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The Weidenbaum Center on the Economy, Government, and Public Policy, in its 41st year, continues its vital role in educating the Washington University community and the country on key public policy issues and current social science research efforts. The Center diligently works to fulfill its mission to serve as a bridge between policymakers and scholars while engaging the public through a variety of publications, programs, media coverage, and online resources.

By supporting social science faculty and research in the Departments of Economics, Political Science, and Sociology as well as other campus departments and programs, the Center continues its commitment to create funding and research assistantship opportunities for faculty and students. Through its grant program, the Center provides support for faculty to test new research hypotheses prior to applying for major grants. Faculty can place research modules on the Center’s survey instrument, The American Panel Survey (TAPS). Undergraduate and graduate student assistantships provide opportunities for students to work with faculty on funded projects.

Many major events were sponsored or cosponsored by the Center during the past fiscal year. Melvin Oliver, renowned sociologist from the University of California-Santa Barbara, gave a well-received lecture on income and wealth inequality. Elijah Anderson, acclaimed sociologist and ethnographer from Yale University, spoke on the cosmopolitan canopy—public spaces where a diverse population can comfortably interact—to places such as the work environment and public transportation where the canopy breaks down. The Center hosted a lecture series on political polarization, beginning with Steven Smith’s discussion of its causes and consequences, followed by University of Iowa’s Caroline Tolbert’s lecture on campaign quality. The final lecture regarding the rise of congressional party conflict was given by University of Maryland’s Frances Lee.

In June, the Center held its annual Media Retreat, giving writers, journalists, and producers the opportunity to meet with academic experts for interactive seminars that examined the role that statistics and data analysis play in the news, public policy, and politics.

The Weidenbaum Center continues to educate, inform, collaborate, and bring our community together to better understand public policy issues. I am grateful to everyone working with and for the Center and to those who generously provide the support that allows the Center to pursue its important mission.

Mark S. Wrighton
Chancellor
I am pleased to again report on the accomplishments of the Weidenbaum Center on the Economy, Government, and Public Policy. Like previous years, fiscal year 2015-2016 was a most productive year for the Center.

Our commitment to provide original survey data through our program, The American Panel Survey (TAPS), is strong. This cutting-edge online survey continues to provide scholars at Washington University—particularly political scientists—one of the best survey research platforms in the social sciences. As more and more university faculty conduct surveys and collect original data, we will continue to post data and resulting articles and papers. During fiscal year 2016, I co-wrote with Michelle Torres and/or Patrick Tucker a number of reports based on TAPS research surveys. (See TAPS write-up with more details about the reports on page 21.)

The Center’s efforts to promote, enhance, and expand faculty and student research in economics, political science, and sociology were expanded. We continued to support faculty research with small and medium size grants. In addition, the Center provided special support and assistance to University faculty in the Departments of Economics and Political Science who serve as Weidenbaum Center Research Fellows.

Our community outreach programs addressed important public policy issues facing the nation and the world.

As you read through this report, please note that none of our activities, programs, and research efforts would be possible without our generous and loyal supporters. Thanks to all of you who provided your ideas, financial support, and friendship. We are proud to carry on the mission that Murray Weidenbaum started.

My thanks also go to the organizations and many University departments that collaborate with the Center on its activities. And last, but certainly not least, I thank Chancellor Mark Wrighton, Dean Barbara Schaal, the University administration, and the Board of Trustees for their encouragement, friendship, and support.

Sincerely,

Steven S. Smith
Director
For the last 15 years, Steven S. Smith has served as Director of the Center, Professor of Political Science, and the Kate M. Gregg Professor of Social Sciences at Washington University. He also continued to initiate and oversee the sponsorship of faculty research activities, grants administration, student enrichment programs, and public outreach activities. In addition, he continued to expand and direct The American Panel Survey (TAPS), which follows Americans’ political attitudes and behavior. In fiscal 2016, he co-authored numerous reports based on TAPS research. (Please see page 21 for more information on TAPS.)

