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## US ECO/Vacheret

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## GENERAL INTEREST

*Indermit Gill*

### **Joyless Growth in China, India, and the United States**

Brookings – Blog – January 22, 2018

<https://www.brookings.edu/blog/future-development/2019/01/22/joyless-growth-in-china-india-and-the-united-states/>

“Suppression, inefficiency, and polarization are putting a damper on the mood in three of the world's largest growing economies—China, India, and the United States. Indermit Gill breaks down how these issues are affecting each country and suggests some ways to address them.”

*Chad Syverson*

### **Macroeconomics and Market Power: Facts, Potential Explanations, and Open Questions**

Brookings – Report - January 23, 2019

[https://www.brookings.edu/wp-content/uploads/2019/01/ES\\_20190116\\_Syverson-Macro-Micro-Market-Power.pdf](https://www.brookings.edu/wp-content/uploads/2019/01/ES_20190116_Syverson-Macro-Micro-Market-Power.pdf)

“Existing research shows that for at least a decade, there has been broad growth in measured profit rates, price-cost margins, and market concentration, accompanied with drops in investment rates, firm entry rates, and the share of income going to labor. These patterns have sparked debate about whether the influence of monopoly power has grown beyond the realm of the single industry, and into the

economy overall. Indeed, in recent years, there have been several notable papers examining market power with macroeconomic frameworks... Chad Syverson of the University of Chicago Booth School of Business and NBER uses his experience in both micro- and macro-economic research to assesses macro market power research through a micro lens.”

*Scott A. Brave, R. Andrew Butters, and David Kelley*

**A New “Big Data” Index of U.S. Economic Activity**

FRB Chicago – Economic Perspectives 1/19 – February 2019 – 30 pages

<https://www.chicagofed.org/publications/economic-perspectives/2019/1>

The authors present a new “big data” index of U.S. economic activity that can be used to track business and inflation cycles in real time and estimate monthly real gross domestic product growth.

**Expanding Economic Opportunity for More Americans**

Aspen Institute – Book - February 4, 2019 – 246 pages

<https://www.aspeninstitute.org/longform/expanding-economic-opportunity-for-more-americans/>

“This policy book is a product of discussions and debates had by members of the Aspen Economic Strategy Group over the course of the past year, which focused on the broad theme of expanding economic opportunity for more Americans. It features rigorous, evidence-based ideas for tackling some of the biggest barriers to economic opportunity: declining economic migration, low productivity and wage growth, low employment in rural labor markets and among formerly incarcerated individuals, limited opportunities for work-based training and other non-collegiate pathways to economic success, and resource constraints at community colleges.”

*Michael R. Strain*

**The Link Between Wages and Productivity Is Strong**

American Enterprise Institute – Book Chapter – February 4, 2019 – 12 pages

<https://www.aei.org/wp-content/uploads/2019/02/The-Link-Between-Wages-and-Productivity-is-Strong.pdf>

“Much of the public debate in recent years suggests that wages are not primarily determined by productivity. Indeed, the argument that the link between compensation and productivity has been effectively severed is commonly made. In this paper, I first discuss the wage-setting process and the conceptual issues that are of critical importance to any empirical investigation of the link between compensation and productivity. I then highlight some recent evidence suggesting that, contrary to the current narrative in some policy circles, the link between productivity and wages is strong.”

**INCOMES - INEQUALITY - IMMIGRATION**

*Kristen Bialik and Richard Fry*

**Millennial Life: How Young Adulthood Today Compares With Prior Generations**

Pew Research Center - February 14, 2019

<http://www.pewsocialtrends.org/essay/millennial-life-how-young-adulthood-today-compares-with-prior-generations>

“Over the past 50 years – from the Silent Generation’s young adulthood to that of Millennials today – the United States has undergone large cultural and societal shifts. Now that the youngest Millennials are adults, how do they compare with those who were their age in the generations that came before them?”

### **How Middle-Class Families are Faring in Today's Economy**

House Ways and Means Committee - Hearing - February 13, 2019

<https://waysandmeans.house.gov/legislation/hearings/how-middle-class-families-are-faring-today-s-economy>

Mark Zandi, Chief Economist, Moody's Analytics

Heather Boushey, Executive Director and Chief Economist, Washington Center for Equitable Growth

Sara R. Collins, Vice President of Health Care Coverage and Access, Commonwealth Fund

Kevin Brown, Former President, California Association of Realtors

Pam Eddinger, President, Bunker Hill Community College

Tatum Tirado, Mathematics and Special Education Teacher, Ballou High School

Guy Berkebile, Owner, Guy Chemical Company

### **The Economic State of the Black Community in America**

U.S. Congress Joint Economic Committee – January 21, 2019 – 6 pages

[https://www.jec.senate.gov/public/\\_cache/files/a57b90a0-382a-4d4f-91a4-fd2b40e168a7/economic-state-of-the-black-community.pdf](https://www.jec.senate.gov/public/_cache/files/a57b90a0-382a-4d4f-91a4-fd2b40e168a7/economic-state-of-the-black-community.pdf)

“In the more than 50 years since Dr. Martin Luther King, Jr. laid out his dream for our nation, black Americans have made substantial economic progress. They have seen significant gains in incomes and wealth, and currently benefit from the decade-long economic recovery from the Great Recession. However, black Americans still lag far behind in key measures of economic well-being. Although progress is evident, the United States still falls short of Dr. King's vision of a nation in which race does not determine one's economic destiny.”

*Katharine Bradbury*

### **Family Characteristics and Macroeconomic Factors in U.S. Intragenerational Family Income Mobility, 1978-2014**

FRB Boston – Working Paper – February 2019 - 42 pages

<https://www.bostonfed.org/publications/research-department-working-paper/2019/family-income-mobility.aspx>

“A family's position in the income distribution and the degree to which it can improve that position during a period of years (intragenerational mobility) are critical determinants of the family's current well-being and the prospects for the children. Likewise, a wealthy family's ability to retain a top position in the income distribution is central to its well-being. Using data from the Panel Study of Income Dynamics that tracks individual families' incomes, this paper investigates the relationships of family characteristics and macroeconomic influences to moves up and down the income distribution during overlapping 10-year periods from 1978 through 2014. The family characteristics examined include levels of work behavior, family structure, and race and educational attainment of the family head and spouse, if there is one; the macroeconomic influences include GDP growth and inflation. This paper also studies whether the importance of these factors has changed since the 1980s.”

*Richard V. Reeves and Christopher Pulliam*

### **No Room at the Top: The Stark Divide in Black and White Economic Mobility**

Brookings - Up Front - February 14, 2019

<https://www.brookings.edu/blog/up-front/2019/02/14/no-room-at-the-top-the-stark-divide-in-black-and-white-economic-mobility>

In an examination of upward and downward intergenerational income mobility, Richard Reeves and Christopher Pulliam find that, “On every rung of the income ladder, black children have worse prospects of the American dream than white children—including at the very top.”

*John Sabelhaus and Alice Henriques Volz*

**Are Disappearing Employer Pensions Contributing to Rising Wealth Inequality?**

Federal Reserve System – FEDS Notes - February 01, 2019

<https://www.federalreserve.gov/econres/notes/feds-notes/are-disappearing-employer-pensions-contributing-to-rising-wealth-inequality-20190201.html>

“Traditional employer-sponsored pension plans have become much less common over the last three decades, leading some to wonder whether trends in wealth inequality are driven by the decline in pension coverage. The authors “show that this is only partly true: The share of total pension assets held by workers in the top 25 percent of the wealth distribution has increased by only 5 percent since 1989, slightly less than the overall increase in wealth concentration over the period... Still, they show that the rate of coverage under any kind of retirement plan declined for workers in the bottom 75 percent of the wealth distribution between 1989 and 2016 but rose for those in the top 25 percent. The latter group holds almost 85 percent of all employer-sponsored pension assets. For everyone else, Social Security checks remain the most important source of income at retirement.”

