



Northwestern University

news

INSTITUTE FOR POLICY RESEARCH

INTERDISCIPLINARY • NONPARTISAN • POLICY RELEVANT

Reinforcing the Roster New faculty add expertise in studying disparities

IPR welcomed two new fellows, health psychologists **Edith Chen** and **Greg Miller**, experts in understanding the biological links and psychosocial pathways that can affect a person's physical and mental health and life trajectory. They joined Northwestern University from the University of British Columbia in the fall.



Thomas McDade, C2S director (center), welcomes IPR health psychologists Greg Miller and Edith Chen.

Chen and Miller are also part of IPR's Cells to Society (C2S): The Center on Social Disparities and Health, a center that the Institute launched in 2005. C2S faculty aim to "get under the skin" to look at how broad social, racial, ethnic, and economic disparities affect human development and health.

Miller studies how stress affects health. His latest projects look at long-term biological consequences of childhood poverty and the health consequences of caring for a sick family member.

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Time-Sharing Experiments for the Social Sciences National online data platform under IPR leadership



IPR fellows and co-principal investigators Jeremy Freese (l.) and James Druckman discuss how to encourage more faculty to use the online data collection platform.

Since 2001, researchers have had access to a powerful and innovative way of collecting randomized, representative data for free—thanks to the online data collection platform TESS, or Time-Sharing Experiments for the Social Sciences. With a grant for renewed support from nine different divisions of the National Science Foundation

(NSF) and now under the leadership of two IPR fellows, **Jeremy Freese**, a sociologist, and **James Druckman**, a political scientist, TESS will continue offering its no-cost online survey services, as well as aiming to increase the numbers of the nation's emerging scholars who use it.

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Death Penalty Review Report reconsiders research and deterrence



Daniel Nagin

For several decades, scholars have tried to answer a seemingly simple question: Does the death penalty deter murder? Two reports by the National Research Council (NRC), conducted more than three decades apart, have reached basically the same conclusion—we still do not know.

At a January 9 event co-sponsored by IPR and the Northwestern School of Law's Searle Center, Carnegie Mellon criminologist **Daniel Nagin**, chair of the 2012 NRC Committee on

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Future of Healthcare Key architect of national reform assesses the law

At the IPR and John H. Hollister Lecture, one of the nation's top healthcare economists retraced the challenges of passing and implementing the nation's most sweeping reform of healthcare since the 1965 passage of Medicaid and Medicare.

Jonathan Gruber of MIT was a key architect of Massachusetts' 2006 healthcare reform law and the federal 2010 Affordable Care Act (ACA) and "has twice been called one of the 100 most powerful people in healthcare in the United States," said IPR Director

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Jonathan Gruber

Faculty Recognition

K. McElroy



Lindsay
Chase-Lansdale

Lindsay Chase-Lansdale, a developmental psychologist, was elected to the National Academy of Education. It consists of 200 U.S. members and 25 foreign associates, recognized for their outstanding scholarship or contributions to education. She was also selected to join the National Advisory Committee of the Robert Wood Johnson Foundation Health & Society Scholars program, which guides program policy, reviews scholar applications, and assists in monitoring site performance.

Achievement Award for Cook

R. Reinhard



Tom Cook (l.) receives the
award from Doug Besharov.

The Rossi Award honors the lifetime achievements of a researcher who has made important contributions to the theory or practice of program evaluation.

Thomas D. Cook, a social psychologist and methodologist, received the 2012 Peter H. Rossi Award from the Association for Public Policy Analysis and Management at its annual meeting on November 9 in Baltimore. The Rossi Award

The Cambridge Handbook of Experimental Political Science (Cambridge University Press, 576 pp.), co-edited by political scientist and IPR Associate Director **James Druckman**, received the Robert E. Lane Award for best book published in 2011 from the Political Psychology section of the American Political Science Association (APSA), in addition to the best book award from APSA's section on Experimental Research. Also, Druckman received APSA's 2011 best paper award on Elections, Public Opinion, and Voting Behavior for "Framing and Biased Information Search," with former undergraduate Jordan Fein and former IPR graduate research assistant Thomas Leeper. All of these awards were announced at the association's 2012 meeting.

In November, social psychologist **Alice Eagly** was presented with an honorary doctorate from Erasmus University Rotterdam in the Netherlands and also with the Women with Vision Award from the Women's Bar Association of Illinois.

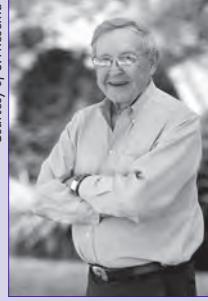
IPR Director and education economist **David Figlio** was the recipient of the 2012 Outstanding Professor Award from Northwestern's School of Education and Social Policy.

Political scientist **Daniel Galvin** received the 2012 Emerging Scholar Award from APSA's section on Political Organizations and Parties. The award is given annually for significant research conducted by a scholar who received his or her doctorate within the past five years.

Social psychologist **Jennifer Richeson** was invested as the John D. and Catherine T. MacArthur Chair on February 15 at Northwestern University (see page 7).

In Memoriam: Paul Friesema

Courtesy of S. Friesema



H. Paul Friesema, professor emeritus of political science and IPR faculty emeritus at Northwestern University, died March 8 in Evanston. He was 77.

Friesema joined Northwestern in 1968 and was one of two political scientists who were part of the Institute at its launch that same year. Specializing in natural resources, environmental policy, and urban politics, he played a key role in founding and leading IPR's Environmental Policy Research Program, in addition to several other forward-thinking environmental policy programs and initiatives at the University.

In 1971, Friesema started the Public Lands Project. Its research focused on how urban-generated political pressures affect the federal agencies that administer natural resources and public lands. Friesema also studied the interplay of Native American and environmental issues, natural disasters, alternative energy, urban transportation, and metropolitan politics and government.

Over his 45-year career, Friesema authored or co-authored four books, 17 monographs and reports, and numerous scholarly articles. Although he retired in 2009, he was still teaching and advising students into this year.

"Paul first came to Northwestern to teach urban politics, just as the Center for Urban Affairs—as IPR was then known—was being launched," said IPR political scientist Wesley G. Skogan, a friend and colleague. "Over the years he mentored many graduate students, first in urban policy and later in the study of environmental politics. His open door and friendly welcome will be sorely missed."

Friesema is survived by his wife Jane, three children and their spouses, six grandchildren, and a sister. A memorial service was held on April 26 at Northwestern.

Additional reporting by Hilary Hurd Anyaso.

Recent Grants

Health psychologists **Edith Chen** and **Greg Miller** received an R01 grant from the National Heart, Lung, and Blood Institute in the National Institutes of Health to continue building on their multilevel understanding of social contributors to socioeconomic status disparities in asthma.

Sociologist **Jeremy Freese** and political scientist **James Druckman** won a grant from the National Science Foundation to expand the online data survey platform Time-Sharing Experiments for the Social Sciences (see page 1).

With funding from the Smith Richardson Foundation, education economist **Kirabo Jackson** is conducting research that examines the effects of high school teachers on student achievement, dropout rates, truancy, and delinquent behavior.

The National Science Foundation is providing support for a project led by IPR Director **David Figlio**, an education

(Continued on page 3)

Stress, Health, and Wealth

Symposium explores effects across the life span

When it comes to your health, stress matters—but so does personal wealth. According to a recent research symposium led by IPR and Northwestern faculty, health and income disparities go hand in hand, with stress playing a large, yet ill-defined, role.

“Socioeconomic status is often the strongest predictor of health outcomes—and often the least understood,” said IPR biological anthropologist **Thomas McDade**, who directs IPR’s Cells to Society (C2S):The Center on Social Disparities and Health. Income inequality, he continued, is more than an economic issue; it’s also a matter of public health.

The October 23 symposium, co-sponsored by Feinberg’s department of Medical Social Sciences (MSS), IPR’s C2S, and the Weinberg College of Arts and Sciences, brought together a multidisciplinary cadre of experts to review the links between stress and health, and how they affect people across the life span.

“It was an accomplishment not just to pull together such a symposium but also to have begun laying the groundwork for such research to take place in the first place,” noted **David Cella**, the symposium’s moderator and host.

Cella, professor and founding chair of MSS and an IPR associate, underscored the University’s recognition that for such research to be effective, faculty expertise had to cut across the medical, social, and biological sciences, with the faculty who presented their cross-cutting research at the symposium being examples.

After McDade outlined the challenges of defining and measuring stress and social status, biocultural anthropologist **Elizabeth Sweet** discussed how stress and stressors are culturally embedded. She examined how cultural status can be defined differently, i.e., Juicy Couture for teens versus publishing in a top journal for professors. Thus, standard indicators of socioeconomic status, she said, do not lead to a complete understanding of its role in health disparities.

“But not all stress is bad,” said IPR psychobiologist **Emma Adam**, who studies stress and its effects on young adults. Daily stress plays a critical role in helping people to respond



P. Reese

David Cella collects ideas from participants for future topics of research and collaboration with Lauren Wakschlag.

to the normal demands of daily life, she said, but it is when that stress becomes chronic that it derails normal stress biology, leading to a higher risk of disease and death.

IPR health psychologists **Greg Miller** and **Edith Chen** discussed their efforts to drill down into biological models of stress by fitting together the pieces of “multilevel chains of causality.” Miller pointed to how stress affects parents of children with cancer. The caregivers (parents) of the sick children were partially resistant to cortisol, with more resulting inflammation leading to a greater risk for health problems. Chen showed that asthmatic children with more acute and chronic family stress had lower cortisol signaling than the nonstressed asthmatics. This left them more prone to allergic inflammation.

Medical social sciences professor and IPR associate **Frank Penedo** discussed how a psychosocial intervention based on stress management, helped a group of prostate cancer survivors by improving their quality of life, mood, etc., overall. Additionally, the intervention reduced symptom burden by improving stress management.

“In the roundtables following the presentations, it gave participants an opportunity to exchange ideas for future research and collaboration,” said IPR clinical and developmental psychologist and MSS vice chair **Lauren Wakschlag**, who co-organized the event.

Recent Grants *(Continued from page 2)*

economist, on building a national network to support the creation of large administrative data sets (see page 8).