Professor Smith is pursuing several projects on the institutional development of the U.S. Congress, which will include a book-length study of party leadership and the emergence of the modern Senate as well as a book-length study of bias in inter-cameral negotiation processes. He is also preparing articles, papers, and a monograph on the development of parliamentary institutions and parties in the Russian Federation, including a study of presidential-parliamentary relations, with Thomas Remington (Emory University). This project is being funded by the National Science Foundation and the National Council for Soviet and East European Research.

In his commitment to public outreach and education, Professor Smith’s expertise in American politics could be read in various media outlets and heard on public radio stations on a regular basis. He lectured before numerous community and educational venues, including a recent public lecture which was the first in a series on polarization in American politics (see page 14 for the write-up on his lecture).
Steven Fazzari is the Associate Director of the Weidenbaum Center and the Bert A. and Jeanette L. Lynch Distinguished Professor of Economics, as well as chairman of the Department of Sociology. He has been a faculty member at Washington University for over 30 years.

As the Associate Director, he works to enhance the Center’s research and public policy efforts. In particular, he oversees the Center’s efforts in working with the University’s Departments of Economics and Sociology. He evaluates faculty research grant requests and requests for student support from both departments. Further, he helps coordinate joint activities such as lectures and conferences, and recruits campus faculty for other Center outreach programs such as its monthly public policy round-table luncheons.

Professor Fazzari’s research explores two main areas: the link between macroeconomic activity and finance, particularly the financial determinants of investment spending, and the foundations of Keynesian macroeconomics. The website “Muddy Water Macro,” developed by him and a team of former students, explains macroeconomic concepts and interpretations of recent events to a general audience (http://muddywatermacro.wustl.edu/).

During the 2015-16 academic year, Professor Fazzari’s active agenda of research, teaching, and administration continued. His work on the link between rising income inequality and the increase in household financial fragility that was an important factor in triggering the Great Recession appeared in several peer-reviewed journals. He also published research that studies how best to measure the finances of the U.S. household sector. Professor Fazzari presented research findings at a variety of conferences and seminars in the United States, Italy, and Germany. This research also received coverage in the national press, including articles in the Wall Street Journal and the New York Times.

In addition to his work in support of the Weidenbaum Center, Professor Fazzari continued his administrative leadership of the recently resurrected Department of Sociology. As the new academic year approaches, the Department has moved into its new office suite in Seigle Hall and it is about to initiate a new undergraduate major. Faculty recruiting has now landed six outstanding sociologists as the core of the new department, with more growth planned for the coming academic year.
Richard J. Mahoney, former Chief Executive Officer of Monsanto, continued to serve as the Center’s Distinguished Executive in Residence. His unique perspective, vast business experience, and keen wisdom contributed to the Center’s public outreach efforts. He regularly participated in the Center’s public policy meetings, the annual media retreat, and special activities.

His commitment to the Center’s annual media retreat continued to be one of his most important contributions to the Center’s programs. At this meeting, participants had the opportunity to interact with and learn from his wealth of experiences as an industry leader. Further, he conducted a special wrap-up session which gave participants a platform to have in-depth conversations with the faculty experts on the public policy issues discussed at the sessions or other concerns not addressed. He also serves as one of the judges on the committee for the Weidenbaum Center’s “Award for Evidence-Based Journalism.” This annual award recognizes quality journalism on economics, business, and government, and reflects the sophisticated use of research, numbers, and statistics.

Mr. Mahoney worked with the University’s Sam Fox School of Design & Visual Arts and the National Churchill Museum in Fulton, Missouri, to bring a collection of artwork by Winston Churchill to the Mildred Lane Kemper Art Museum located on the University campus. The exhibit consisted of forty paintings from public and private collections in the United Kingdom, Canada, and the United States (see page 20 for more information on a tour of the exhibit arranged for the Weidenbaum Center’s Eliot Society members).