*Matthew Smith, Owen Zidar, Eric Zwick*

**Capitalists in the Twenty-First Century**

Archbridge Institute - December 19, 2018 – 168 pages

<http://www.ericzwick.com/capitalists/capitalists.pdf>

“Have the idle rich replaced the working rich at the top of the U.S. income dis-attribution? Using tax data linking 11 million firms to their owners, this paper finds that entrepreneurs who actively manage their firms are key for top income inequality. Most top income is non-wage income, a primary source of which is private. These profits accrue to working-age owners of closely-held, mid-market firms in skill-intensive industries. Private business profit falls by three-quarters after owner retirement or premature death. Classifying three-quarters of private business profit as human capital income, we find that most top earners are working rich: they derive most of their income from human capital, not physical or financial capital. The human capital income of private business owners exceeds top wage income and top public equity income. Growth in private business profit is explained by both rising productivity and a rising share of value-added accruing to owners.”

*Jay Shambaugh, Ryan Nunn, and Stacy A. Anderson*

**How Racial and Regional Inequality Affect Economic Opportunity**

Brookings – Hamilton Project – Blog – February 15, 2019

[http://www.hamiltonproject.org/blog/how\\_racial\\_and\\_regional\\_inequality\\_affect\\_economic\\_outcomes](http://www.hamiltonproject.org/blog/how_racial_and_regional_inequality_affect_economic_outcomes)

“The analysis highlights a recent Hamilton Project paper, *The Historical Role of Race and Policy for Regional Inequality*, by economists Bradley L. Hardy, Trevon D. Logan, and John Parman which examines how the spatial distribution of the black population has evolved over time and how this has interacted with economic mobility and U.S. public policy.”

**How Migration of Millennials and Seniors Has Shifted Since the Great Recession**

Brookings – Report – January 31, 2019

<https://www.brookings.edu/research/how-migration-of-millennials-and-seniors-has-shifted-since-the-great-recession>

“Where are America’s millennials and baby boomers moving to? In an analysis of new census data, demographer William Frey examines the post-recession migration patterns of each group and finds they are following very different paths.”

### **Majority of Americans Continue To Say Immigrants Strengthen the U.S.**

Pew Research Institute – Fact Tank – January 31, 2019

<http://www.pewresearch.org/fact-tank/2019/01/31/majority-of-americans-continue-to-say-immigrants-strengthen-the-u-s>

“About six-in-ten Americans say immigrants strengthen the country because of their hard work and talents, twice the share who said this in 1994. Republicans and Democrats have never been further apart on this question than they are now. There are also sizable differences in views by generation.”

*Gonzalo Huertas and Jacob Funk Kirkegaard*

### **The Economic Benefits of Latino Immigration: How the Migrant Hispanic Population's Demographic Characteristics Contribute to US Growth**

Peterson Institute – Working Paper – February 2019 – 50 pages

<https://piie.com/system/files/documents/wp19-3.pdf>

“The Hispanic community in the United States has contributed significantly to US economic growth in recent decades and will continue to do so over the next 10 to 20 years. As the youngest and largest minority group in America, Hispanics account for an increasingly large share of the US labor force—a trend reinforced by higher fertility rates, net immigration, and growing labor force participation rates. With Hispanic educational attainment nearing the US average, and significantly higher levels of opportunity-driven entrepreneurship than the rest of the US population, the Hispanic community is poised to increase its contribution to the US economy.”

## **FISCAL AND TAX POLICIES - DEBT**

### **The Budget and Economic Outlook: 2019 to 2029**

C.B.O. – Report - January 28, 2019

<https://www.cbo.gov/publication/54918>

“In CBO’s projections, deficits remain large by historical standards, and federal debt grows to equal 93 percent of GDP by 2029. As the effects of fiscal stimulus wane, projected economic growth falls back below the historical average.”

*Michael Pettis*

### **Why U.S. Debt Must Continue to Rise**

Carnegie – China Financial Markets – February 7, 2019

<https://carnegieendowment.org/chinafinancialmarkets/78304>

“Debt is rising more quickly in the United States than most people would prefer. This is happening in part because the U.S. current account deficit and the country’s high level of income inequality distort the structure and amount of American savings.”

*Olivier Blanchard*

### **Public Debt: Fiscal and Welfare Costs in a Time of Low Interest Rates**

Peterson Institute – Policy Brief – February 2019 – 4 pages

<https://piie.com/system/files/documents/pb19-2.pdf>

“In his presidential address to the American Economic Association in early January, Olivier Blanchard explored the costs and benefits of public debt in the current environment of low interest rates. In this



Policy Brief, he first summarizes his argument; he then addresses a number of objections to his conclusions and considers the practical fiscal policy implications.”

**2017 Tax Law: Impact on the Budget and American Families**

House Budget Committee – Hearing – February 27, 2019

<https://budget.house.gov/legislation/hearings/2017-tax-law-impact-budget-and-american-families>

Witnesses:

Caroline Bruckner, Executive in Residence, Department of Accounting and Taxation; American University

William G. Gale, Ph.D., Brookings Institution; and Co-Director of Tax Policy Center

Chye-Ching Huang, Director of Federal Fiscal Policy, Center on Budget and Policy Priorities

Lana Pol, President, Geetings, Inc

*Sean Lowry*

**Digital Services Taxes (DSTs): Policy and Economic Analysis**

Congressional Research Service – Report – February 25, 2019 – 36 pages

<https://fas.org/sgp/crs/misc/R45532.pdf>

“Several countries, primarily in Europe, and the European Commission have proposed or adopted taxes on revenue earned by multinational corporations (MNCs) in certain “digital economy” sectors from activities linked to the user-based activity of their residents. These proposals have generally been labeled as “digital services taxes” (DSTs)... This report traces the emergence of DSTs from multilateral tax negotiations in recent years, addresses various purported policy justifications of DSTs, provides an economic analysis of their effects, and raises several issues for Congress.”

**MONETARY POLICY**

*Marc Labonte*

**Monetary Policy and the Federal Reserve: Current Policy and Conditions**

Congressional Research Service – Report – Updated February 22, 2019 – 23 pages

<https://fas.org/sgp/crs/misc/RL30354.pdf>

“Congress has delegated responsibility for monetary policy to the Federal Reserve (the Fed), the nation’s central bank, but retains oversight responsibilities for ensuring that the Fed is adhering to its statutory mandate of “maximum employment, stable prices, and moderate long-term interest rates.” To meet its price stability mandate, the Fed has set a longer-run goal of 2% inflation.”

**The Semiannual Monetary Policy Report to the Congress**

Senate Committee on Banking, Housing, and Urban Affairs – Hearing – February 26, 2019

<https://www.banking.senate.gov/hearings/02/07/2019/the-semiannual-monetary-policy-report-to-the-congress>

Witness: Jerome H. Powell, Chairman, Board of Governors of the Federal Reserve System

*Vasco Cúrdia*

**How Much Could Negative Rates Have Helped the Recovery?**

FRB San Francisco - Economic Letter - February 4, 2019 – 6 pages

<https://www.frbsf.org/economic-research/files/el2019-04.pdf>

“The Federal Reserve dropped the federal funds rate to near zero during the Great Recession to bolster the U.S. economy. Allowing the federal funds rate to drop below zero may have reduced the depth of the recession and enabled the economy to return more quickly to its full potential. It also may have allowed inflation to rise faster toward the Fed’s 2% target. In other words, negative interest rates may be a useful tool to promote the Fed’s dual mandate.”