Funding from the National Institute on Aging is supporting anthropologist and C2S Director **Thomas McDade**’s continued evaluation of the health benefits of workplace policies and practices designed to increase family-supportive supervisor behaviors and employee control over work.

With a grant from the Smith Richardson Foundation, sociologist **Leslie McCall** and social psychologist **Jennifer Richeson** are looking into public perceptions of inequality, opportunity, and redistribution in media coverage.

Social demographer **Christine Percheski** received funding from the Substance Abuse and Mental Health Services

Administration to examine the Great Recession’s influence on nonmarital and multipartner fertility.

Through the University of Kentucky’s Center for Poverty Research, the U.S. Department of Agriculture is supporting a project led by **Diane Whitmore Schanzenbach**, an economist, to

examine why some low-income families with children do not experience low food security, while others do.

Political scientist **Wesley G. Skogan** received grants from the John D. and Catherine T. MacArthur Foundation and the Joyce Foundation to examine Chicago police reforms.



P. Reese

Christine Percheski

IPR RESEARCH NOTES

Using Mentors to Prevent Dropouts

D. Dry



Jonathan Guryan

If disengaged elementary and middle school students had long-term links to adult mentors, would they be more likely to engage in school and their academic futures? IPR economist **Jonathan Guryan** is leading a research team studying how to strengthen student engagement in the Chicago Public Schools (CPS) by providing hundreds of students with such adult mentors through a program called Check & Connect. Working closely with CPS, he will assess the program's impact on truancy and learning outcomes, with the goal of increasing attendance and graduation rates.

"The motivation for the study came out of an interest in trying to understand high dropout rates, to think of dropping out not as something that happens when kids are 15 to 17, but as the end point of a developmental process that starts earlier and presents itself as truancy or chronic school absence," Guryan said.

The specific intervention that Guryan and his team are testing, Check & Connect, is motivated by findings that having a strong relationship with a pro-social adult is a highly protective factor against school failure for children—

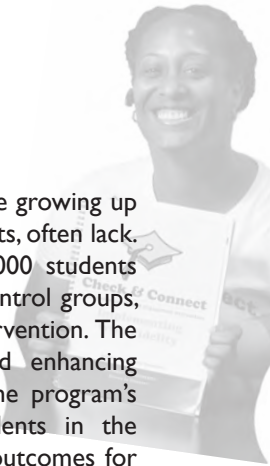
something that many children, particularly those growing up in distressed family and community environments, often lack.

Within the research project, more than 3,000 students in 24 CPS schools are in the treatment and control groups, with close to 500 students receiving the intervention. The program involves mentoring, monitoring, and enhancing communication between school and home. The program's potential spillover effects on peers of students in the program will also be measured by looking at outcomes for the more than 6,000 control students at schools where the intervention is not being implemented.

Bringing efforts like this to CPS is key, since only 57 percent of CPS high school students graduate in four years, according to a report by the Consortium on Chicago School Research at the University of Chicago.

"School districts are constantly trying new things," said Guryan. "The idea is to help school districts build evidence about whether the things they're trying are working. Learning about what works and what doesn't is crucial for helping resource-constrained school districts across the country."

Check & Connect is part of a research project supported by the National Institute of Child Health and Human Development, Institute of Education Sciences, and William T. Grant Foundation. *Excerpt from an article by Jessica Tobacman.*



Divided We View

J. Mersey



Rachel Mersey

A 2012 poll revealed that 68 percent of Republicans trust Fox News while 57 percent of Democrats put their faith in PBS, ABC, and CNN. Why have Americans become so polarized in their news consumption?

IPR mass communications researcher **Rachel Davis Mersey** points to several factors, including how the public responds to news. In a media landscape saturated with 24/7 news coverage, nearly half of respondents feel overwhelmed by the amount of information available, and 40 percent say they cannot tell what is important.

These statistics came out of a survey of people living in Illinois' Cook County that Mersey conducted. In an October 23 talk at Northwestern, she enumerated many reasons behind this "news bifurcation." She covered time constraints, personal interests, mobile devices, and news reporting.

Mersey fingers identity to explain why more than half of media consumers often opt for partisan news sources. Ninety percent of respondents said they had no inclination to read things that did not reinforce their ideas and opinions, answer their questions, or fill some need in their own life.

"People feel smarter when they are told we agree with them; they don't feel smarter when their ideas are challenged," Mersey said.

This identity issue has led to "very divergent messages," she continued. To attract viewers, many news networks, both conservative and liberal, now offer what Mersey calls "counter-programming" rather than news coverage.

"Ultimately, they're not delivering coverage to help inform people, but to inflame an argument," Mersey said.

Yet the strategy does not always lead to increased viewer- or readership, she said, noting that liberal-leaning MSNBC was then rated no. 9. She offered examples of growing niche news organizations that offer smart, in-depth coverage such as *The Economist* and *The Atlantic*.

Returning to the issue of an electorate divided by news outlets, Mersey suggests offering more coverage of candidates and issues, in addition to developing new and more interesting ways to present the information.

"It's not surprising that we have a divided electorate when the media environment is divisive and presenting information this way," Mersey said. "Media companies need to become more informed about their users—and socially responsible enough to tell both sides of the story."

IPR RESEARCH NOTES

Zeroing in on Teen Stress with Better Measures

Courtesy of E.K.Adam



Emma Adam

All parents know that stress affects their kids—mentally, physically, and emotionally. Yet we have little information about the specific ways in which this happens, mainly because comprehensive measures of adolescent stress still need to be developed.

“Most stress measures don’t quite capture all the different sources of stress in adolescents’ lives, including poverty, discrimination, and neighborhood stress, as well as family, peer, and academic stressors,” said IPR developmental psychobiologist **Emma Adam**, whose many projects are zeroing in on exactly how daily and long-term stress affect children and teens.

In the Cities’ Stress and Learning Project with Kathryn Grant of DePaul University and IPR health psychologist **Edith Chen**, Adam is developing a new comprehensive measure of adolescent stress and then implementing it in a study involving more than 300 Chicago middle and high school students. The National Institutes of Health supports the project.

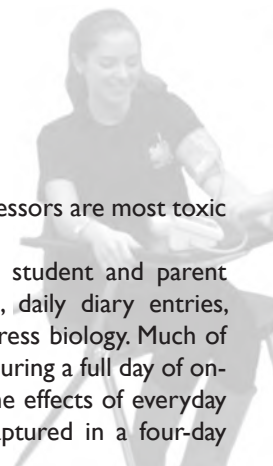
“By cataloging the many sources of stress in adolescents’ lives, developing better measures of them, and linking them to multiple outcomes, we hope to understand which sources

of stress and which combinations of stressors are most toxic for adolescents,” Adam said.

Their assessment battery integrates student and parent questionnaires, one-on-one interviews, daily diary entries, and objective measures of sleep and stress biology. Much of this measurement is being carried out during a full day of on-site testing with the adolescents, but the effects of everyday stress on daily functioning are also captured in a four-day diary study for a subset of the youth.

Adam is particularly interested in understanding links between teens’ stress and academic performance by examining what types of stressors trigger stress hormones, and in turn, how stress hormones affect cognitive functioning. To test this, she employed a tool that was very popular with her teen research participants—iPads and iPods. Adam first tested cognitive functioning using an iPad-based application in the lab. She then sent iPods home with teens to test their cognitive functioning each morning at home, to see how the stressors of the day before affect their stress hormones, sleep, and cognition the next morning.

“In tracing the pathways between stress, stress hormones, sleep, and cognitive functioning, we hope to better understand how racial and socioeconomic disparities emerge in health and academic achievement,” Adam said.



Affirmative Action: From “Open Doors” to *Fisher*

Courtesy of R.W.Johnson Edn.



Anthony Chen

As the Supreme Court contemplates *Fisher v. University of Texas*, affirmative action is once again in the public eye.

Ongoing research by IPR sociologist **Anthony Chen** and sociologist Lisa Stulberg of New York University is filling out our understanding of how race-conscious affirmative action programs came to be instituted while unearthing some unexpected findings.

Current historical accounts tend to highlight the role of urban and campus disorder in the late 1960s. Race-conscious affirmative action is typically seen as a “steam valve,” installed to relieve a massive buildup of social discontent often thought to have found expression in urban riots and student protests.

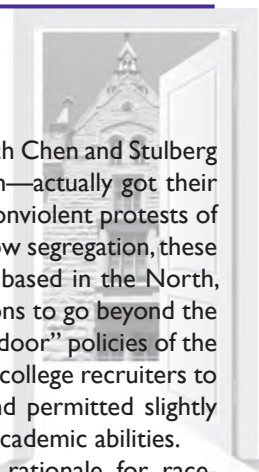
Chen and Stulberg decided to dig into university archives around the nation to see whether the conventional wisdom was right. They found that it captured only part of the truth.

“It’s not that urban riots or students protests are totally irrelevant to the story,” Chen said. “What they often did was encourage college administrators to accelerate the development of earlier affirmative action programs that were already in place,” Chen explained.

These now-forgotten programs—which Chen and Stulberg call the “first wave” of affirmative action—actually got their start in the early 1960s. Moved by the nonviolent protests of the civil rights movement against Jim Crow segregation, these university leaders, who headed schools based in the North, sought new ways for their own institutions to go beyond the well-intentioned but unsuccessful “open door” policies of the 1950s. The new programs began sending college recruiters to predominantly minority high schools and permitted slightly more flexible evaluations of applicants’ academic abilities.

Chen notes that the design of and rationale for race-conscious affirmative action programs have changed since their earliest days. But he suggests that knowing about “first wave” programs is still important today.

“As we await the outcome of *Fisher*, it is worth remaining mindful that today’s race-conscious programs are quite different than the type of programs struck down by the court in years past, especially the more aggressive ones that were in place in the late 1960s and early 1970s,” Chen said. “Today’s programs are similar in spirit to the more modest programs of the ‘first wave,’ making today’s programs an important but overlooked legacy of the civil rights movement.”