His commitment to advancing education, promoting ethics and ethical behavior, as well as imparting common sense to students, is steadfast. He mentors business students, lectures on business and leadership topics, and supports an annual award that recognizes research that transforms business. Mr. Mahoney serves on the Medical School National Council as well as the Medical School’s Finance and Planning Committee. He is also Distinguished Executive in Residence at Olin Business School. He has been a Washington University Trustee, now Emeritus Trustee, since 1983.
Annually, the Weidenbaum Center on the Economy, Government, and Public Policy and the George Washington University Regulatory Studies Center estimate the on-budget costs of regulation by examining the Budget of the United States to identify the agencies devoted to developing and enforcing federal regulations. The time-series data go back to 1960 and offer insights into the growth and changing composition of regulation over nearly 60 years. This year’s “regulators’ budget” presents the President’s requested budget outlays and staffing in fiscal year (FY) 2017, estimated outlays and staffing for FY 2016, and actual outlays and staffing for the previous 56 years.

Regulators’ Budget from Eisenhower to Obama: An Analysis of the U.S. Budget for Fiscal Years 1960 through 2017 found that in the final year of the Dwight D. Eisenhower administration (FY 1960), regulatory agencies employed a little more than 57,000 people and spent $533 million (equivalent to $3 billion in 2009 dollars). President Barack H. Obama recently submitted his final budget to Congress. It proposes expenditures of $70.0 billion ($61 billion in 2009 dollars) on regulatory activities in FY 2017, and a staff of almost 279,000. In the 58 years tracked in this report, fiscal outlays for administering regulation have increased more than 20-fold (after adjusting for inflation) and staffing has increased by a factor of five.

In real, inflation-adjusted terms, President Obama’s FY 2017 regulators’ budget is 8.9 percent higher than in FY 2016. The Budget also requests increases in federal regulatory agency personnel of 1.9 percent in FY 2017, after an estimated 2.9 percent increase in FY 2016. Since President Obama’s first budget, the regulators’ budget has increased by 18.8 percent in real terms, and staffing has increased by 8.4 percent. This is significantly less than the 54.4 percent growth in outlays and 51.4 percent increase in personnel during President George W. Bush’s term, when the Department of Homeland Security was created.

The regulatory report receives media coverage every year. This year, in addition to the many textbooks that reference the material in the report, Forbes, the Washington Times, and Bloomberg BNA all published articles based upon the research.

Studies in Regulation

On a monthly basis, the Center emails a report to donors, highlighting new research on regulation issued either by the Center or another research organization working in this area. Studies in Regulation briefly summarizes these important research studies on the current state of regulatory review, enforcement, and implementation and provides a link to the article for those who want further information. Topics covered in fiscal year 2016 included curing health-care inefficiency, the case against a carbon tax, privatizing the U.S. postal service, reforming student loan repayment, regulation of police body cameras, regulation and internet stagnation, and intellectual property rights.
The 15th annual Weidenbaum Center Media Retreat brought together media representatives and academics from across the nation for an interactive three-day seminar examining the role that numbers, statistics, and data analysis play in the news, public policy, and politics.

The program is limited to 20 participants who are required to attend all sessions. Seminar sessions are designed to provide media representatives the tools and techniques they need to analyze, evaluate, and investigate the validity of numbers.


Speakers and discussion leaders were Joel Best (University of Delaware), Don Coursey (University of Chicago), Steven Fazzari, Richard Mahoney, William Peck, and Steven Smith (all from Washington University), and Tara Sinclair (George Washington University).

The presenters covered topics such as lies and statistics, the rise in mortality and morbidity among middle-aged Americans, how numbers on economic development are used and abused, using and reporting public opinion polls, measuring inequality, evaluating macroeconomic forecasts, and understanding the great recession.

For more information about the Media Retreat, please visit https://wc.wustl.edu/media_retreat.
Michael Fletcher received this year’s award for his Washington Post series looking at the plight of the black middle class, particularly in Maryland’s Prince George’s County — the nation’s highest-income majority-black county — following the 2007 recession. Half of the home loans in that county ended up in foreclosure. Working with his colleague, they...