*Marco Del Negro, Domenico Giannone, Marc P. Giannoni, Andrea Tambalotti, Brandy Bok, and Eric Qian*

**Global Trends in Interest Rates**

FRB New York - Liberty Street Economics – February 27, 2019

<https://libertystreeteconomics.newyorkfed.org/2019/02/global-trends-in-interest-rates.html>

“Long-term government bond yields are at their lowest levels of the past 150 years in advanced economies. Our bloggers argue that this low-interest-rate environment reflects secular global forces that have lowered real interest rates by about two percentage points over the past forty years. The key factors behind this development are an increase in demand for safety and liquidity among investors and a slowdown in global economic growth.”

*Òscar Jordà, Chitra Marti, Fernanda Nechio, and Eric Tallman*

**Inflation: Stress-Testing the Phillips Curve**

FRB San Francisco - Economic Letter - February 11, 2019 – 5 pages

<https://www.frbsf.org/economic-research/files/el2019-05.pdf>

“The well-known Phillips curve describes inflation as a persistent process that depends on public expectations of future inflation and economic slack, a measure of how stretched the economy’s resources are. The role of each component has changed over time. In particular, maintaining the public’s expectations that the Federal Reserve is committed to an inflation target of 2% has grown in importance over the slack component, in part because realigning expectations is costly to undo. Such considerations are important as the Federal Reserve evaluates its future policy options.”

*Ben S. Bernanke*

**Evaluating Lower-For-Longer Policies: Temporary Price-Level Targeting**

Brookings – February 21, 2019

<https://www.brookings.edu/blog/ben-bernanke/2019/02/21/evaluating-lower-for-longer-policies-temporary-price-level-targeting>

“A sustained low interest rate environment can impose significant costs on the economy over time. Ben Bernanke considers temporary price-level targeting as a lower-for-longer policy that “can help reduce longer-term rates and encourage spending today.”

*Linda S. Goldberg and Robert Lerman*

**The U.S. Dollar’s Global Roles: Where Do Things Stand?**

FRB New York - Liberty Street Economics - February 11, 2019

<https://libertystreeteconomics.newyorkfed.org/2019/02/the-us-dollars-global-roles-where-do-things-stand.html>

“Our bloggers’ examination of the dollar’s global roles suggests that the international monetary architecture has remained broadly unchanged. Although the dollar’s international status may have declined in some pockets, overall the dollar remains dominant. Nevertheless, recent trends bear watching as history suggests that a currency’s dominant status is not immutable.”

## FINANCE

*Michael Fleming, Frank Keane, and Justin Meyer*

### **Fourth Annual Conference on the Evolving Structure of the U.S. Treasury Market**

New York Fed - Liberty Street Economics – February 1, 2019

<https://libertystreeteconomics.newyorkfed.org/2019/02/at-the-new-york-fed-fourth-annual-conference-on-the-evolving-structure-of-the-us-treasury-market.html>

Highlights from the fourth annual Conference on the Evolving Structure of the U.S. Treasury Market hosted by the New York Fed. Among the topics on this year’s agenda were analytical approaches to debt issuance and developments in cash and repo markets. The event was co-sponsored by the Treasury Department, the Federal Reserve Board, the Securities and Exchange Commission, and the Commodity Futures Trading Commission.”

*Nina Boyarchenko, Anna M. Costello, and Or Shachar*

### **The Long and Short of It: The Post-Crisis Corporate CDS Market**

FRB New York – Staff Report - February 2019 – 65 pages

[https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr879.pdf](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr879.pdf)

“The 2007-09 financial crisis highlighted the vulnerability of financial institutions linked by a complex web of credit default swap (CDS) contracts, sparking a wave of regulatory changes to the structure of the market. In this paper, we provide broad evidence on the evolution of the CDS market in the post-crisis period, document the properties of participants’ exposures to corporate CDS over time, and study the differential pricing of transactions between different types of counterparties.”

### **Banking Policy Issues in the 116th Congress**

Congressional Research Service – Report – February 21, 2019 – 40 pages

<https://fas.org/sgp/crs/misc/R45518.pdf>

“Regulation of the banking industry has undergone substantial changes over the past decade. In response to the 2007-2009 financial crisis, many new bank regulations were implemented pursuant to the Dodd-Frank Act or under the existing authorities of bank regulators to address apparent weaknesses in the regulatory regime. While some observers view those changes as necessary and effective, others argued that certain regulations were unjustifiably burdensome. To address those concerns, the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 relaxed certain regulations. Opponents of that legislation argue it unnecessarily pared back important safeguards, but proponents of deregulation argue additional pare backs are needed. Meanwhile, a variety of economic and technological trends continue to affect banks. As a result, the 116<sup>th</sup> Congress faces many issues related to banking.”

*Linda Goldberg and April Meehl*

### **Complexity in Large U.S. Banks**

FRB New York – Staff Report – February 2019

[https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr880.pdf](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr880.pdf)

“In the system established to address global systemically important banks, complexity is considered to be a combination of balance sheet and derivatives exposures and the number of distinct legal entities within a bank holding company (BHC). Using a new data set of BHC structures over time, the authors introduce and compare various measures capturing the organizational, business, and geographic complexity of BHCs before and after the financial crisis.”

*Galina Hale, Jose A. Lopez, and Shannon Sledz*

**Measuring Connectedness between the Largest Banks**

FRB San Francisco - Economic Letter - February 19, 2019 – 5 pages

<https://www.frbsf.org/economic-research/files/el2019-06.pdf>

“The financial crisis provided a stark example of how interconnected the financial system is. Since then, researchers have developed several ways to monitor patterns of connectedness within the banking system. A key challenge is removing the impact of conditions that affect all banks in order to highlight evidence of direct connectedness. A new measure filters these common factors from bank stock market data. Estimates using this method show how different assumptions can affect conclusions about the connections among banks.”

*Makada Henry-Nickie*

**How Artificial Intelligence Affects Financial Consumers**

Brookings – Report - January 31, 2019

<https://www.brookings.edu/research/how-artificial-intelligence-affects-financial-consumers>

“With powerful tools like chatbots and wealth robo-advisors, artificial intelligence (AI) is transforming the financial services industry. As banks, insurance companies, and investment firms rush to incorporate AI into their business models, Makada Henry-Nickie examines the opportunities and challenges for consumer financial protection.”

## HOUSING

*Jane K. Dokko, Benjamin J. Keys, and Lindsay E. Relihan*

**Affordability, Financial Innovation, and the Start of the Housing Boom**

Chicago Fed – Paper – January 2019 – 62 pages

<https://www.chicagofed.org/publications/working-papers/2019/2019-01>

“At their peak in 2005, roughly 60 percent of all purchase mortgage loans originated in the United States contained at least one non-traditional feature. These features, which allowed borrowers easier access to credit through teaser interest rates, interest-only or negative amortization periods, and extended payment terms, have been the subject of much regulatory and popular criticism. In this paper, we construct a novel county-level dataset to analyze the relationship between rising house prices and non-traditional features of mortgage contracts... Our findings support the view that a change in mortgage contract availability and a shift toward subprime borrowers helped to fuel the rise of house prices during the last decade.”

*Stephen Lerner & Christina Livingston*

**Why Unions Must Bargain for Affordable Housing—and How**

American Prospect - February 19, 2019

“With housing costs gobbling up wage increases for union members and almost everyone else, labor must prioritize housing affordability.”

*Jenny Schuetz*

**An ‘American Dream’ for Renters?**

Brookings – Up Front – February 13, 2019

<https://www.brookings.edu/blog/up-front/2019/02/13/renting-the-american-dream-why-homeownership-shouldnt-be-a-pre-requisite-for-middle-class-financial-security>

“Homeownership has been held up as a cornerstone of middle-class life, but fewer Americans are buying houses than previous generations, especially among younger households. Jenny Schuetz contends financial security and economic opportunity should be available to both owners and renters and suggests policies to remedy the gap.”