FACULTY SPOTLIGHT: Thomas McDade, The Eco-logics of Inflammation

Using biomarkers from finger-stick blood spot samples and data from around the globe, IPR biological anthropologist **Thomas McDade** is revolutionizing the way population-based biological data is collected and studied. Current understandings of inflammation and disease are based almost exclusively on research conducted in clinical settings in affluent industrialized populations. He, however, conducts his research in diverse community-based settings around the world, particularly in the Amazon Basin and Southeast Asia, and also in U.S. sites.

McDade, who directs IPR's Cells to Society (C2S): The Center on Social Disparities and Health, uses this comparative perspective to try to understand how the circumstances in which people live their everyday lives affect their health and physiology. Specifically, he looks at how social and physical environments contribute to variation in human health and affect immune function and inflammation, which contribute to disease risk.

Inflammation and Disease

Recently, McDade and his colleagues reported that concentrations of C-reactive protein (CRP)—a protein in the blood whose levels rise as part of the inflammatory response—were much lower in adults living in the Philippines or the Ecuadorian Amazon. In contrast, about one-third of adults in the United States have chronically elevated CRP. Acute elevations in CRP are important for protecting us against infectious disease, but when CRP is chronically produced, it is associated with diseases like diabetes, dementia, and cardiovascular disease.

"In my mind, the study underscores the value of an ecological approach to research on the immune system, and it may have significant implications for our understanding of the links between inflammation and chronic disease," McDade said.

In addition, adults in the Philippines with the lowest CRP were exposed to more infectious microbes as infants. Since the overall level of exposure to microbes in infancy is higher in the Philippines and Ecuador than in the United States, McDade's findings raise the intriguing possibility that the increasing global rates of cardiovascular disease and diabetes might be due, in part, to hygiene regimens that have reduced the intensity and diversity of microbial exposures to levels not experienced previously in the history of the human species.

In another, more recent study, McDade and his colleagues, including IPR anthropologist **Christopher Kuzawa**, took the data one step further. They considered whether and to what extent early childhood environments, which are

often overlooked by studies conducted in the more affluent, industrialized West, can affect stress and CRP levels in adults. Again using data from the Philippines, the researchers confirmed previous findings that childhood adversity (i.e., extended parental absence) and perceived stress in adulthood both show up as higher levels of CRP in the adults. However,

they found one striking difference—for those individuals exposed to more microbes in their infancy and childhood, these exposures did not affect their CRP levels as adults. This suggests a protective effect offered by such microbial exposure against the pro-inflammatory effects of stress in adulthood—an effect missing from more hygienic environments like those in highly industrialized countries.

In terms of population health, McDade said that all of these findings suggest that the association between inflammation and cardiovascular disease frequently reported in the United States might only apply in ecological settings characterized by low levels of exposure to infectious disease.

"It builds on research on chronic inflammation and cardiovascular disease in the United States and other affluent, industrialized settings and suggests that patterns seen here may not apply globally," McDade said. "It also suggests that the levels of chronic inflammation we see in the United States are not universal—and may be a product of epidemiological transitions that have lowered our level of exposure to infectious microbes."

Birth Weight and Breast-Feeding

McDade and his colleagues are also currently conducting the first studies of how birth weight and how long a child is breast-fed might affect inflammation. The researchers, who include IPR developmental psychobiologist **Emma Adam**, find evidence that both low birth weight and shorter durations of breast-feeding predict elevated concentrations of CRP in young adults, indicating a higher risk for cardiovascular and metabolic diseases.

"In the United States, we need to focus more on how early environments can address social disparities in adult health," McDade said.

These research projects received funding from the National Science Foundation and the Eunice Kennedy Shriver National Institute of Child Health and Human Development.

Thomas McDade is professor of anthropology, director of IPR's Cells to Society (C2S): The Center on Social Disparities and Health, and an IPR fellow. Reporting for this article also came from Northwestern's Office for Research and Hilary Hurd Anyaso.



Thomas McDade

FACULTY SPOTLIGHT: Jennifer Richeson, Understanding Identity and Race

From a “cute” fifth grader with a C average to one of the nation’s preeminent scholars in interracial relations, IPR social psychologist **Jennifer Richeson** has forged a unique career and research trajectory.

On February 15, Richeson traced her distinctive path during her investiture as the John D. and Catherine T. MacArthur Foundation Chair at Northwestern University.

Richeson began by pointing to her experiences with “identity shifts” between elementary school and her PhD program. The first occurred in moving from a mostly white, private elementary school to a mostly black, public middle school. In this diverse community of high-achieving students, her “jig” as a C-student was up; her grades “soared.”

“[It] was these experiences as one of a few black students in advanced classes juxtaposed with my racial majority status in the rest of my classes that first made questions of race, identity, and interracial interaction salient,” Richeson remarked.

Transforming Studies of Race

In addition to her personal experiences of interracial interactions, what sets Richeson apart from most researchers who study the topic has been her quest to explain how belonging to a certain group or race affects not just those in the minority group but also those in the majority—and then employing innovative methods, such as human brain imaging, to investigate them.

As a new assistant professor at Dartmouth, Richeson found a kindred spirit in Princeton University psychologist Nicole Shelton.

“Rather than compete for the next 40-some years, Nicole and I decided to join forces and collaborate on research examining dynamics of interracial interactions,” Richeson said.

Their long-standing friendship and collaboration has led to several influential papers. In 2003, the two published their oft-cited study of majority-minority group relations in *Psychological Science*. In it, they used measures of cognitive functioning and prejudice to reveal that more prejudiced white participants displayed greater cognitive impairment following an interaction with a black participant. That same year in *Nature Neuroscience*, Richeson and her co-authors used functional magnetic resonance imaging (fMRI) to measure participants’ brain activity in response to images of black and white individuals to predict how those same participants might fare during and after interracial interactions. This finding reconfirmed the former—that navigating interracial interactions can deplete cognitive abilities and executive functioning, especially for those who are more racially biased.

Joining Northwestern and New Horizons

In 2005, Richeson joined Northwestern University. Motivated by her interactions with her colleagues and graduate students in psychology, African American studies, and at IPR, she expanded her research scope. She founded the Social Perception and Communication Lab to further her studies of how “people’s social group memberships—their race/ethnicity,

gender, and more recently, socioeconomic status—shape how they think about themselves and others and how they behave,” she said. She undertook investigations of interracial friendships and romance, gender-based test performance, and socioeconomic status and executive functioning, among others.

On her birthday in 2006, the MacArthur Foundation rang her with the news that she had received one of its prized fellowships, the so-called “genius grant.” She had been singled out for providing a “novel way of examining and calculating the ‘costs’ associated with intergroup interactions.”

The five-year fellowship “served as a validation for the intellectual risks that I’d taken in my research,” Richeson said.

Her current projects, in particular those with her IPR colleagues and students, seek to tap into ways that such inter- and intragroup relations might be

better understood across disciplines. With her colleagues in IPR’s Cells to Society (C2S):The Center on Social Disparities and Health—developmental psychologist **Lindsay Chase-Lansdale**, developmental psychobiologist **Emma Adam**, and former postdoctoral fellow Sophie Trawalter (now at the University of Virginia)—Richeson has begun to dig into the potential health implications of interracial contact.

Richeson is also opening a new chapter in her research, seeking to translate more of it into viable public policy. In another project with IPR sociologist **Leslie McCall**, she will run experiments to investigate Americans’ views on inequality, opportunity, and redistribution. In a forthcoming article with Northwestern graduate student Maureen Craig, she explores what changing U.S. demographics might mean for race relations in 2042—when the racial majority is expected to tip from a white majority to a majority of minority groups.

Through these conversations and collaborations with her Northwestern and IPR colleagues and graduate students, she finds challenge and inspiration.

“These interactions have also reminded me of why I became interested in social psychology in the first place—the potential to make a difference in the world,” Richeson said.

Jennifer Richeson is the John D. and Catherine T. MacArthur Foundation Chair, professor of psychology, and an IPR fellow.



Jennifer Richeson

Harnessing Big Data for Policy Research

IPR-led initiative to unlock possibilities for new administrative data sets

Big data sets, often talked about in engineering, business, and technology applications, are seen as an opportunity to revolutionize how we extract and use information to build new knowledge. Such massive data sets are set to transform policy research as well, and IPR has a new initiative to help the policy community harness them.

Supported by the National Science Foundation, the project will launch a nationwide network of scholars, policymakers, and administrators to encourage successful cooperation in establishing big data sets for education research. **David Figlio**, IPR director and education economist, is leading the project.

“By documenting best practices and identifying viable population models, we hope to inspire other states, researchers, and practitioners to collaborate on building and using such data sets—and to highlight why they are important,” Figlio said.

Establishing the Network

The project teams IPR scholars with colleagues at Duke University to examine construction of “next-generation” data sets. These link administrative data, such as welfare and school records, to population data, such as births and deaths. These sets could permit quicker evaluations of early childhood investments and interventions. The researchers aim to create a prototype using data from North Carolina and Florida, states that already have large-scale matched data sets.

Creating such a comprehensive data set requires close collaboration between scholars, policymakers, and data administrators at many levels of government. Thus, the network’s advisory board will ensure understanding of the issues faced by policymakers. Its members include three former governors, two state education superintendents, and the first director of the Institute of Education Sciences.

The other critical element to making effective use of such data sets is cross-disciplinary knowledge and expertise. At IPR, the network will involve economists **Jonathan Guryan** and **Diane Whitmore Schanzenbach**, sociologist **Quincy Thomas Stewart**, developmental psychobiologist **Emma Adam**, and biological anthropologists **Christopher Kuzawa** and **Thomas McDade**, in addition to Figlio. All have experience using large national and international data sets, and Adam, Kuzawa, and McDade are leaders in integrating biomarkers with population-level data. At Duke, leading education and policy researchers like Jacob Vigdor and Kenneth Dodge will be involved.

The network will hold a workshop hosted by IPR in fall 2013 that will include Duke and Northwestern researchers, scholars from a variety of backgrounds from around the country, and practitioners in state education departments.

The policymaker advisory committee will also participate. This workshop will provide a springboard for national conversations and increased collaboration between the research and practitioner communities.



Why Use Big Data?