...put the core principles espoused at the Weidenbaum retreat—which in my mind boil down to rigorously pursuing data, assessing it honestly, and following it wherever it leads—to work along with some old-fashioned reporting that helped bring that data to life. The result was a three-part series that not only drew millions of readers, but also became the basis of a conversation that continues.

In 2016, Michael Fletcher joined the staff of “The Undefeated,” ESPN’s site that provides in-depth reporting, commentary and insight on race and culture through the lens of sports. Formerly, he spent 21 years with the Washington Post, the last seven as a national economics correspondent, writing about unemployment, state and municipal debt, the evolving job market, and the auto industry. Previously, he was a White House correspondent for the paper, covering both the Barack Obama and George Bush administrations. He also has written about education and race relations, serving as the Post’s national race relations reporter for five years. Fletcher is co-author of Supreme Discomfort: The Divided Soul of Clarence Thomas, a critically acclaimed biography published by Doubleday in April 2007—a book he co-authored with Kevin Merida, editor-in-chief for “The Undefeated.”
The Annual Dinner and Awards Presentation once again brought together supporters and the University community to celebrate the Center’s achievements and scholarship. To mark the occasion, a prominent figure in economic or political circles speaks on a key national or international issue.

In 2016, the Center was honored to have Professor Michael McFaul as its keynote speaker. Professor McFaul’s talk, “A New Cold War? Explaining Russia’s Confrontation with the West,” gave insight on the Russian government and his experience as a diplomat. McFaul was also one of the recipients of the Center’s Weidenbaum Center Award for Excellence (see below).

Weidenbaum Center Award for Excellence honors individuals who exhibit the character, dedication, and excellence associated with Professor Murray Weidenbaum’s scholarship and public service. Two awards were presented in 2016.

**Policy Leader Award Recipient**

Professor Michael McFaul, director and senior fellow at the Freeman Spogli Institute for International Studies, and the Peter and Helen Bing Senior Fellow at the Hoover Institution, was the recipient of the “Weidenbaum Center Award for Excellence” policy leader award.

He served as the United States Ambassador to the Russia Federation from 2012-2014. An article written in the *Daily Beast* lauded Professor McFaul as an “internet celebrity” for his reported meetings with protesters opposed to the Putin regime and applauded his ability to spread pro-democracy sentiments. Prior to his ambassadorial appointment, Professor McFaul served in the Obama administration as Special Assistant to the President and as Senior Director for Russian and Eurasian Affairs at the National Security Council. He is considered to be a leading scholar in post-communist Russia affairs and a regular contributor to NBC news.
Faculty Award Recipient

Dean Edward Lawlor, Brown School of Social Work at Washington University, and the William E. Gordon Distinguished Professor, was the recipient of the “Weidenbaum Center Award for Excellence” faculty award for his accomplishments in the field of public service.

Dean Lawlor is the founder of the Public Policy and Aging Report and member of the National Academy of Social Insurance. Prior to his academic career, he served as Secretary for the Chicago Board of Health. He currently serves on the St. Louis City Board of Health, the Association of Schools and Programs of Public Health, and serves as the Vice President of OASIS Institute Board of Directors.

The Weidenbaum Center Award for Excellence is a medal featuring a replica of the bas-relief sculpture image of Murray Weidenbaum. Richard Mahoney, the Center’s Distinguished Executive in Residence, commissioned former alumnus and internationally recognized artist Don Wiegand to design the award. The other side shows the Washington University insignia.
Forums
Forum programs are held by the Weidenbaum Center in order to educate the general public on economic and political issues that are important to the nation and the world. These events are free and open to the public.

Income and Wealth Inequality
Melvin Oliver, the Sage Sara Miller McDune Dean and Professor of Sociology at the University of California-Santa Barbara, gave the first forum talk of the year on September 16. His talk focused on the issue of income and wealth inequality, a topic on which he has done groundbreaking research. His seminal book, Black Wealth, White Wealth: A New Perspective on Racial Inequality, which he coauthored with Thomas Shapiro of Brandeis University, is considered a classic exploration of race and inequality. This book provided, for the first time, systematic empirical evidence that explained the racial inequality gap between blacks and whites.