**Urban’s Next50: Exploring solutions to the complex housing challenges of today and tomorrow**

Urban Institute – Report – February 2019 – 46 pages

[https://next50.urban.org/sites/default/files/2019-02/2019.02.20\\_Next50%20Housing%20brief\\_finalized.pdf](https://next50.urban.org/sites/default/files/2019-02/2019.02.20_Next50%20Housing%20brief_finalized.pdf)

“Inspired by Urban’s 50th anniversary, we’re imagining a future where everyone can find and afford a quality home, where every community offers a variety of housing options, and where all people have a chance to build wealth through homeownership. What will it take to get there?”

*Morris A. Davis, William D. Larson, Stephen D. Oliner*

**Mortgage Risk since 1990**

A.E.I. – Working Paper – February 2019 – 83 pages

<https://www.aei.org/wp-content/uploads/2019/02/Mortgage-Risk-Since-1990-AEI-WP-1904-v3.pdf>

“This paper provides a comprehensive account of the evolution of default risk for newly originated home purchase loans since 1990. We bring together several data sources to produce this history, including loan-level data for the entire GSE book. We use these data to track a large number of loan characteristics and a summary measure of risk, the stressed default rate. Among the many results in the paper, we show that mortgage risk had already risen in the 1990s, planting the seeds of the financial crisis well before the actual event. Our results also cast doubt on explanations of the crisis that focus on low-credit-score borrowers.”

**LOCAL ECONOMIC DEVELOPMENT**

*Ryan Nunn, Jana Parsons, and Jay Shambaugh*

**An Interactive Exploration of the Geography of Prosperity**

Brookings – Up Front - February 28, 2019

<https://www.brookings.edu/blog/up-front/2019/02/28/an-interactive-exploration-of-the-geography-of-prosperity>

“The Hamilton Project’s Vitality Index is a measure of a place’s economic and social wellbeing. It combines a county’s median household income, poverty rate, unemployment rate, prime-age employment rate, life expectancy, and housing vacancy rate.”

*Ryan Nunn, Jana Parsons, and Jay Shambaugh*

**Nine Facts About State and Local Policy**

Brookings – Report - January 31, 2019 – 20 pages

[https://www.brookings.edu/wp-content/uploads/2019/01/StateandLocal\\_Facts\\_Web\\_20190128.pdf](https://www.brookings.edu/wp-content/uploads/2019/01/StateandLocal_Facts_Web_20190128.pdf)

“From public welfare and education to transportation and land use, a new report from the Hamilton Project outlines nine facts about the economic roles of state and local governments and how they affect shared prosperity and opportunity across the country.”

*Wesley Tharpe*

**Raising State Income Tax Rates at the Top a Sensible Way to Fund Key Investments**

Center on Budget and Policy Priorities - February 7, 2019 – 25 pages

<https://www.cbpp.org/sites/default/files/atoms/files/2-7-19sfp.pdf>

“Policymakers in several states are reviewing options to strengthen support for public investments crucial to state economies and residents’ well-being, such as quality early education, affordable college, and modern infrastructure. One way to accomplish this is to raise personal income tax rates on the highest incomes, also known as a “millionaires’ tax.” The personal income tax is a major source of revenue for 41 states, and six of the eight states enacting millionaires’ taxes since 2000 had economic growth about as good or better than neighboring states while the tax cuts were in effect.”

*Chad Shearer, Isha Shah, and Marek Gootman*

**Advancing Opportunity in California’s Inland Empire**

Brookings – Report - February 26, 2019

<https://www.brookings.edu/research/advancing-opportunity-in-californias-inland-empire>

“This report considers ways in which the Inland Empire can advance economic opportunity by focusing regional growth strategies on “Opportunity Industries”—the industries that concentrate the region’s good jobs and promising jobs. Good jobs provide middle-class wages and benefits. Promising jobs are entry-level jobs that provide career pathways to good jobs... Overall, the report finds that in order to advance opportunity, the Inland Empire must increase the competitiveness and diversity of those industries that tend to concentrate good jobs.”

**BUSINESS - INDUSTRY**

**Small Business Size Standards: A Historical Analysis of Contemporary Issues**

Congressional Research Service – Report – Updated February 1, 2019 – 41 pages

<https://fas.org/sgp/crs/misc/R40860.pdf>

“Small business size standards are of congressional interest because they have a pivotal role in determining eligibility for Small Business Administration (SBA) assistance as well as federal contracting and, in some instances, tax preferences. Although there is bipartisan agreement that the nation’s small businesses play an important role in the American economy, there are differences of opinion concerning how to define them.”

*Joseph Fuller and Manjari Raman*

**The Caring Company**

American Enterprise Institute – January 2019 – 40 pages

[https://www.aei.org/wp-content/uploads/2019/01/The\\_Caring\\_Company.pdf](https://www.aei.org/wp-content/uploads/2019/01/The_Caring_Company.pdf)

“Employees are struggling to balance the responsibilities of work and caregiving, so there may be gains for companies that provide more help on the caring front. Three in four employees report having some type of childcare or eldercare responsibility. Companies underestimate the hidden costs of employee caregiving and the extent to which it affects employee performance. In what they label a “caring company,” managers will take the following steps: identifying the magnitude and nature of a company’s workforce’s care needs; evaluating the relevance of its existing benefits package and exploring the plausibility of expanding the benefits or developing customized solutions; and capturing the returns associated with boosting employee retention and productivity.”

*Jaison R. Abel and Richard Deitz*

**The (Modest) Rebound in Manufacturing Jobs  
Where Are Manufacturing Jobs Coming Back?**

FRB New York - Liberty Street Economics – February 4&6, 2019

<https://libertystreeteconomics.newyorkfed.org/2019/02/the-modest-rebound-in-manufacturing-jobs.html>

<https://libertystreeteconomics.newyorkfed.org/2019/02/where-are-manufacturing-jobs-coming-back.html>

“The United States lost 5.7 million manufacturing jobs between 2000 and 2010, reducing the nation’s manufacturing employment base by nearly a third... Less well recognized is the modest yet significant rebound in manufacturing jobs that has been underway for several years. Indeed, employment in the manufacturing industry began to stabilize in 2010, and the nation has added nearly 1 million jobs since then. Although modest in magnitude, this uptick in manufacturing jobs represents the longest sustained increase since the 1960s and bucks a decades-long trend of secular decline in employment in the goods producing sector of the economy... In this post, we outline the manufacturing jobs recovery and assess which sectors within the manufacturing industry are driving this increase. The second post will focus on the geography of the manufacturing employment rebound. It will examine where manufacturing jobs are growing and where they are continuing to decline, with a focus on how areas in the New York-Northern New Jersey region have fared.”

*Josh Bivens*

**The Economic Costs and Benefits of Airbnb: No reason for local policymakers to let Airbnb bypass tax or regulatory obligations**

Economic Policy Institute - Report - January 30, 2019 – 27 pages

<https://www.epi.org/files/pdf/157766.pdf>

“A new EPI report on the costs and benefits of Airbnb expansion adds much-needed research to the debate about how to regulate the internet-based rental company. According to EPI’s Josh Bivens, Airbnb raises housing costs by shifting local housing stock from the long-term residential housing market to the short-term accommodations market. Property owners—who are disproportionately white and high-wealth—benefit, but local families feel the pinch in their monthly housing budgets. Even adding the slight cost savings for travelers, it’s clear policymakers have no reason to relax local zoning or tax obligations for Airbnb.”

**The Economic Impact of the Fashion Industry**

U.S. Congress Joint Economic Committee – February 22, 2019 – 8 pages

[https://www.jec.senate.gov/public/\\_cache/files/ffe17b78-b14d-4b23-8e19-fea4480959a3/economic-impact-of-the-fashion-industry.pdf](https://www.jec.senate.gov/public/_cache/files/ffe17b78-b14d-4b23-8e19-fea4480959a3/economic-impact-of-the-fashion-industry.pdf)

“Fashion is a sophisticated, thriving industry that looks very different from it did 20 years ago and will look vastly different 20 years from now. The United States now focuses on the high-value parts – research and development, design and marketing. Jobs in these fields pay well, and demand for these skills is growing. The rapidly changing landscape rewards companies that are nimble, responsive to shifting market conditions and able to move quickly to address unmet needs. Those who are able to engage millennials and GenerationZ will be well positioned for the next chapter of this industry’s evolving story.”