As the architect behind the nation’s first large-scale data set matching birth and education records, Figlio spent nine years piecing together birth, education, and early childhood program participation data for more than 2 million children born in Florida. So he intimately understands the challenges of knitting large data sets together, in addition to leveraging government contacts to gain access to them in the first place.

Such data could be invaluable to peering into and understanding the black box of adult outcomes. Much is known about how early childhood interventions have positive effects on children from birth to age 5, then stabilizing in early adulthood. But what about after age 6 or the teenage years?

“There are times when disadvantage seems more malleable,” Figlio said, “so we can use these data to pinpoint exactly when interventions are more—and less—likely to work.”

Such big data sets will permit other types of new questions to be answered. Currently, the gold standard regarding many questions about the effects of early life disadvantage involves studies of twin pairs—for example, do twins separated at birth develop the same level of IQ? But Figlio points to how few pairs exist in even large, nationally representative data sets like the Panel Study of Income Dynamics. In a data set with 20,000 individuals, there are perhaps 100 twin pairs. So it is typically impossible to study how issues like biological disadvantage differentially affects children from a variety of backgrounds.

“These next-generation data sets will allow us to focus on the critical impact of policies on a person’s health, wealth, well-being, and employment over his or her lifetime,” Figlio said. “We hope to motivate others to do the same.”



David Figlio

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Preparing Disadvantaged Students for Selective Colleges

Workshop is call for educators to work together on college access, inclusion

At an unprecedented workshop at Northwestern University, more than 30 higher education and K–12 leaders from across the nation discussed how they can work together to significantly increase the number of academically prepared students from underrepresented groups choosing to enroll in selective colleges—and how they can keep them there.

Citing that two out of three Chicago Public School students who gain admission to a selective school turn the opportunity down, Northwestern President and Professor **Morton Schapiro**, an IPR fellow, spoke of “a ‘disconnect’ between what universities sell in admissions and what they deliver.”

“Higher education can’t turn its back on K–12 and expect to enroll a diverse class that’s truly ready to be educated at our colleges and universities,” Schapiro said. Schapiro, along with Evanston Township High School (ETHS) Superintendent Eric Witherspoon, convened the two-day workshop.

Excerpt from an article by Wendy Leopold.

It focused, among other topics, on America’s changing demographics, ways to boost academic achievement at the high school level, and the creation of a “culture of diversity” on college campuses.

The workshop also emphasized the importance of research in informing and evaluating efforts to prepare minority and low-income students for selective colleges. IPR Director and education economist **David Figlio**, for example, will evaluate a major restructuring of instruction at ETHS that was designed to increase rigorous education for all students.

“The best research indicates that, while difficult, it is possible to move the needle and promote a rigorous and inclusive educational environment for students of all backgrounds,” said Figlio, who moderated the workshop discussions. “I’m proud that Northwestern and ETHS are taking the lead in addressing this very important challenge.”

Time-Sharing Experiments for the Social Sciences *(Continued from page 1)*

“Our goal is to be a lean, mean, experimental-data-collection machine that encourages scholars to generate innovative research designs, test hypotheses quickly on appropriate samples, and subsequently return to the field with the next research question,” said Freese, who has co-led TESS since 2008. This fall, Freese welcomed Druckman as a co-principal investigator.

Launched in 2001, TESS offers researchers opportunities to test their experimental ideas on large, diverse, randomly selected subject populations. Faculty, graduate students, and postdoctoral researchers submit their proposals for peer review, and if accepted, TESS then fields the Internet-based survey or experiment on a random sample of the U.S. population at no cost. Researchers then get exclusive access to the data for one year, after which it enters the public domain for all to access.

One recent cutting-edge project was a special call for proposals to test social and biobehavioral hypotheses about terrorism and extremist violence. Fielded experiments included studies on measuring public reaction to a smallpox vaccination program, determining how conspiracy theory beliefs are generated, and examining political grievances and sympathy for terrorist movements. The competition received funding from the Human Factors and Behavioral Sciences Division in the Department of Homeland Security.

TESS is especially vital for younger, tenure-track scholars, enabling them to conduct state-of-the-art research on limited budgets. This is why Freese and Druckman are launching new initiatives to expand access to it (see the sidebar).

“Investigators can always co-fund a study with us if they have other funding sources. But graduate students rarely have such funds, and postdocs and assistant professors often have very limited research funding,” Druckman said. “We want to give younger scholars the possibility to run more ambitious survey experiments.”

New **TESS** Initiatives

To increase participation of underrepresented groups, both as investigators and research participants, Freese and Druckman have launched the following initiatives:

Short Studies Program

For very brief projects of three items or less, there is now a “short study” option. This allows for direct proposal submissions and internal review via the website. It offers a quicker turnaround time and thus an easier way to jump-start such small-scale research.

New Competitions

In addition to a special competition for young investigators, TESS will also offer one for “real-stakes” experiments, in which respondents operate under real rules for real stakes (usually monetary rewards). The competition will increase funding to enable larger payments to respondents, which should help encourage economists to apply. TESS will also offer a competition for repeated-contact experiments allowing additional funding for multiple waves of a study.

Crowdsourcing Recruitment

The platform will also offer simultaneous cheap, diverse—but not representative or probability-based—recruitment using Amazon Mechanical Turk (MTurk). MTurk is an online crowdsourcing platform, which connects “workers” with “requesters” to complete “HITs,” or human intelligence tasks. This will allow researchers to compare their results from a representative population on a typical TESS study with one on the unrepresentative MTurk platform.

Find out more at www.tessexperiments.org

Recent IPR Working Papers

Variation in the Heritability of Educational Attainment: An International Meta-Analysis (WP-13-09) by *Amelia Branigan, Kenneth McCallum, and Jeremy Freese (IPR/Sociology), Northwestern University*

Using a meta-analysis of globally diverse samples, the three researchers examine the influence of genetic differences on educational attainment in various environmental contexts. Their results show that for men and individuals born in the latter half of the 20th century, genetic variation explains more of the variance in attainment, whereas shared environment explains more of the variance in attainment for women and those born in the earlier half of the century. Their findings demonstrate that heritability of educational attainment is itself dependent on environment, suggesting that variables such as nation, sex, and birth year influence how much genetic and environmental factors explain variation in educational attainment.

The Effects of Poor Neonatal Health on Children’s Cognitive Development (WP-13-08) by *David Figlio (IPR/ Education & Social Policy), Jonathan Guryan (IPR/Education & Social Policy), and Krzysztof Karbownik, Northwestern University; and Jeffrey Roth, University of Florida*

This working paper makes use of a new data resource—merged birth and school records for all children born in Florida from 1992 to 2002—to study the effects of birth weight on cognitive development from kindergarten through high school. Using twin fixed-effects models, the researchers find that the effects of birth weight on cognitive development are essentially constant over the school career, that these effects are very similar across many family backgrounds, and that they are invariant to measures of school quality. They conclude that the effects of poor neonatal health on adult outcomes are set very early.

Public Reporting of Hospital Infection Rates: Not All Change Is Progress (WP-13-07) by *David Hyman, University of Illinois at Urbana–Champaign; and Bernard Black (IPR/Law/Kellogg), Northwestern University*

Healthcare-associated infections (HAIs) are a major public health issue. In response, 25 states have adopted public reporting of hospital-specific HAI rates, but there is considerable diversity in how each state presents information. In this working paper, the authors focus on three states—California, Pennsylvania, and Washington—which have made substantial changes in their HAI public reports, websites, or both during the short period since they began disclosing HAI rates. They find that these changes have not necessarily led to progress in public reporting and discuss the lessons for other states to draw.

Public Reporting of Hospital Infection Rates: Ranking the States on Report and Website Content, Credibility, and Usability (WP-13-06) by *Ava Amini, Northwestern University; David Birnbaum, University of British Columbia; Bernard Black (IPR/Law/Kellogg), Northwestern University; and David Hyman, University of Illinois at Urbana–Champaign*

Healthcare-associated infections (HAIs) are mostly preventable but kill about 100,000 people annually. In response, 25 states and the U.S. Department of Health and Human Services require public reporting of hospital infection rates for some types of infections, with such reporting spreading. The authors find wide variation in websites and their ease of access and use, and the usefulness of information, timeliness of updates, and credibility. They identify ways to improve these areas, suggesting that the model of “one website (and report format) fits all” may not work well to deliver such complex information to different users.

Novice School Principals’ Sense of Ultimate Responsibility: Problems of Practice in Transitioning to the Principal’s Office (WP-13-05) by *James Spillane (IPR/Education & Social Policy) and Linda Lee, Northwestern University*

The co-authors systematically examine the “reality shocks” encountered by principals upon entering their new occupation. Their analysis shows that the problems experienced are not simply about volume but also about the diversity and unpredictability of the work. They suggest that local school systems can help ease the transition by minimizing the abrupt departures of existing principals and by providing incoming principals with more adequate opportunities to learn about their new school.

Resilience in the Rust Belt: Michigan Democrats and the UAW (WP-13-04) by *Daniel Galvin (IPR/Political Science), Northwestern University*

Strong ties between political parties and industrial labor unions are often presumed to inhibit party adaptation and lead to its electoral decline. Galvin examines the case of the Michigan Democratic Party, which has long been dominated by the UAW. He argues that deep party-union integration actually led union officials to internalize the party’s strategic considerations and support adaptation. This case suggests that past a certain point of integration, strong party-union linkages might help foster electoral resilience.

Political Participation by Wealthy Americans (WP-13-03) by *Fay Lomax Cook (IPR/Human Development & Social Policy), Benjamin Page (IPR/Political Science), and Rachel Moskowitz, Northwestern University*

The authors use data from a pilot study of the top 1 percent of U.S. wealth holders to compare their political activity with that of the public. They show that the wealthiest Americans are far more active in politics than the average citizen, or even the “merely affluent.” The researchers conclude by discussing the implications of these findings for democratic policymaking.

The Policy Consequences of Motivated Information Processing Among the Partisan Elite (WP-13-02) by Sarah Anderson, University of California, Santa Barbara; and Laurel Harbridge (IPR/Political Science), Northwestern University

The co-authors argue that rather than facing a scarcity of information, political elites are bombarded with too much information. Thus, they must engage in what the authors call “motivated information processing,” implying that policymaking by elected officials reflects partisan biases. This working paper offers evidence that political elites also combine partisan reasoning with goals to reach accurate decisions and that political parties play a crucial role in producing policy—sometimes through counterintuitive ways.