His theory is that, entwined into the fabric of our society, there remains inequality. In trying to explain these disparities, wealth is by far the better measure for examining economic well-being than income. His data was broken down and explained according to education, income, housing, and many other variables. Case studies helped to put poignant “faces”
on the facts to show how Blacks have been impacted by the differing conditions that they experience. By using net worth, or true wealth as a yardstick, rather than income, educational or professional attainment, he presented a strong argument that also considers the significant historical mileposts in the struggle for equality and shows how much further the United States must go to achieve equal opportunities of economic mobility.

This forum was co-sponsored with Washington University’s Department of Sociology; Center for Social Development; School of Law Public Interest Law & Policy Speaker Series; Assembly Series; and the Center for Household Financial Stability at the Federal Reserve Bank of St. Louis.

The Color of Debt: How Collection Suits Squeeze Black Neighborhoods in St. Louis

Millions of Americans each year are hit by lawsuits over unpaid debt, with the most devastating consequence being the seizure of money from a debtor’s wages or bank account. An investigation of this practice showed a prevalence of such procedures in St. Louis and other cities and a clear pattern emerged: these suits and consequences are massed in St. Louis black neighborhoods.

On November 5, a prominent panel of community experts and leaders discussed the causes and remedies for the stark racial disparities in the debt collection system, as well as resources for families that have been devastated by it. Generations of discrimination have left black families with grossly fewer resources to draw on when they come under financial pressure. When wages are garnished through a collection suit, many cannot meet basic family needs and lose their homes.

Participating on the panel were Washington University’s Professor of Law Karen Tokarz, ProPublica reporter Paul Kiel, City of St. Louis Treasurer Tishaura Jones, Ferguson Commission President Starsky Wilson, and University of Missouri Professor of Political Science Todd Swanson.

Co-sponsoring this event were Washington University’s School of Law Negotiation & Dispute Resolution Program, Black Law Students Association, and School of Social Work Center for Social Development; Women of Color Law Society; Public Service Advisory Board; American Constitution Society for Law and Policy; and Mound City Bar Association.

The Cosmopolitan Canopy: Challenges for a Civil Society

Yale University Sociologist Elijah Anderson gave a talk on how blacks and whites relate and redefine the color line in everyday public life.

Cosmopolitan canopies are those spaces in urban environments that offer a break from the tensions of racial and economic differences, a place for diverse peoples to assemble and rub elbows. He explored how physical space, behavior, and race intermingle in open spaces such as an indoor market, a mall, and a park.

This event was co-sponsored with Department of Sociology; Assembly Series; School of Law Public Interest Law & Policy Speaker Series; Center for Social Development; and Office of the Provost.

Lectures

The Weidenbaum Center Lecture Series consists of serious, substantive scholarly talks accessible to a sophisticated general audience. The goal is to offer higher quality programs to our donors, the Washington University
community, and the general community. Broad topics for these lectures are economics, politics, regulation, and sociology.

**Political Polarization** – This three-part lecture series focused on the issue of polarization in America. The depth of the divide of public opinion has grown and the number of moderates has shrunk in recent years.

**Causes, Consequences of Polarization in Modern American Politics**

On September 28, Weidenbaum Center Director **Steven Smith** gave the first lecture in this series. His talk focused on the causes of the increased polarization that afflicts our country. He explained that the cause of this polarization in the mass public has much to do with the realignment in the South in reaction to the civil rights movement and the cultural revolution. Other causes are rising income inequality, media fragmentation, and activation of religious and ideological conservative groups.

Professor Smith also explained that polarization is greater among voters than non-voters, greater among activists than non-activists, and greater among primary voters than general election voters. He proposes that one solution to fighting this polarization is more media and elite discourse to reward moderation and problem solving in Congress. Increased voter turnout, particularly in primaries, would also add in reducing polarization.