## SCIENCE –TECHNOLOGY – INNOVATION

*Julie Wagner*

### **Innovation Districts and Their Dilemmas with Place**

Brookings – The Avenue – February 21, 2019

<https://www.brookings.edu/blog/the-avenue/2019/02/21/innovation-districts-and-their-dilemmas-with-place>

“The global rise of innovation districts continues. In the United States alone, roughly 20 districts have reached a level of critical mass to warrant the name, concentrating a mix of research institutions, mature companies, start-ups and scale-ups, co-working spaces, and supportive intermediaries in close geographic proximity... While innovation districts continue to rise globally, it is difficult to find a consistent quality of physical place across most districts. Julie Wagner explains several place-based dilemmas that need to be addressed for innovation districts to truly thrive.”

*Mark Muro*

### **Countering the Geographical Impacts of Automation: Computers, AI, and Place Disparities**

Brookings – Report – February 14, 2019

<https://www.brookings.edu/research/countering-the-geographical-impacts-of-automation-computers-ai-and-place-disparities>

All of which suggests the need to add another item to the list of social and ethical dilemmas surrounding the coming AI era the fact that AI and its positive and negative impacts will not be distributed evenly, and will likely contribute to the nation’s troubling geographical divides. Solving for this challenge will add yet another priority to problem-solving about the “future of work,” worker “adjustment,” and the ethical content of algorithms.”

*Robert Maxim and Mark Muro*

### **Automation and AI Will Disrupt the American Labor Force. Here’s How We Can Protect Workers**

Brookings - The Avenue - February 25, 2019

<https://www.brookings.edu/blog/the-avenue/2019/02/25/automation-and-ai-will-disrupt-the-american-labor-force-heres-how-we-can-protect-workers>

“In our new report, we offer strategies for making the best of the automation era in the form of five major agendas to help maximize the benefits that automation and AI may bring, while mitigating the potential harms.”

### **Executive Order on Maintaining American Leadership in Artificial Intelligence**

White House – February 11, 2019

<https://www.whitehouse.gov/presidential-actions/executive-order-maintaining-american-leadership-artificial-intelligence/>

“It is the policy of the United States Government to sustain and enhance the scientific, technological, and economic leadership position of the United States in AI R&D and deployment through a coordinated Federal Government strategy, the American AI Initiative (Initiative), guided by five principles.”

*Darrell M. West*

### **Assessing Trump’s Artificial Intelligence Executive Order**

Brookings – TechTank – February 12, 2019



<https://www.brookings.edu/blog/techtank/2019/02/12/assessing-trumps-artificial-intelligence-executive-order>

“While President Trump’s recent executive order on artificial intelligence is a step in the right direction, Darrell West writes that it fails to address important details regarding funding and implementation.”

*Daniel Castro and Michael McLaughlin*

**Ten Ways the Precautionary Principle Undermines Progress in Artificial Intelligence**

Information Technology & Innovation Foundation – Report – February 2019 – 35 pages

<https://itif.org/printpdf/8235>

“Applying the “precautionary principle” to AI—which says it’s better to be safe than sorry—would limit innovation and discourage adoption, undermining economic growth, competitive advantage, and social progress. To capture the full benefits of AI, policymakers should instead follow the “innovation principle,” which recognizes that the vast majority of new innovations are beneficial and pose little risk, so government should encourage them. Don’t regulate preemptively to prevent hypothetical harms; wait to address specific problems if they occur.”

**Algorithms, AI, and Predictive Analytics**

Center for Data Innovation - Comments to the Federal Trade Commission – February 15, 2019 – 30 pages

<http://www2.datainnovation.org/2019-ftc-competition-consumer-protection.pdf>

“The Center for Data Innovation recently responded to the request for comment from the FTC about a hearing on Competition and Consumer Protection in the 21st Century focusing on algorithms, artificial intelligence, and predictive analytics. In its comments, the Center explains the importance of AI in the digital economy and offers ideas for how regulators can provide effective oversight of automated systems so as to both protect consumers and allow innovation to flourish.

**INFORMATION TECHNOLOGIES – TELECOMMUNICATIONS**

**Winning the Race to 5G and the Next Era of Technology Innovation in the United States**

Senate Committee on Commerce, Science, and Transportation – Hearing - February 6, 2019

<https://www.commerce.senate.gov/public/index.cfm/hearings?ID=06336057-CC60-45DF-A361-32D7401EE6CB>

“This hearing will focus on key steps to maintain U.S. global leadership in next-generation communications technology, spectrum needs to accelerate deployment, and new applications and services consumers can expect with 5G deployments. The hearing will also examine current efforts to modernize infrastructure siting policies and the security of 5G networks.”

**Policy Principles for a Federal Data Privacy Framework in the United States**

Senate Committee on Commerce, Science, and Transportation – Hearing - February 27, 2019

<https://www.commerce.senate.gov/public/index.cfm/hearings?ID=CBA2CD07-4CC7-4474-8B6E-513FED77073D>

“In an age of rapid innovation in technology, consumers need transparency in how their data is collected and used,” said Wicker. “It is this committee’s responsibility and obligation to develop a federal privacy standard to protect consumers without stifling innovation, investment, or competition.

As we continue to examine this critically important issue, I hope this first hearing will offer valuable insights that will help set the stage for meaningful bipartisan legislation.”

### **Protecting Consumer Privacy in the Era of Big Data**

Committee on Energy and Commerce – Hearing - February 26, 2019

<https://energycommerce.house.gov/committee-activity/hearings/hearing-on-protecting-consumer-privacy-in-the-era-of-big-data>

“Consumer privacy isn’t new to this Committee. We’ve been talking about it for years. Yet, nothing has been done to address the problems. This hearing is the beginning of a long overdue conversation. It is time that we move past the old model that protects the companies using the data, not the people. I look forward to hearing from our witnesses today on how we can work together to accomplish this. And I plan to work with my colleagues on both sides of the aisle to craft strong, comprehensive privacy legislation that puts consumers first.”

*Blair Levin*

### **Mayors or the FCC: Who understands the broadband needs of metropolitan residents?**

Brookings – The Avenue - Friday, February 22, 2019

<https://www.brookings.edu/blog/the-avenue/2019/02/22/mayors-or-the-fcc-who-understands-the-broadband-needs-of-metropolitan-residents/>

“Last October, multiple cities sued the FCC over an order on 5G deployment that would save wireless carriers an estimated \$2 billion. Blair Levin discusses the ongoing tension between mayors and the Commission and how their approaches to broadband policies differ.”

## **INFRASTRUCTURE - TRANSPORTATION**

### **America’s Infrastructure Needs: Keeping Pace with a Growing Economy**

Senate Committee on Commerce, Science, and Transportation – Hearing - February 13, 2019

<https://www.commerce.senate.gov/public/index.cfm/hearings?ID=A73B1CC1-D6D6-4B18-A419-9F33FB5F69BA>

The hearing will focus on opportunities for infrastructure improvement, including federal funding, financing programs, and permitting and regulatory streamlining.

### **The Cost of Doing Nothing: Why Investing in Our Nation’s Infrastructure Cannot Wait**

House Committee on Transportation and Infrastructure – Hearing - February 7, 2019

<https://transportation.house.gov/committee-activity/hearings/the-cost-of-doing-nothing-why-investing-in-our-nations-infrastructure-cannot-wait>

“The purpose of this meeting is to examine the current state of our roads, bridges, transit systems, clean water systems, ports, inland waterways, and airports; and receive testimony on what will happen if we do not begin to address the backlog of infrastructure needs.”