Compromise vs. Compromises: Conceptions of Bipartisanship in the American Electorate (WP-13-01) by Laurel Harbridge (IPR/Political Science), Northwestern University; Neil Malhotra, Stanford University; and Brian Harrison, Northwestern University

The researchers conduct three experiments to test how people respond to parties coming together to achieve popular public policy goals. They find that voters do not actually favor bipartisan coalitions over those dominated by their party and that they show less support for bipartisan action if their party holds the majority in Congress. This suggests that when having to choose between a bipartisan deal or a win for their side, voters prefer the partisan deal.

Do Job Networks Disadvantage Women? Evidence from a Recruitment Experiment in Malawi (WP-12-19) by Lori Beaman (IPR/Economics), Northwestern University; Niall Keleher, Innovations for Poverty Action; and Jeremy Magruder, University of California, Berkeley

Using a field experiment in Malawi where men and women apply for future surveyor positions with a local firm, the researchers find that highly skilled women are systematically disadvantaged through the use of referrals. Developing and testing a theoretical model of referral choice, they find that both men’s and women’s biases result from social incentives rather than expectations of performance, suggesting that the use of social networks in hiring is an additional channel through which women are disadvantaged in the labor market.

Non-Cognitive Ability, Test Scores, and Teacher Quality: Evidence from 9th Grade Teachers in North Carolina (WP-12-18) by Kirabo Jackson (IPR/Education & Social Policy), Northwestern University

Jackson develops a new model to measure long-term outcomes that combines student cognitive and non-cognitive ability and teacher effects to evaluate students’ long-term outcomes. The calculations show that teacher effects based on test scores alone fail to identify many excellent teachers—and might greatly understate the importance of teachers on adult outcomes.

Long-Run Impacts of Childhood Access to the Safety Net (WP-12-17) by Hilary Hoynes, University of California, Davis; Diane Whitmore Schanzenbach (IPR/Human Development & Social Policy), Northwestern University; and Douglas Almond, Columbia University

The authors assembled unique data linking family background and county of residence in early childhood to adult health and economic outcomes. Studying county-by-county introductions of food stamps between 1961 and 1975, the researchers find that the program has positive effects decades after exposure in utero and in childhood, in particular on health outcomes such as reducing the likelihood of obesity, high blood pressure, and diabetes in adults who had been exposed during childhood. For women, they show an increase in economic self-sufficiency.

Choosing Size of Government Under Ambiguity: Infrastructure Spending and Income Taxation (WP-12-16) by Charles F. Manski (IPR/Economics), Northwestern University

Manski continues his investigation of decision making under ambiguity in the realm of income-tax-financed public spending for infrastructure that aims to enhance productivity. Analyzing various scenarios, he shows that policymakers and the public can rationalize having a small or large government. He encourages researchers to improve current knowledge of population preferences and the productivity of public spending.

Epigenetic Embodiment of Health and Disease: A Framework for Nutritional Intervention (WP-12-15) by Christopher Kuzawa (IPR/Anthropology) and Zaneta Thayer, Northwestern University

This working paper explores whether fetal nutrition and stress can have long-term impacts on human health and welfare through the lens of evolutionary biology. Human mothers have evolved elaborate means to buffer the fetus against environmental stressors. However, this does not work uniformly, and the authors identify several distinct pathways by which environmental factors can influence fetal development. They conclude that improving the early-life nutrition of future mothers might be the best means of improving fetal—and thus later adult—health. They propose a model designed to help implement such interventions.

(Continued on page 12)

Recent IPR Working Papers *(Continued from page 11)*

How Elite Polarization Affects Public Opinion Formation (WP-12-14) by James Druckman (IPR/Political Science) and Erik Peterson, Northwestern University; and Rune Slothuus, Aarhus University

Does the rising party polarization of the past 25 years help or hinder the democratic process and voter decision making? A new study finds that polarization can blind party loyalists to better ideas and bias their reasoning. The researchers looked at how participants process support for two hot-button, national issues—immigration and energy. To vary the conditions, the researchers paired pro and con frames of opposite strengths, in addition to adding information on party support and polarization. These experiments underscore the key finding that in highly polarized times, partisans of either party opt to follow the party line, shutting out better information. *Published in the American Political Science Review. 2013; 107(1): 57–79.*

Political Dynamics of Framing (WP-12-13) by Samara Klar, Joshua Robison, and James Druckman (IPR/Political Science), Northwestern University

The manner in which elites frame an issue—the arguments and considerations they focus upon as important for the issue at hand—plays an important role in shaping public opinion. In this working paper, the authors review relevant research on why elites frame particular issues the way they do and how aspects of the political environment, such as partisan polarization and media choice, influence how effective these frames are in affecting political preferences. They end by discussing areas ripe for further research and consider some of the normative implications this process has for democratic politics. *Published in New Directions in Media and Politics (2013), ed. T. Ridout. New York: Routledge.*

Do College-Prep Programs Improve Long-Term Outcomes? (WP-12-12) by Kirabo Jackson (IPR/Education & Social Policy), Northwestern University

The Advanced Placement Incentive Program (APIP) motivates both students and teachers by paying substantial cash bonuses for passing scores on AP exams. In this working paper, Jackson examines the APIP in Texas for more than 290,000 high school students. He compared changes in student outcomes before and after APIP adoption in participating and comparable schools. Jackson finds it increased AP course taking and passing an AP exam. More important, for those participating in APIP four years after adoption, the probability of students persisting in college rose and their earnings increased. This suggests that high quality college-prep programs might be a viable alternative to transferring low-achieving students to higher achieving schools.

Educational “Goodwill”: Measuring the Intangible Assets at Highly Selective Private Colleges and Universities (WP-12-11) by Peter Nurnberg, Williams College; Morton Schapiro (IPR/Economics/Kellogg/SESP), Northwestern University; and David Zimmerman, Williams College

How does a prospective college student value attending one university over a similar one during the college admissions process? The authors propose that the difference might be due to educational “goodwill.” Universities, much like businesses, have built up their goodwill over the years through a variety of intangible assets, such as institutional identity and branding. Using admissions data from a benchmark institution, the researchers test their conceptual framework by examining students who were admitted to the benchmark, but chose to attend another similar school. By using objective criteria to make “head-to-head” comparisons, they can examine whether a school does better than it “should” based on a range of indicators, thus providing a quantitative measure of educational goodwill. *Published in the Economics of Education Review. 2012; 31(1): 1–8.*

Motivating Action on Energy in the U.S. (WP-12-10) by Toby Bolsen, Georgia State University; and James Druckman (IPR/Political Science) and Fay Lomax Cook (IPR/Human Development & Social Policy), Northwestern University

Politicians have discussed implementing a national energy policy; however, a key component of it also involves getting Americans to conserve energy through their personal decisions, such as buying a fuel efficient car. What can governments do to motivate individuals to conserve energy? This working paper uses an online survey experiment to frame energy conservation in different ways, finding that rhetoric plays a crucial role in shaping behavior. Emphasizing more responsible government led to less personal responsibility while emphasis on individual responsibility had the opposite effect. Given that government is seen as the main enforcer of energy efficiency, it signals that framing is crucial to promoting energy-efficient behavior.

Do High School Teachers Really Matter? (WP-12-09) by Kirabo Jackson (IPR/Education & Social Policy), Northwestern University

To measure teacher effects, some researchers extrapolate from studies of elementary school teachers and apply the findings to those in high school, but Jackson advises against this. In this working paper, he argues that in high schools, even with random assignment of students to teachers, there will be bias due to “track treatment effects.” To counter this, Jackson outlines a new method for identifying teacher quality effects in high schools, testing it with data on all North Carolina ninth graders. Algebra I teachers have modest effects on math scores; however, contrary to previous studies, he finds no effects for English I teachers on students’ English scores.

Reinforcing the Roster *(Continued from page 1)*

Chen studies how poverty and adversity can affect children's health. Some of her current projects include a longitudinal investigation of young children and teenagers with asthma and a study of how some youth who confront adverse events manage to remain in good health.

"Edith and Greg will deepen our expertise in understanding the physiological mechanisms through which social contexts shape health over the life course," said IPR biological anthropologist **Thomas McDade**, current director of C2S, who was also instrumental in recruiting them to the University along with **Lindsay Chase-Lansdale**, founding C2S director. "Casting light on these mechanisms may point toward innovative opportunities for intervention."

C2S builds on four decades of IPR research into the causes and consequences of inequality, particularly in the design and evaluation of public policies aimed at alleviating the consequences of poverty, racism, education and gender gaps, and other social ills, noted IPR Director **David Figlio**.

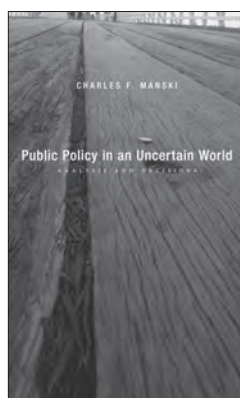
The Institute is working to expand this cross-disciplinary approach to studying social and health disparities across a person's life, and even across generations, by expanding relationships with the Feinberg School of Medicine and its Medical Social Sciences (MSS) department (see page 3). MSS was founded by psychiatrist and behavioral scientist **David Cella**, an IPR associate, and also includes IPR clinical and developmental psychologist **Lauren Wakschlag**, the first joint faculty appointment between IPR and Feinberg.

In the past two years, IPR has bolstered its ability to conduct innovative biosocial research by recruiting two social demographers and three economists, in addition to Chen and Miller. The Institute has also welcomed 14 new associates since 2010, including the following three who joined in the past two years: Medical social scientist **Brian Mustanski**, who studies the health and development of lesbian, gay, bisexual, and transgender (LGBT) youth; biocultural anthropologist **Elizabeth Sweet**, a former IPR graduate research assistant who looks at health inequalities and links between social disadvantage and disease; and medical social scientist **Frank Penedo**, director of the Robert H. Lurie Comprehensive Cancer Center's Cancer Control and Survivorship Research Program.

