to as a condition of its accession to the WTO, but that condition will expire in December 2016... This paper presents some of the alternative scenarios that might unfold as the 2016 expiration date approaches.”

Michael V. Seitzinger and Kathleen Ann Ruane

Conflict Minerals and Resource Extraction: Dodd-Frank, SEC Regulations, and Legal Challenges

Congressional Research Service – Report - October 15, 2014 – 20 pages

<http://fas.org/sgp/crs/misc/R43639.pdf>

Congressional hearings, news reports over the past several years, and even the 2006 film Blood Diamond have brought increased attention to the mining and selling of conflict minerals. Generally defined, conflict minerals are “minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo [DRC].” Two sections of the Dodd-Frank Wall Street Reform and Protection Act (Dodd-Frank) require that the Securities and Exchange Commission (SEC) issue regulations to make public the involvement of U.S. companies in conflict minerals and in resource extraction payments.

ENVIRONMENTAL ECONOMICS

Melissa S. Kearney, Benjamin H. Harris, Brad Hershbein, Elisa Jácome and Gregory Nantz

In Times of Drought: Nine Economic Facts about Water in the United States

The Hamilton Project - Report - October 20, 2014 – 28 pages

<http://www.brookings.edu/research/reports/2014/10/20-9-economic-facts-water-united-states>

“This Hamilton Project memo presents nine economic facts that provide relevant background context to the water crisis in the United States. Chapter 1 reviews the historical, current, and projected occurrence of drought in the United States. Chapter 2 describes the importance of water to our national economy. Chapter 3 underscores some of the economic and institutional barriers to more efficient use of water. We examine these issues through the lens of economic policy, with the aim of providing an objective framing of America’s complex relationship with water.”

Roberton C. Williams III, Hal Gordon, Dallas Burtraw, Jared Carbone, Richard D. Morgenstern

The Initial Incidence of a Carbon Tax across US States

Resources for the Future - Discussion Paper 14-25 - October 2014 – 28 pages

<http://www.rff.org/RFF/Documents/RFF-DP-14-25.pdf>

“Carbon taxes introduce potentially uneven cost burdens across the population... The use of the carbon tax revenue plays an important role, particularly in determining how different income sources are affected, as: (1) using carbon tax revenue to cut capital taxes disproportionately benefits states with large shares of capital income; (2) returning the revenue via lump-sum transfers favors relatively low-income states; and (3) returning the revenue via cuts in labor taxes provides a relatively even distribution of cost across states. In general, geographic differences in incidence are substantially smaller than the differences across income groups.”

Claire Moser, Nidhi Thakar, and Matt Lee-Ashley

Reducing Methane Pollution from Fossil-Fuel Production on America’s Public Lands

Center for American Progress - October 6, 2014 – 7 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/10/ReducingMethane.pdf>

Past proposals to address climate change have focused primarily on reducing carbon dioxide pollution, most recently with President Barack Obama’s proposed standards for power plants. However, policymakers are beginning to address the threat of methane pollution—a much more potent greenhouse gas, or GHG. To be effective, U.S. climate policies must aim to reduce methane emissions from all sources, particularly from the extraction and production of fossil fuels on America’s public lands, one of the nation’s largest sources of GHG emissions.

ENERGY

Energy Policy: Information on Federal and Other Factors Influencing U.S. Energy Production and Consumption from 2000 through 2013

GAO – Report - September 30, 2014 – 120 pages

<http://www.gao.gov/assets/670/666270.pdf>

“GAO was asked to provide information on federal activities and their influence on U.S. energy production and consumption over the past decade. This report provides information on U.S. production and consumption of fossil, nuclear, and renewable energy from 2000 through 2013 and major factors, including federal activities that influenced energy production and consumption levels. It also provides information on other federal activities that may have influenced aspects of U.S. energy production and consumption from 2000 through 2013 but were not targeted at a specific energy source, as well as information on federal research and development.”