### **Examining How Federal Infrastructure Policy Could Help Mitigate and Adapt to Climate Change**

House Committee on Transportation and Infrastructure – Hearing - February 26, 2019

<https://transportation.house.gov/committee-activity/hearings/examining-how-federal-infrastructure-policy-could-help-mitigate-and-adapt-to-climate-change>

“The purpose of this hearing is to examine the role the transportation sector plays in global warming, understand the dual track approach of mitigation and resiliency, and learn from individuals in the public and private sectors whom have demonstrated pragmatic solutions for reducing carbon emissions and building resilient infrastructure.”

*Bianca Majumder and Luke Bassett*

**A Climate-Smart Infrastructure Plan**

Center for American Progress – January 29, 2019

<https://www.americanprogress.org/issues/green/news/2019/01/29/465520/energy-efficient-buildings-central-modernizing-u-s-infrastructure/>

By upgrading energy efficiency in buildings, the United States can realistically lower energy costs for consumers, encourage job growth, and reduce energy-related pollution and carbon emissions while revitalizing the core of U.S. infrastructure to improve communities across the country.

**Connecting America: Examining Intermodal Connections Across Our Surface Transportation Network**

Senate Committee on Commerce, Science, and Transportation – Hearing - February 26, 2019

<https://www.commerce.senate.gov/public/index.cfm/hearings?ID=70045423-7821-4C2C-98C5-F3010FDD99B7>

The hearing will focus on the current multimodal transportation market and infrastructure, stakeholder needs, and how Congress can support multimodal freight movement as part of a surface transportation reauthorization.”

**AGRICULTURE**

**Implementing the Agriculture Improvement Act of 2018**

U.S. Senate Committee on Agriculture, Nutrition, and Forestry -Hearing - February 28, 2019 – 5 pages

[https://www.agriculture.senate.gov/imo/media/doc/Testimony\\_Perdue\\_02.28.19.pdf](https://www.agriculture.senate.gov/imo/media/doc/Testimony_Perdue_02.28.19.pdf)

Testimony of Secretary Sonny Perdue U.S. Department of Agriculture

*Mark A. McMinimy*

**The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison**

Congressional Research Service – Report – February 22, 2019 – 373 pages

<https://fas.org/sgp/crs/misc/R45525.pdf>

“Congress sets national food and agriculture policy through periodic omnibus farm bills that address a broad range of farm and food programs and policies. The 115th Congress established the direction of farm and food policy for five years through 2023 by enacting the Agricultural Improvement Act of 2018, which the President signed into law on December 20, 2018, as P.L. 115-334.”

*David B. Oppedahl*

**Technology’s Impact on Farming and the Rural Midwest**

FRB Chicago – Fed Letter – January 2019 – 5 pages

<https://www.chicagofed.org/publications/chicago-fed-letter/2019/411>

“On November 27, 2018, the Federal Reserve Bank of Chicago held a conference to explore the opportunities and challenges presented by new technologies to farms and rural areas in the Midwest and other parts of the U.S. Experts from academia, industry, and policy institutions gathered to discuss how technological advances have reshaped the rural economy and how they may affect its future.”

## EMPLOYMENT – WAGES

*Josh Bivens*

### **Updated Employment Multipliers for the U.S. Economy**

Economic Policy Institute – Report – January 2019 – 29 pages

<https://www.epi.org/files/pdf/160282.pdf>

“Each industry has backward linkages to economic sectors that provide the materials needed for the industry’s output, and each industry has forward linkages to the economic sectors where the industry’s workers spend their income. Therefore, in addition to the jobs directly supported by an industry, a large number of indirect jobs may also be supported by that industry... This brief calculates employment multipliers by industry to illustrate the importance of these linkages.”

*Chad P. Bown and Caroline Freund*

### **Active Labor Market Policies: Lessons from Other Countries for the United States**

Peterson Institute – Working Paper – January 2019 12 pages

<https://piie.com/system/files/documents/wp19-2.pdf>

“US labor force participation has been weak in recent decades, especially during the recovery of the financial crisis of 2007–09. The authors examine several programs that governments in other advanced industrial countries have established to help jobless workers continue to seek employment. They conclude that labor adjustment policies—such as job placement services, training, and wage subsidies—can be used to successfully help workers find employment. By contrast, direct job creation through public works projects and other government programs are less effective over the long run.”

*Alicia H. Munnell and Abigail N. Walters*

### **Proposals to Keep Older People in the Labor Force**

Brookings – Report - January 31, 2019 – 69 pages

[https://www.brookings.edu/wp-content/uploads/2019/01/ES\\_20190124\\_Munnell-Walters-Retirement-Reform\\_with-Reference-Material.pdf](https://www.brookings.edu/wp-content/uploads/2019/01/ES_20190124_Munnell-Walters-Retirement-Reform_with-Reference-Material.pdf)

“The share of Americans planning to work past the age of 65 has tripled over the last three decades, but few policies are in place to help them. Alicia Munnell and Abigail Walters offer proposals to overcome the challenges faced by older employees and their employers, including by addressing age discrimination and establishing a new retirement age.”

*David H. Autor*

### **Work of the Past, Work of the Future**

M.I.T. – Paper – February 27, 2019 – 48 pages

<https://economics.mit.edu/files/16724>

“Real wages for non-college workers in the United States have been on a downward trend since the 1980s. On the contrary, the supply and productivity of college-educated workers has increased. David H. Autor explains this paradox as a consequence of occupational change caused by automation. These occupational changes have unfolded smoothly over time, but unevenly across geographic regions. In the decades following World War II, middle-skill manufacturing, administrative, and clerical jobs

were common in large cities but scarce in suburbs and rural areas. Non-college workers could move to urban cities to get good jobs and higher wages. As rising automation and international trade encroached on middle-skilled jobs, non-college workers in cities were forced into less skilled work, which decreased their wages.”

*Kalee E. Burns and Julie L. Hotchkiss*

**Migration Constraints and Disparate Responses to Changing Job Opportunities**

Federal Reserve Bank of Atlanta - Working Paper - February 2019 – 53 pages

<https://www.frbatlanta.org/-/media/documents/research/publications/wp/2019/01-migration-constraints-and-disparate-responses-to-changing-job-opportunities-2019-02-08.pdf>

“Investigating the role constraints to migration might play in explaining racial/ethnic disparities in the labor market, the authors examine the distributional mismatch between race/education specific workers and jobs among minorities relative to white non-Hispanics. Their findings suggest that social constraints might play a role in the mismatch.”

**Clean Energy Infrastructure and the Workforce to Build It**

House Energy Subcommittee - Hearing - February 27, 2019

<https://energycommerce.house.gov/committee-activity/hearings/hearing-on-clean-energy-infrastructure-and-the-workforce-to-build-it>

“The focus of this hearing is on H.R. 1315, the “Blue Collar to Green Collar Jobs Development Act of 2019”, introduced by Subcommittee Chairman Bobby Rush (D-IL) on February 22, 2019.”

**WAGES**

*Elise Gould*

**The State of American Wages 2018: Wage Inequality Marches on**

Economic Policy Institute – Report - February 20, 2019 – 39 pages

<https://www.epi.org/files/pdf/161043.pdf>

“In EPI’s most recent wage series analysis, economist Elise Gould finds that wage growth is still sluggish for most Americans despite ongoing low unemployment over the last year. The highest-wage workers have experienced the strongest wage growth since 2000—leading to widening inequality. The data show not only rising inequality but also the persistence, and in some cases worsening, of wage gaps by gender and race. Gould writes that policymakers can foster strong wage growth and reduce inequality by raising the federal minimum wage, expanding eligibility for overtime pay, addressing gender and racial pay disparities, and protecting and strengthening workers’ rights to bargain collectively for higher wages and benefits.”