These new faculty join a roster of psychobiologists, biological anthropologists, social psychologists, economists, sociologists, pediatricians, and other scientists looking at many pressing problems. Some current studies include how housing can affect children and families, how chronic inflammation and early life stress affect children as adults, how stress can shape depression and anxiety in adolescents, male biology and fatherhood, and additional topics.

"Now, more than ever, we are beginning to understand the ways in which life circumstances can affect human biology—new knowledge that helps us to develop better policies, as well as better metrics for evaluating their success," Figlio said. "Edith Chen and Greg Miller are central to this new frontier in policy research, and I am delighted that Northwestern is their new home."

New Faculty Books



Public Policy in an Uncertain World: Analysis and Decisions

By Charles F. Manski
Harvard University Press, 2013, 224 pp.

Public policy advocates often assert that research has shown a particular policy to be desirable. But how reliable is the analysis in the research they invoke? And how does that analysis affect how policy is made?

In his new book, IPR economist **Charles F. Manski** argues that current policy is based on untrustworthy analysis that relies far too often on flawed assumptions or leaps of logic. By failing to account for uncertainty in an unpredictable world, policy analysis misleads policymakers with expressions of certitude.

Manski presents an alternative approach that takes account of this inherent uncertainty, moving policy analysis away from "incredible certitude" toward one that incorporates an acknowledgement of partial knowledge. He illustrates with real-world scenarios in which policymakers form reasonable decisions based on partial knowledge of outcomes—and journalists evaluate research claims more closely with a skeptical eye toward expressions of certitude.



The Land of Too Much: American Abundance and the Paradox of Poverty

By Monica Prasad
Harvard University Press, 2012, 344 pp.

IPR sociologist **Monica Prasad** asks three key questions in her book:

- Why are U.S. poverty rates higher than in other developed countries?
- Why did the U.S. experience an attack on state intervention, the neo-liberal revolution, starting in the 80s?
- Why did the U.S. recently suffer the greatest economic meltdown in 75 years?

Prasad develops a demand-side theory of comparative political economy to show how strong governmental intervention undermined the American welfare state. She starts in the late 19th century, when America's economic growth overwhelmed world markets, causing price declines everywhere. While European countries adopted protectionist policies in response, the U.S. federal government instituted progressive taxation and a series of strict financial regulations. As European countries developed growth models focused on investment and exports, the United States developed one based on consumption. Among the outcomes have been higher poverty, a backlash against taxation and regulation, and a housing bubble fueled by "mortgage Keynesianism."

Taxing the Wealthy

IPR policy research briefing provides salient data and research

An IPR policy research briefing on Capitol Hill, which occurred during the contentious negotiations over the fiscal cliff and over raising taxes on America's wealthiest, gathered together three national experts to cut through the verbal sparring.

The three scholars—IPR sociologist **Monica Prasad**, Brookings economist **William Gale**, and **Charles Varner**, now with Stanford University—brought their research and public opinion data to bear on questions of fairness in the tax code, millionaire response to higher taxes, and the anti-tax agenda of past decades on December 7.

Tax Increases and Shared Sacrifice

One of the nation's leading fiscal experts and co-director of the Urban-Brookings Tax Policy Center, Gale began by reviewing some of the reasons behind the partisan acrimony during fiscal cliff discussions.

"Economics tells us a lot about how to design a tax system, but it doesn't tell you everything you need to know," Gale started, pointing to value judgments that open the door for conflict, such as defining the tax burden on current versus future generations. While economists have yet to define these basic indicators, such as the optimal debt-to-GDP ratio, he noted that such ambiguity is no excuse to shy away from a tax system that balances equity with efficiency.

Current tax revenues are at a 60-year low, and even if they recover to pre-recession levels of 18 or 19 percent of GDP, Gale advised that more is needed. Otherwise, it will be impossible to finance the increased numbers of retirees, defense and healthcare costs, and interest payments. That is why long-term tax increases should be part of any solution, he emphasized.

Just holding down tax revenues, or "starving the beast," will not curtail spending. "The evidence of the last 30 years supports that," Gale added.

The only way to achieve "shared sacrifice"—where all members of society share in bearing the costs of the deficit—is to include higher taxes on high-income households in the deal, Gale said.

He underscored that the debate over raising the top tax rates is blown out of proportion. The current top tax rate of 35 percent is lower than in the past, with some proposals aiming to raise it to 39.6 percent, which was the rate eventually agreed upon in the compromise. Even when top earners' rates were around two times higher, like 70 to 85 percent in the 1950s and 1960s, "the economy did just fine," he observed.

Gale also suggested targeting top tax expenditures, as they disproportionately benefit the top 5 percent of U.S. households. Attacking the top five tax expenditures (healthcare, mortgages, 401(k) plans, accelerated depreciation, and capital gains) could raise "significant

amounts of income"—though Gale acknowledged that their popularity makes such changes politically difficult.

Another major argument against raising taxes on the wealthy is that it will disproportionately affect small business owners. Yet new data from the U.S. Department of the Treasury show that while 70 percent of those making more than \$1 million have some sort of small business income (50 percent for those making between \$200,000 and \$1 million), this income only accounts for 6 percent of their total adjusted gross income. Cutting the top tax rate still leaves 94 percent of their income untouched, Gale said.

"Raising revenues is not a crazy idea, and raising revenues from high-income households is not a crazy idea," Gale ended. "You can do that in a way that improves the economic system, reduces inefficiencies, and improves intergenerational equity."

Will the Wealthy Move if Their Taxes Rise?

One of the biggest arguments legislators have made for keeping tax rates low on the wealthy is that they will pick up and move to lower-tax jurisdictions if their taxes are hiked.

With his colleague Cristobal Young, Varner tested this idea by looking at what happened when states implemented new taxes on millionaires. Eight states have implemented higher taxes on the wealthy since 2004. This trend stands in marked contrast to most states where income tax rates remain similar for both high- and middle-income earners, noted Varner, associate director of Stanford's Center on Poverty and Inequality.

Past research has studied whether people move when jurisdictions in the same geographic region have tax rate differences of between 4 and 5 percent. But few people move to take advantage of lower tax rates, Varner continued.

"It's very costly to move," Varner said. Moving involves selling a house or finding a new rental, not to mention the social costs of moving, like leaving behind friends and social networks, which are also the lifeblood of businesses.

"But are the wealthy different?" Varner asked. Greater resources might allow the wealthy to absorb some of the costs of moving more easily. For example, selling one's home might not even be necessary.

In investigating two of the states to pass "millionaire taxes" recently, New Jersey and California, Varner and Young found



From I.: William Gale, Charles Varner, and Monica Prasad discuss "sharing the burden," millionaire tax migration, and the public's views on taxes on Capitol Hill.

answers. In 2005, California passed a new tax that added an additional 1 percent to the top rate for those making more than \$1 million per year. In examining all tax returns filed in California over 20 years, Varner and Young could determine each household's total income and if a move had been made.

The higher rate meant someone earning \$10 million paid an additional \$90,000 per year, with those earning multimillion-dollar incomes bearing the lion's share of the tax change. You would expect to see these people moving, Varner said. But that did not happen.

California is a big state, making it harder for people to relocate across the border to lower-tax jurisdictions. So Varner also talked about their research on New Jersey, which in 2004 raised taxes by 2.6 percent on those earning more than \$500,000 per year.

"In New Jersey, you have this unique situation where if you live near New York City, you can move 20 miles up the road to Fairfield County, Conn., and keep your same job, keep your same house and same network, and just pay a lower tax rate," Varner explained. "So you expect to see some response."

Yet in comparing the migration rates of top earners before and after the New Jersey tax came into effect, Young and Varner found no difference between those subject to the tax and other high-income households who earned just below \$500,000 (and thus were not subject to the tax).

"In conclusion, there is little evidence for migration response, and millionaire taxes have actually been effective in bridging budget gaps," Varner said. "It seems like the wealthy depend significantly on economies of place—just like the rest of the population."

Raising Taxes in an Anti-Tax Era

Prasad focused on the political consequences of raising taxes on the wealthy, or what she likes to call "Grover's Revenge."

Grover Norquist, president of Americans for Tax Reform, created the "no-new-taxes pledge" that more than 1,100 elected representatives signed, including 258 members of the 113th Congress. The pledge embodies the threat that voters punish politicians who raise taxes at the polls, Prasad said.

In a recent study of tax cuts by the Republican Party starting with the Reagan tax cuts of 1981, Prasad found that Republicans discovered that tax cuts could appeal to working-class voters, as long as one adheres to a simple secret—avoiding specifics.

A July 2012 CBS/*New York Times* poll asked generally whether one would want to see local government services reduced to pay less taxes, with about half of respondents saying yes. But when asked about specific services such as schools, police, and fire departments, between 70 and 80

percent of the same respondents said they did not want to see those local services cut.

Prasad underscored the major changes that have occurred in the last two years: Voters are now more in favor of taxes on the wealthy, and survey questions have changed. Starting in 2009, some pollsters began uncoupling specific questions on taxing the wealthy from general questions on tax increases.

Reading polls before then, such as those on the Bush tax cuts of 2001 and 2003, one might be led to think that voters do favor tax cuts for the wealthy. However, Prasad's research signaled something else. She summed up what working-class voters said: "We may not like tax cuts for the wealthy, but

we certainly do like the tax cuts that show up in our paychecks."

Delving further into the question, Prasad looked at 55 nationwide polls with sample sizes of at least 800 that did include a question on taxing the wealthy. The aggregate data shows that general support for taxing the wealthy has increased from just over 50 percent in late 2010, hovering in the 60s ever since. A high of 70 percent was hit during the acrimonious negotiations over the U.S. debt

ceiling in the summer of 2011.

Before declaring the end of widespread anti-tax sentiment, Prasad emphasized that it's important to consider Republican support for taxing the wealthy. In nine polls that identify respondents by party, she found support among Republicans barely cleared 50 percent with no rising trend—as opposed to the 60-plus percent in polls without this identification.

The political lessons are fairly straightforward, Prasad explained. Voters will not punish Democrats for raising taxes on the wealthy, but Republicans will feel pressure either way, from Republican voters in the primaries or all voters in a general election.