**Campaign Quality under Preferential and Plurality Voting in U.S. Cities**

**Caroline Tolbert**, Professor of Political Science at University of Iowa, gave the second lecture in this series. Her research examines if local
election systems might affect the tone, or civility, of campaigns and elections and tests whether a specific electoral rule shapes levels negatively in election campaigns. This electoral rule, ranked choice voting (RCV), is also called preferential voting, alternate vote, and instant run-off voting. Instead of casting a single vote for one’s most preferred choice, voters rank candidates from the most preferred to the least preferred on their election ballot. There are many potential benefits to RCV.

**Efficiency and Cost Saving:** RCV can be used to combine a primary and a general election into one election.

**Eliminates Spoiler Effect:** Third party candidates can steal votes from a major candidate causing a least preferred candidate to be elected.

**Encourages Third Parties:** Third parties and more moderate candidates have more incentive to run.

**Voter turnout:** May increase voter turnout.

**Increases Civility:** The system gives rivals incentives to cooperate and campaign for second place votes. This may decrease the probability of going negative on the front runner.

### Insecure Majorities: Congress and the Perpetual Campaign

**Frances Lee,** Professor in the Department of Government and Politics at the University of Maryland, gave the third and final lecture in the political polarization series on February 10.

She offered a controversial new perspective on the rise of congressional party conflict, showing how the shift in competitive circumstances has had a profound impact on how Democrats and Republicans interact. For nearly half a century, Democrats were the majority party, usually maintaining control of the presidency, the House, and the Senate. Republicans did not stand much chance of winning majority status, and Democrats could not conceive of losing it. Under such uncompetitive conditions, scant collective action was exerted by either party toward building or preserving a majority. Beginning in the 1980s, that changed, and most elections since have offered the prospect of a change of party control. Professor Lee showed how competition for control of the government

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drives members of both parties to participate in actions that promote their own party’s image and undercut that of the opposition, including the perpetual hunt for issues that can score political points by putting the opposing party on the wrong side of public opinion. More often than not, this strategy stands in the way of productive bipartisan cooperation—and it is also unlikely to change as long as control of the government remains within reach for both parties.

**Of Seatbelts & Sodas: Government Paternalism and Its Critics**

Ian MacMullen, Professor of Political Science at Washington University, presented a lecture on the topic of government paternalism on November 17.

Professor MacMullen analyzed whether government is overstepping its boundaries in trying to protect the consumer. When is government intervention in individual choice a good idea and when is it unjustified? Seatbelt laws, restrictions against trans fats, helmet laws, and drinking and smoking age restrictions are examples of laws that have been passed to protect the American public. Some say these rules go too far and that individual choice has been taken away. Professor MacMullen gave examples of these restrictions, including the recent proposed ban of soda servings over a certain size in New York City.

**What Took So Long? The Timing of the Industrial Revolution**

On March 8, Gary Hansen, 2016 Sam B. Cook Visiting Professor of Economics, Washington University and Professor of Economics, University of California-Los Angeles, spoke on the consequences of the Industrial Revolution and living standards. Professor Hansen is a macroeconomist whose primary research focus is on understanding business cycles.

The Industrial Revolution involved adopting new production methods but these were not accepted by many people. He discussed why these methods might not have been adopted and if they had, would they have led to better living standards.

The Department of Economics co-sponsored the lecture.

**Economic Inequality and Possible Policy Responses**

James Bullard, President and CEO of the Federal Reserve Bank of St. Louis, gave the third Hyman P. Minsky Lecture on March 21. Minsky was an American economist and a professor of economics at Washington University in St. Louis who was known for his theory that there is slow movement of the financial system from stability to fragility, followed by crisis.

Dr. Bullard discussed economic inequality in the United States—in particular, wealth, income and consumption inequality—and what types of policy might reduce inequality. He summarized that inequality is in part due to age differences—older people have higher incomes and also more wealth because they had more time to save. It is also due to differences in productivity early in life, with the role of education being critical. But even if policies could lessen the second source, significant inequality would still remain.