**Gradually Raising the Minimum Wage to \$15: Good for Workers, Good for Businesses, and Good for the Economy**

House Education and Labor Committee – Hearing – February 7, 2019

<https://edlabor.house.gov/hearings/gradually-raising-the-minimum-wage-to-15-good-for-workers-good-for-businesses-and-good-for-the-economy->

“Today, we are here for a legislative hearing on the Raise the Wage Act, H.R.582, a proposal to gradually raise the minimum wage to \$15.”

*David Cooper*

**An Increased Minimum Wage Would Benefit Nearly 40 Million Americans**

Economic Policy Institute – Report - February 5, 2019 – 68 pages

<https://www.epi.org/files/pdf/160909.pdf>

“Ten years have passed since Congress raised the federal minimum wage to \$7.25 per hour, and it has “lost almost 15 percent of its value to inflation” since then, according to EPI’s David Cooper. Cooper’s latest report analyzes the impacts of the phased-in increases proposed in the Raise the Wage Act of 2019. Using EPI’s Minimum Wage Simulation Model, Cooper shows that increasing the minimum wage to \$15 by 2024 would directly and indirectly lift wages for 39.7 million workers—equivalent to 26.6 percent of all U.S. workers. Women and single parents would disproportionately benefit. The wage increases would also help millions of Americans rise above the poverty line.”

**PENSIONS**

**Improving Retirement Security for America’s Workers**

House Ways and Means Committee - Hearing - February 6, 2019

<https://waysandmeans.house.gov/legislation/hearings/improving-retirement-security-america-s-workers>

“With the disappearance of pensions and declining workplace retirement plan coverage, most Americans have a dim retirement outlook. There is a large retirement savings shortfall, and many Americans face the prospect of continuing to work past the age of 67, substantially reducing their standard of living, or turning to families and local government for financial assistance. This situation will have negative impacts on our economy, government budgets and families. Americans need some bold strokes from policymakers as the incremental steps over the last 40 years have produced fleeting progress.”

**HEALTH**

*Charles Blahous*

**The Unanswered Questions of Medicare for All**

AEI Economic Perspectives - February 15, 2019 – 10 pages

<https://www.aei.org/wp-content/uploads/2019/02/Single-Payer.pdf>

“The single-payer health insurance proposal known widely as Medicare for All (M4A) cannot be enacted without first answering certain questions. Foremost among these is whether the public would support shifting more than \$32 trillion in M4A’s first 10 years from private health spending, over which consumers retain some discretion, to federal health spending, over which consumers do not. A related open question is whether the federal government can adequately finance this amount of spending without triggering significant adverse economic effects. Other unanswered questions include M4A’s effects on health providers, the prescription drug market, and private health insurance.”

**Drug Pricing in America: A Prescription for Change, Part I & II**

Senate Committee on Finance – Hearings - January 29, 2019 and February 26, 2019

<https://www.finance.senate.gov/hearings/drug-pricing-in-america-a-prescription-for-change-part-i>  
<https://www.finance.senate.gov/hearings/drug-pricing-in-america-a-prescription-for-change-part-ii>

“The crisis of prescription drug costs threatens too many lives and bankrupts too many people for the Congress to tolerate this ducking and weaving by the companies that caused it. According to a recent

report, millions of Americans have skipped doses or declined to fill prescriptions because of their cost. That is intolerable.”

### **The Cost of Rising Prescription Drug Prices**

House Ways and Means Committee - Hearing - February 12, 2019

<https://waysandmeans.house.gov/legislation/hearings/cost-rising-prescription-drug-prices>

“In 2016, the United States spent \$471 billion on prescription drugs. This includes both retail and non-retail drug spending. National Health Expenditures data show that retail drug spending alone grew 30 percent over the 2010-2016 period. Total drug spending (including non-retail) is expected to rise by nearly a quarter to \$584 billion by 2020... Ultimately, drug spending is placing an increasing burden on patients and taxpayers to cover the bill. About one in four Americans chose not to fill a prescription last year because of cost... it is not surprising that most Americans, their employers, and even the doctors who prescribe treatments believe our prescription drug market is broken. They cannot explain or understand why we pay as much as three times or more for the same drugs than patients in other developed nations.”

## **INTERNATIONAL ECONOMIC RELATIONS**

*Simon Gilchrist and Egon Zakrajsek*

### **Trade Exposure and the Evolution of Inflation Dynamics**

Federal Reserve System – Working Paper - January 2019 – 46 pages

<https://www.federalreserve.gov/econres/feds/files/2019007pap.pdf>

The diminished sensitivity of inflation to changes in resource utilization that has been observed in many advanced economies over the past several decades is frequently linked to the increase in global economic integration. In this paper, we examine this “globalization” hypothesis using both aggregate U.S. data on measures of inflation and economic slack and a rich panel data set containing producer prices, wages, output, and employment at a narrowly defined industry level. Our results indicate that the rising exposure of the U.S. economy to international trade can indeed help explain a significant fraction of the overall decline in responsiveness of aggregate inflation to fluctuations in economic activity.”

*Chad P. Bown and Eva (Yiwen) Zhang*

### **Measuring Trump's 2018 Trade Protection: Five Takeaways**

Peterson Institute – Blog – February 15, 2019

<https://piie.com/blogs/trade-investment-policy-watch/measuring-trumps-2018-trade-protection-five-takeaways>

“President Trump has applied an increasingly complex web of trade protection. Not only is the total import coverage massive, but measuring the impact is complicated by the fact that some imported products are being hit multiple times. Bown provides five new takeaways from his careful measurement of Trump's 2018 tariffs.”

*Jeffrey J. Schott*

### **Next Up in the Trade Wars: Autos**

Peterson Institute – Blog – February 21, 2019

<https://piie.com/blogs/trade-investment-policy-watch/next-trade-wars-autos>

“The Trump administration has concluded a study to determine whether imports of autos and auto parts impair or threaten US national security. The findings (not yet released to the public) could trigger

restrictions on hundreds of billions of dollars of US imports and provoke another skirmish in its trade wars with key US allies in Europe and Asia.”

*Marc Jarsulic, Andy Green, and Daniella Zessoules*

**Evaluating the Renegotiated NAFTA**

Center for American Progress – Report - February 1, 2019 – 29 pages

<https://cdn.americanprogress.org/content/uploads/2019/01/31111537/NAFTArevisited-report.pdf>

“The U.S.-Mexico-Canada Agreement, President Trump's 2018 revision to the North American Free Trade Agreement, fails to place workers at the center of U.S. trade priorities. Congress should insist on an approach that does.”

**CHINA**

**U.S.-China Trade**

House Ways and Means Committee - Hearing - February 27, 2019

<https://waysandmeans.house.gov/media-center/press-releases/chairman-neal-announces-hearing-us-china-trade>

The only invited witness is Ambassador Robert E. Lighthizer, United States Trade Representative.

*Galina Hale, Bart Hobijn, Fernanda Nechio, and Doris Wilson*

**Inflationary Effects of Trade Disputes with China**

FRB San Francisco - Economic Letter - February 25, 2019 – 5 pages

<https://www.frbsf.org/economic-research/files/el2019-07.pdf>

Imports from China are an important part of overall U.S. imports of consumer and investment goods. Thus, tariffs on these imports are likely to have sizable effects on consumer, producer, and investment prices in this country. Tariffs implemented thus far may have contributed an estimated 0.1 percentage point to consumer price inflation and 0.4 percentage point to price inflation for business investment goods. If implemented, an across-the-board 25% tariff on all Chinese imports would raise consumer prices an additional 0.3 percentage point and investment prices an additional 1.0 percentage point.”