In examining this most recent fiscal crisis, Prasad saw a "recipe for gridlock" in the Democratic strategy to brand the Republican Party as the party of tax cuts that protects privileges for the wealthy.

She suggested that by moving away from this, Democrats would not only help Republicans maneuver out of such a difficult "trap," but they might also help the country avoid fiscal crisis in the process. Obtaining Republican support for tax hikes is possible, she continued, as long as one focuses on the trade-off—what tax increases for the wealthy will buy in terms of specific government programs.

"If they want to do it, this is really the only way to do it," Prasad concluded.



Participants listen as the speakers outline some consequences of higher taxes for wealthier Americans.

L. Kossoff, IJK Photos

Death Penalty Review *(Continued from page 1)*

Deterrence and the Death Penalty, discussed its evaluation of death penalty research.

“Research to date on the effect of capital punishment on homicide is not informative about whether capital punishment decreases, increases, or has no effect on homicide rates,” Nagin said, quoting the 2012 NRC report.

The event also featured commentary by IPR economist **Charles F. Manski**, who was also a member of the recent NRC committee, and law professor **Max Schanzenbach**,^{P. Reese} an IPR associate and director of Northwestern University’s Searle Center on Law, Regulation, and Economic Growth.

IPR Director **David Figlio** and Dean **Daniel Rodriguez** of the School of Law, welcomed participants to the school’s historic Lincoln Hall. Rodriguez also pointed to its particular significance for the event.

“It was in this room that the governor effectively ended Illinois’ death penalty,” said Rodriguez, noting then-Governor George Ryan’s news-making 2003 declaration to commute sentences for 156 inmates on death row.

Examining the Death Penalty

The 2012 NRC committee consisted of criminologists, economists, psychologists, the esteemed and recently deceased political scientist James Q. Wilson, and even a sitting federal appeals court judge. Its mandate was only to review and assess the evidence since the first NRC report in 1978—not to make policy determinations or pass judgment on the death penalty, Nagin began.

Beginning in the 1930s, the number of executions in the United States began a steady decline from a high of almost 200 in 1935 to zero between 1968 and 1976. This included a four-year national moratorium due to the Supreme Court’s 1972 *Furman v. Georgia* decision. Following the Supreme Court’s 1976 *Gregg v. Georgia* decision reinstating the death penalty, executions began to rise again to a peak of nearly 100 in the late 1990s. Since that peak, the number of executions has declined to around 50 per year.

The committee, Nagin recounted, was charged with reviewing the evidence in the post-*Gregg* era and attempting to determine whether this “accumulated evidence” provided any useful information on the magnitude of capital punishment’s deterrent effect. It eventually reached the potentially controversial conclusion that research on the death penalty’s deterrent effect is so flawed that it cannot be used to determine if the death penalty does indeed affect homicide rates.

He singled out the key question from the report: Is capital punishment more or less effective as a deterrent than alternative punishments, such as a life sentence without the possibility of parole?

“None of the studies we reviewed—none—accounted for the noncapital portion of the sanction regime,” Nagin said.

In probing the studies, the NRC committee also found that they did not provide any plausible evidence on how potential murderers perceive, and respond to, capital punishment. Many studies fail to address how perceptions are formed, how they correspond with reality, or how they vary across states or over time. They simply infer that potential murderers respond to the objective risk of execution, Nagin said.

“The calculation of risk is complex,” Nagin continued, citing how difficult it was for even well-informed researchers to grasp it, let alone potential murderers.

In addition to the example of understanding perceptions, he also underlined that only 15 percent of people who have been sentenced to death since 1976 have been executed.

Why? He listed many reasons, including that about half of all

death sentences are reversed, others are commuted, and many die while on death row, among others.

Despite the bleak picture of post-*Gregg* research, Nagin said the report offered researchers a difficult but viable way forward. In addition to more research on perceptions, it also called for better data collection on noncapital sanction regimes and better specification of statistical models that incorporate uncertainty.

Explaining the Unexplainable

An expert on criminal sentencing, Schanzenbach generally praised the NRC report and used his comments to provide a critique of existing deterrence literature from a legal-institutional perspective.

By showing that U.S. murder rates vary substantially over time, Schanzenbach surmised that there is a very large “unexplained component” in determining murder rates. He traced the volatility of U.S. homicide rates from the early 20th century through the early 2000s, noting the few common threads behind the rise and fall of rates.

“Everything went to hell in the 1960s, and I don’t know that it has ever been really credibly explained,” Schanzenbach said.

He pointed to the historically high rates from the 1960s to the 1980s that were also seen in the 1920s and 1930s during Prohibition, but also persisted for a while thereafter. The murder rate rose again in the mid-1980s during the nation’s “crack epidemic” and began its remarkable decline in the mid-1990s, even dropping slightly during the turmoil of the Great Recession.

Schanzenbach cited a number of reasons researchers have given as to why murder rates might have dropped since the 1990s—more police on the streets, more effective policing,



From l.: David Figlio, Daniel Nagin, Charles Manski, and Max Schanzenbach discuss the NRC committee’s findings and ways for researchers to conduct better studies.

more incarceration, a drop in lead exposure, etc. But none provide a fully satisfactory explanation for the declines, and there is, at present, no consensus.

Schanzenbach also highlighted some vexing holes in the existing death penalty literature caused by an inadequate focus on the importance of institutions, some of which were noted in the 2012 NRC report. Following Gregg, for example, the Supreme Court required that the death penalty could only be imposed if warranted by aggravating factors. If the death penalty is to have a deterrent effect, it should be concentrated in cases now likely to receive the death penalty, such as those involving multiple homicides or the murder of police officers, government officials, or children, but few studies try to account for this, he said.

In addition, he pointed out that prosecutors are the key actors in the decision to pursue the death penalty.

“[Prosecutors] like to put it on the table and then pull it off again,” Schanzenbach said.

Therefore, a deterrent or incapacitation effect could conceivably operate through the use of the death penalty to induce guilty pleas. He suggested that future work focus on prosecutorial behavior and lamented the lack of good qualitative evidence about how and when prosecutors use the death penalty.

Death Penalty Research: Then and Now

One of the big differences between the 1978 and 2012 reports were in the recommendations each laid out for future research.

The 1978 report gloomily concluded that “research on this topic is not likely to produce findings that will or should have much influence on policymakers.” It acted like a spigot, cutting off death penalty research for the next 15 years. Then in the 1990s, a new generation of researchers took up the question. But this new generation of researchers committed many of the same mistakes as the previous one.

“It’s like people in the 1990s didn’t even read the 1978 report,” Manski said.

Yet if the 2012 committee concluded that “these studies should not be used to inform deliberations requiring judgments about the effect of the death penalty on homicide,” their report offers a more hopeful path forward for researchers.

“Its most important contribution is calling for more research—not just on the deterrence of the death penalty, but on deterrence in general,” Manski said.

Future Research: Embracing Uncertainty

In 1975, economist Isaac Ehrlich published a now “infamous” study in the *American Economic Review* that concluded that eight lives are spared for every execution that takes place.

Though this finding has been widely rebuked since then, the work was up to the journal’s standards for its time, and thus the field, Manski said. So, he quizzed, what standards of proof should we now apply?

Manski turned to his own work for help, drawing on his latest book, *Public Policy in an Uncertain World* (see page 13).

Future of Healthcare *(Continued from page 1)*

David Figlio in introducing him to the crowd of more than 80 attending the March 7 event at Northwestern University. “He’s also one of the most powerful people in economics.”

Relying on images from his graphic novel on healthcare reform, Gruber began by citing its unsung hero—former Massachusetts governor Mitt Romney, with a supporting role played by the Bush administration.

“Mitt Romney is the hero of our story actually,” Gruber said, “and don’t let anyone else tell you otherwise.”

Gruber went on to describe how as governor of the state, Romney developed a plan he called “incremental universalism,” to work towards providing universal healthcare coverage by incrementally building on what works.

Gruber, who helped Romney develop the plan in 2005, described it as a “three-legged stool” that involved fixing insurance markets, implementing the individual mandate, and then making health insurance affordable.

In the 1990s, Gruber explained how the state became one of seven to implement a system to guarantee that anyone, regardless of the state of his or her health, could purchase insurance at the same price. As in all the other states, the Massachusetts market collapsed because people waited until they were sick to buy it and insurers lost money.

In 2005, Massachusetts vaulted over that hurdle by requiring everyone in the state to have health insurance.

“In my graphic novel, the individual mandate is the spinach we have to eat to get to the dessert that is fairly priced insurance coverage,” Gruber said.

(Continued on page 18)

When it comes to public policy, what we think we know can hurt us. Policymakers and analysts routinely opt to use models that draw stark black-and-white conclusions, Manski said. But such certainty typically rests on flawed models and might lead to erroneous conclusions. Instead, he suggested reporting a range of estimates for the impact of a particular policy change, derived from a corresponding range of plausible models. This would generate more honesty in policy analysis, he said.

For capital punishment, this means that researchers need data on sentences without the death penalty and on how potential murderers perceive such penalties, as well as better methods for dealing with inherent uncertainty, he added.

Finally, both Manski and Nagin cautioned against dismissing value judgments in the death penalty debate. The 2012 report sought to avoid the imbroglio of ethical and cost debates. Though it concludes that studies to date are not rigorous enough to prove one way or the other the effects of capital punishment on homicide rates, “the report does point out that judgments about whether capital punishment deters or not are still relevant to policy deliberations,” Nagin stressed. “It’s just that people should just not appeal to this evidence in support of their opinions about whether capital punishment has a deterrent effect or not.”

Said Manski, “The great value of this report is that it clears the air about what we know—and don’t know—about the death penalty.”

Future of Healthcare *(Continued from page 17)*

The final hurdle was making such plans affordable, and they did that by offering subsidies.

“You can’t mandate a family with \$22,000 of income to buy a \$12,000 policy,” Gruber said, referring to the average price of plans at the time.