Annie Downs, Anna Chittum, Sara Hayes, Max Neubauer, Seth Nowak, Shruti Vaidyanathan, Kate Farley, and Celia Cui

The 2013 State Energy Efficiency Scorecard

American Council for an Energy-Efficient Economy - Research Report - November 4, 2013

<http://aceee.org/research-report/e13k>

“Governors, legislators, regulators, and citizens are increasingly recognizing that energy efficiency is a critical state resource. In fact, a great deal of the innovation in policies and programs that promote energy efficiency originates in states across the country. The 2013 State Energy Efficiency Scorecard captures this activity through a comprehensive analysis of state efforts to advance energy efficiency. In this seventh edition of ACEEE’s State Energy Efficiency Scorecard, we rank states on their policy and program efforts, document best practices, and provide recommendations for ways in which states can improve their energy efficiency performance. The State Scorecard serves as a benchmark for state efforts on energy efficiency policies and programs each year, encouraging them to continue strengthening efficiency commitments as a pragmatic and effective strategy for securing environmental benefits and promoting economic growth.”

Alison Cassady

Complex Market Forces Are Challenging Appalachian Coal Mining

Center on American Progress – Report - October 6, 2014 – 9 pages

<http://cdn.americanprogress.org/wp-content/uploads/2014/10/CoalMiningEmployment-brief.pdf>

“Appalachian coal producers recently announced a new round of layoffs, eliciting a flurry of press releases from politicians that blamed the Environmental Protection Agency, or EPA, for the coal industry’s problems. While Appalachian coal production is falling, the EPA’s rules to cut carbon pollution and improve air quality are not the driving force behind the coal industry’s decline in Appalachia... The reality is much more complex

than these sound bites portray. Appalachia’s coal communities are confronting a confluence of market factors that are years in the making.”

Changing Crude Oil Markets: Allowing Exports Could Reduce Consumer Fuel Prices, and the Size of the Strategic Reserves Should Be Reexamined

GAO – September 30, 2014 – 51 pages

<http://www.gao.gov/assets/670/666274.pdf>

“Almost 4 decades ago, in response to the Arab oil embargo and recession it triggered, Congress passed legislation restricting crude oil exports and establishing the SPR to release oil to the market during supply disruptions and protect the U.S. economy from damage. After decades of generally falling U.S. crude oil production, technological advances have contributed to increasing U.S. production. Meanwhile, net crude oil imports—imports minus exports—have declined from a peak of about 60 percent of consumption in 2005 to 30 percent in the first 5 months of 2014. According to Energy Information Administration forecasts, net imports are expected to remain well below 2005 levels into the future. GAO was asked to provide information on the implications of removing crude oil export restrictions.”

Zhongmin Wang, Qing Xue

The Market Structure of Shale Gas Drilling in the United States

Resources for the Future - Discussion Paper - September 2014 – 11 pages

<http://www.rff.org/RFF/Documents/RFF-DP-14-31.pdf>

“This paper provides the first empirical study of the market structure of the shale gas drilling industry in the United States. Modern shale gas drilling, which is a major revolution in the energy industry, was highly concentrated during its experimental stage, roughly from the early 1980s to the early 2000s, and has since become less concentrated, exhibiting a long tail of infrequent drillers. Nevertheless, even during the latter stage, the vast majority of shale gas wells have been drilled by a limited number of large independent oil and gas producers.”

Natural Gas: Federal Approval Process for Liquefied Natural Gas Exports

U.S. Government Accountability Office - October 1, 2014 – 31 pages

<http://gao.gov/assets/670/666177.pdf>

Since 2010, of 35 applications it has received that require a public interest review, the Department of Energy (DOE) has approved 3 applications to export liquefied natural gas (LNG) and 6 applications are conditionally approved with final approval contingent on the Federal Energy Regulatory Commission’s (FERC) issuance of a satisfactory environmental review of the export facility. DOE considers a range of factors to determine whether each application is in the public interest. After the first application was conditionally approved in 2011, DOE commissioned a study to help it determine whether additional LNG exports were in the public interest. Since the 16-month study was published in December 2012, DOE issued 7 conditional approvals (one of which became final) and 1 other final approval (see fig. below). In August 2014, DOE suspended its practice of issuing conditional approvals; instead, DOE will review applications after FERC completes its environmental review.

Mark Holt

Nuclear Energy Policy

Congressional Research Service – Report - October 15, 2014 – 42 pages

<http://fas.org/sgp/crs/misc/RL33558.pdf>

“Nuclear energy issues facing Congress include reactor safety and regulation, radioactive waste management, research and development priorities, federal incentives for new commercial reactors, nuclear weapons proliferation, and security against terrorist attacks.”