*Robert Kuttner*

**Will Robert Lighthizer Restrain Donald Trump’s Impulse to Take a Headline-Grabbing and Self-Defeating China Deal?**

The American Prospect Magazine – Article - February 28, 2019

<https://prospect.org/article/trumps-one-good-appointee>

“Rather than moving toward a more open economy, as enthusiasts of WTO membership predicted, China has intensified its policies of state-led capitalism and protectionism. Combined with its outright technology theft, these policies have enabled China to achieve domination in industry after industry, with grave economic and geopolitical consequences for the U.S. Robert Lighthizer, the U.S. trade representative, aims to change that. He is dead serious about using America’s economic and political leverage to reset the U.S.-China relationship.”

*Ryan Hass and Mira Rapp-Hooper*

**Responsible Competition and the Future of U.S.-China Relations**

Brookings – Blog - February 6, 2019



<https://www.brookings.edu/blog/order-from-chaos/2019/02/06/responsible-competition-and-the-future-of-u-s-china-relations>

“Ryan Hass and Mira Rapp-Hooper assess the seven essential questions that are shaping the debate among experts over how the United States can compete effectively with China and manage its rise.”

*Peter A. Petri and Michael G. Plummer*

**China Should Join the New Trans-Pacific Partnership**

Peterson Institute – Policy Brief – January 2019 – 13 pages

<https://piie.com/system/files/documents/pb19-1.pdf>

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)—the successor to the Trans-Pacific Partnership abandoned by the United States—excludes the region's other biggest economy, China. Chinese membership in the CPTPP would yield large economic and political benefits to China and other members.

**Made in China 2025 and the Future of American Industry**

Senate Committee on Small Business – Hearing - February 27, 2019

<https://www.sbc.senate.gov/public/index.cfm/hearings?ID=CD9AE57D-003A-465B-B482-9F2135A6AC7C>

Witnesses:

Brad Setser, Senior Fellow, Council on Foreign Relations

Robert Atkinson, President, Information Technology and Innovation Foundation

Andrew Rush, President and CEO, Made In Space, Inc

Bonnie S. Glaser, Director, China Power Project, Center for Strategic and International Studies

**DEVELOPMENT**

*Stephanie Mercier*

**Rent-Seeking Behavior in US International Food Aid Programs**

American Enterprise Institute – Economic Perspectives – January 2019 – 9 pages

<https://www.aei.org/wp-content/uploads/2019/01/Rent-Seeking-in-Food-Aid.pdf>

“In her study, Stephanie Mercier outlines the evolution and history of US food aid programs including the Food for Peace program and provisions in recent farm bills. Early in their existence, these programs provided rents to interest groups through cargo preference requirements and purchasing requirements for in-kind aid. These requirements, along with monetization, shift program dollars toward commodity producers, shipping companies, and nongovernmental organizations in the United States, raising program costs. The result is that these programs are not efficiently achieving their goals of increasing US soft power and alleviating global hunger.”

*Landry Signé*

**France-Africa Relations Challenged by China and the European Union**

Brookings - Blog - February 5, 2019

<https://www.brookings.edu/blog/africa-in-focus/2019/02/05/france-africa-relations-challenged-by-china-and-the-european-union>

“Here are four things you need to know about France-Africa relations given the evolving context with the European Union, China, and other emerging partners.”

## ENERGY

### **Outlook for Energy and Minerals Markets in the 116th Congress**

Senate Committee on Energy and Natural Resources - Hearing - February 5, 2019

[https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?Id=FA12E5D1-59E5-4DC9-A96B-EF5949C00B1D&Statement\\_id=C581C227-7A4D-4635-BE0F-A8381C02CD8A](https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?Id=FA12E5D1-59E5-4DC9-A96B-EF5949C00B1D&Statement_id=C581C227-7A4D-4635-BE0F-A8381C02CD8A)

“The markets for energy and minerals are rapidly changing... Our witnesses are testifying on behalf of the Energy Information Administration; ClearViewEnergy Partners; the R Street Institute; Bloomberg New Energy Finance; and Benchmark Mineral Intelligence.”

### **Status and Outlook of Energy Innovation in the United States**

Senate Committee on Energy and Natural Resources - Hearing - February 7, 2019

<https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=C58204A3-B702-487C-A60B-546DFDF7EB9F>

“Today we’re going to look at what is happening to drive the energy trends of the future, what could be the next breakthrough energy technology... We’re also looking to how we can encourage innovation that will deliver better, cleaner, and cheaper energy for American families and businesses. Here in the United States we’ve long been on the cutting edge of energy innovation. Whether the battle for electric current supremacy between Nikola Tesla and Thomas Edison, the invention of the semiconductor, or the revolution in hydraulic fracturing, American ingenuity has led the way in global innovation. But, we want to continue to lead the way in global innovation.”

### **Climate Change: Preparing for the Energy Transition**

Subcommittee on Energy and Mineral Resources – Hearing - February 12, 2019

<https://naturalresources.house.gov/hearings/climate-change-preparing-for-the-energy-transition>

Witness list:

Brandon Dennison, Founder and CEO, Coalfield Development Corporation, Wayne, West Virginia  
 Sarah Shrader, Owner and Co-Founder, Bonsai Design, Grand Junction, Colorado  
 Chandra Farley, Director, Just Energy; Partnership for Southern Equity, Atlanta, Georgia  
 Peter Hille, President, Mountain Association for Community Economic Development, Berea,  
 Joseph Mason, Professor, Department of Finance, Louisiana State University, Baton Rouge, Louisiana  
 Bill Bissett, President and CEO, Huntington Regional Chamber of Commerce, Huntington, West Virginia

*David Hart*

### **Clean Energy-Based Economic Development: Parallel Tracks for State and Local Policy**

Information Technology & Innovation Foundation – Report – February 2019 – 16 pages

<https://itif.org/printpdf/8264>

“There are five tracks officials can follow to accelerate economic growth. They can offer incentives; nurture tech-based start-ups; deepen clusters of related industries; substitute local and renewable energy resources for imports; and stimulate market demand for clean energy. Federal policymakers should support their local counterparts by providing steady backing for the national transition to clean energy, as well as timely information, technical assistance, and R&D funding.”

### **The Future of ARPA-E**

House Committee on Science, Space and Technology – Hearing - February 26, 2019

<https://science.house.gov/legislation/hearings/future-arpa-e>

“After about 12 years since this agency was first authorized by this Committee, and 10 years since it finally received funding thanks to the American Recovery and Reinvestment Act, ARPA-E now plays a critical role in maintaining America’s economic competitiveness by advancing high-risk concepts that previously lacked federal or private sector support, but that could have significant impacts on the ways we produce and use energy. Thus far, 71 ARPA-E projects have led to the formation of new companies; 109 have partnered with other government agencies for further development; and 136 have attracted over \$2.6 billion in private sector follow-on funding.”

*Rachel Gold and Seth Nowak*

**Energy Efficiency Over Time: Measuring and Valuing Lifetime Energy Savings in Policy and Planning**

American Council for an Energy-Efficient Economy – Report - February 20, 2019 – 83 pages

<https://aceee.org/sites/default/files/publications/researchreports/u1902.pdf>

The lifetime of energy efficiency programs and measures ranges from a few months to several decades. Nevertheless, most energy efficiency policies are designed around the first year of savings. This report describes recent policy changes in some states and Canadian provinces to measure the value of energy savings over time. We also explore the challenges inherent in policies that encourage only short-term savings. More particularly, we suggest ways of improving measure lifetime estimates to make them more useful to cost-effectiveness testing, energy efficiency resource standards, performance incentives, and resource planning. We conclude with policy recommendations for program administrators and decision makers.

**LNG as a Maritime Fuel: Prospects and Policy**

Congressional Research Service – Report – February 5, 2019 – 26 pages

<https://fas.org/sgp/crs/misc/R45488.pdf>

“The combination of growing liquefied natural gas (LNG) supplies and new requirements for less polluting fuels in the maritime shipping industry has heightened interest in LNG as a maritime fuel. The use of LNG as an engine (“bunker”) fuel in shipping is also drawing attention from federal agencies and is beginning to emerge as an issue of interest in Congress.”