While acknowledging his intimate involvement in writing and implementing the Massachusetts law, Gruber cited that by objective standards, it exceeded its two goals: It covered the uninsured—with the state’s rate now down to between 2 and 3 percent compared with 18 percent nationally—and it righted insurance markets—with nongroup premiums falling by half after its passage.

Though other states like California became interested in developing similar plans, Massachusetts had a “dirty” secret—the federal government paid for its plan.

Former Senator Ted Kennedy (D-Mass.) managed to set up a program whereby the federal government was sending \$400 million per year from Medicaid to fund public hospitals in the state. Once the Bush administration realized this, they moved to stop the funding. Romney, however, asked the administration to divert the money to covering the uninsured. The Bush administration agreed.

“That was how we got our law started,” Gruber said. “We got the federal government to pay for it. States like California didn’t have that leg up, so they couldn’t do it.”

This was also how the Massachusetts model moved to the national stage, becoming the basis for the federal Affordable Care Act, Gruber said. While both have the same three-legged structure, there are some differences. The federal law will be less effective because it does not apply to undocumented immigrants, who represent a quarter of the uninsured in populous states like California and Texas, but it is also more ambitious in terms of how it pays for itself and how it seeks to control costs.

President Obama laid down the law that the legislation would not increase the deficit, Gruber said. He cited the Congressional Budget Office’s scorecard, in which it projects the ACA to lower the deficit by \$100 billion over the next decade and by another trillion in the decade after that.

Hollister Lecture Series

John H. Hollister was a founder of Northwestern’s medical school and served as president of the Illinois Medical Society. An endowed fund supports the Hollister Lecture Series, which addresses issues relevant to improving public health.



Jonathan Gruber describes how after January 2014 no one in the United States will go medically bankrupt “because they have bad genes or a bad traffic accident.”

“It’s the first law that, in my lifetime, gets more fiscally responsible over time instead of less,” Gruber said.

The second major issue is controlling costs. Gruber highlighted a glaring contradiction: Though healthcare has vastly improved and per capita spending has grown, approximately one out of every three healthcare dollars spent is wasted.

“We used to spend less than 5 percent of our economy on healthcare, now it’s 18 percent,” Gruber said, pointing to today’s better life expectancies and health outcomes. “And it’s been worth it.”

Yet two major hills remain to be crossed in controlling costs without compromising health. The first is scientific, developing better forecasting methods and empirically validated cost controls; the second is political, where “controlling costs means making the hard decisions politicians hate making,” he said.

Gruber ended his discussion with the four major challenges the ACA faced. First, Congress had to pass it, and it just squeaked by. Second, it was challenged in the Supreme Court.

Fortunately, Chief Justice John Roberts found a loophole, Gruber recalled, so it “barely passed” there. Third, President Obama had to be re-elected, which, of course, has happened, and fourth, the law has to be implemented.

“This is the least worrisome because it’s going to be implemented successfully in a number of places,” Gruber confirmed. “It’s also the most worrisome because it’s going to be a nightmare in many places.”

Gruber rolled off the remaining hurdles to implementation: States can opt out of Medicare expansion due to the Supreme Court ruling, not to mention the “mess” to come as evidenced by the recent experience in implementing Medicare Part D, the prescription drug benefit plan. Part D implementation was disastrous at first, but most problems were resolved within two months, with the public coming to love it after six, he said. Last is getting the public to accept and support the law.

Gruber sees public support as fundamental. He pointed to Massachusetts’ outreach campaign that greased the law’s acceptance, where they ran ads during Red Sox games.

“And you know what? People went out and got it—no one complained,” Gruber said.

The impending outreach battle, especially in states with a strong Tea Party presence like Louisiana, between advocates for and opponents against the law will be interesting to watch, he said. He then referred to the 2009 healthcare town halls when a woman stood up and yelled, “Keep the government’s hands off my Medicare!”

“I have this dream that someone will stand up and say, ‘Keep the government’s hands off my ACA,’ ” he concluded.

Nation's Top Economist Speaks at IPR *(Continued from page 20)*

burgeoning economic health, he said more than 70 percent of it has been regained through stabilizing home prices and rising stock prices.

Still, Krueger acknowledged that it was “important to stay on the path of recovery.” He reproached Congress for failing to pass many of the president’s proposals—which he sees as the “right medicine for the economy”—including the American Jobs Act that President Obama proposed in fall 2011, which included new tax cuts for small businesses to invest and hire new employees.

Krueger also emphasized the unusual nature of this recession. Propelled by the housing bubble and the subsequent decimation of jobs in the highly cyclical construction sector, the recession tightly constrained local and state budgets, resulting in layoffs for half a million teachers, firemen, and other state and local government employees.

“The economy has undergone a tremendous amount of adjustment,” he said.

Education has been hit particularly hard, with all of the gains from teachers with smaller classes being erased due to teacher layoffs, he continued.

When Figlio asked Krueger to identify the solutions important for 2020 and 2030, Krueger mentioned balancing short- and long-term economic objectives and a sustainable fiscal path.

Krueger said that he tries to find the policies that “have the most bang for the buck,” that will use taxpayer dollars as efficiently as possible, and that are appropriate to the state of the economy.

“No president would ever want to rescue the auto industry,” Krueger said. “It was only because we were in an acute crisis that the president stepped in.”

Importance of Improving Education

Fundamental long-term success hangs upon improving America’s education system, not just in K–12 schools, but also in access to higher education, to raise skill sets and create jobs, he continued.

“Why was the U.S. economy doing poorly even before the recession?” Krueger asked. He pointed to the years between 2000 and 2007, noting that it was the only time in U.S. history where fewer working-age adults were employed at the end of that period than at the beginning. Comparing the U.S. job-growth rate with that of Canada, Krueger remarked that the country created more jobs over the same period, which he attributes to Canada’s continued efforts to expand educational attainment.

“Rising inequality is reducing opportunity for those students from disadvantaged backgrounds,” Krueger said, referring to the administration’s recent battle with House Republicans to

keep student loan interest rates low and its work to expand access to four-year and community colleges.

From Professor to Policymaker

Citing IPR’s mission of conducting and disseminating high-quality social science research, Figlio asked Krueger, who has held three government jobs—in the Department of Labor, the Treasury, and now in the Council of Economic Advisers—about differences in working in academia and government.

Krueger noted that the two had very different missions, and the issues that he worked on in government were much wider than in academia. He also had to get used to the idea of the layers of hierarchy involved in government jobs. Memos are just not sent directly to the president.

“Anything that goes to the president is screened,” Krueger said. “I am an economic consultant and I have one client and that is the president. So I spend a lot of my time thinking about how I can best serve the president, and what is the best way to get him the information that will allow him to do his job in the best way that he can.”

Research in Policymaking

Figlio asked Krueger whether it was difficult to adjust to the pace of policymaking and what one did when there was little or no research on an issue.

Giving the example of the auto industry rescue, Krueger noted that some research undergirded what eventually took place. “But these were issues that we had not confronted before,” he emphasized. While research is very good at describing the past, Krueger

discussed how it falls short at forecasting, especially in evaluating policy development when a policy change has to take place to assess what happens.

He also cited the establishment of “Build America Bonds,” or BABs, instituted as part of the president’s American Recovery and Reinvestment Act, where there had been some first-rate research. Bond markets had frozen over at the end of 2008 and beginning of 2009, effectively stalling or even halting local and state infrastructure projects. BABs were created to provide local and state governments with a 35 percent federal subsidy for a portion of their borrowing costs on regular, taxable bonds.

Krueger estimated that issuing BABs saved state and local governments around \$15 billion over a two-year period. And he pointed out that they did not supplant traditional bonds, as they were often floated at the same time.

But research, Krueger cautioned, is only one “input” into the policymaking equation. Policymakers have to take in a much broader set of considerations, while learning to communicate and collaborate in a team-based environment, where everyone has a different skill set to contribute.



From l.: David Figlio, Alan Krueger, and Northwestern University President and Professor Morton Schapiro discuss using research in academia and government.

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Nation's Top Economist Speaks at IPR Economy "slowly healing," education vital

In a wide-ranging conversation that covered the state of the economy, the role of education, the policymaking process, and his job, among others, **Alan Krueger**—the nation's top "economic consultant"—spoke to a crowd of nearly 350 students, faculty, community members, and local high school students at IPR's 2012 Distinguished Public Policy Lecture on October 8 at Northwestern University.



J.Ziv

Alan Krueger

Krueger is one of the nation's top labor economists and chairman of President Barack Obama's Council of Economic Advisers, the three-member council that advises the president on domestic and international economic policy.

The State of the Economy

"Slowly healing" is how Krueger described the general state of the economy in response to IPR Director **David Figlio's** first question on general economic trends.

As evidence, Krueger cited a steady improvement in the unemployment rate and a gain of 5.2 million private sector jobs over the past 31 months.

"We are recovering from the worst recession we have had since the Great Depression," Krueger said.

More than \$15 trillion in household wealth was destroyed during the recession, or about 20 percent of America's total wealth, Krueger continued. But in a sign of America's

(Continued on page 19)

New IPR Website

The screenshot shows the IPR website homepage. At the top, there is a navigation bar with links for RESEARCH AREAS, FACULTY EXPERTS, PUBLICATIONS, EVENTS, WORKSHOPS & TRAINING, and ABOUT IPR. A search bar is located on the right. Below the navigation is a featured section for a "Distinguished Lecturer," featuring a photo of Cecilia Rouse and text stating she is the IPR 2013 Distinguished Public Policy Lecturer on April 8, with RSVP required. Below this are four columns of content: RESEARCH (with a sub-section "MORE RESEARCH"), IN THE NEWS (with a sub-section "MORE MEDIA MENTIONS"), UPCOMING EVENTS (with a sub-section "SEE ALL EVENTS"), and HIGHLIGHTS (with a sub-section "SEE ALL TOPICS"). At the bottom, there are three boxes: "Resources for the Media" (with a sub-section "Find many information items or e-mail us directly"), "Stay Connected" (with a sub-section "Follow us online" and social media icons), and "Contact Us" (with a sub-section "Comments? Send us an e-mail").

IPR recently redesigned and relaunched its website. It sports some new features, such as a working paper search function and a mobile version. See for yourself at www.ipr.northwestern.edu, and let us know what you think!