Credit markets play an important role in the model that accounts for a large portion of the wealth, income, and consumption inequality found in the U.S. data. If monetary policy has an impact on inequality, it is through the channel of credit markets.
MEMBER PROGRAMS

The Center holds a variety of programs annually. The majority of these programs are intended for the Center’s Eliot Society members and its Major Donors.

Member Meetings

Public Policy Breakfasts

The U.S. Supreme Court and the Elections of 2016 — On September 8, Professor Lee Epstein, the Ethan A.H. Shepley Distinguished University Professor at Washington University in St. Louis, gave an in-depth talk on how the 2016 election will dramatically affect the U.S. Supreme Court.

She began by discussing how the next president will play a key role in the formation and direction of the next U.S. Supreme Court since three of the current nine judges are in their 80s. She stressed that one of the biggest mistakes a president can make is to nominate someone who has not demonstrated a record of applying the Constitution as it is written and enforcing the limits on government power. Since ideological shifts can occur once a justice takes the bench, Professor Epstein spoke on the “ideological drift” of some justices. She stated that since 1937 the “drift hypothesis” is supported for 12 of the 23 Justices who served a minimum of 15 terms. Eight of those became more liberal and four became more conservative.

Epstein says it is hard to tell what causes the drift, but one factor might be the tendency for the gap between the ideology of the elected justice and the President to become wider with the length of service. That suggests a trade-off: appointing younger justices so that long after his or her administration ends, the justice would continue that president’s legacy. This hypothesis suggests that a president may look at age as well as the candidate’s judicial record.

Early Mars: Warm, Wet, and Likely Habitable — On October 5, Professor Ray Arvidson, Professor of Earth and Planetary Sciences and Deputy Principal Investigator for NASA’s Spirit mission to Mars, discussed NASA’s progress on the red planet, as well as the recent discovery of liquid water.

NASA was able to ascertain the presence of liquid water using high-resolution images and spectral data collected from an orbiting satellite. The reflection of light at wavelengths invisible to the human eye was diagnostic of the presence of water, albeit in a briny, gelatinous form.

Professor Arvidson also discussed the ongoing Rover missions, which have far outlived their expected lifespan. The Curiosity Rover is currently traversing the Gale Crater toward Mount Sharp. He said that with the newest rock at the top of Mount Sharp, the trek is essentially a trip through Mars’ geological record. According to Arvidson, these details tell us about a time in our solar system that cannot be studied on Earth, because our atmosphere has stripped away these rocks over time. The final Rover mission is scheduled to launch in 2020.

Red Tape & Regulation — What Are They Thinking in Washington?! – On November 10, Susan Dudley, Director of the George Washington University Regulatory Studies Center and Distinguished Professor of Practice in the Trachtenberg School of Public Policy and Public Administration, examined and evaluated expanding government regulation.
She stressed that understanding the impetus for regulation, the incentives faced by regulators and regulated parties, and the underlying market conditions that lead to regulation are essential for evaluating the consequences of regulatory actions and the legislation that enables them. She further pointed out that this knowledge is important for understanding the effects of proposed new regulations and for examining whether existing regulations achieve the intended goals.

**Who Should Pay U.S. Taxes in a Globalized World? The Role of Corporate Inversions and Offshore Investment Funds in the Income Inequality Debate** — On January 26, **Adam Rosenzweig**, Professor of Law at Washington University, discussed the law and policy of tax inversions and carried interest. He spoke on taxing derivatives and inequality in general as well.

He began with a high-level introduction of income inequality and then situated the specific debates over tax inversions and carried interest within that more general debate, discussing the transactions in some detail. Specifically, he discussed the Pfizer-Allergan merger (both the good and bad), the Treasury actions directed towards inversions, and the Hillary Clinton proposal to attack inversions. He also mentioned the “Blackstone” model of carried interest and the numerous carried interest proposals—those done by executive action and those done only by legislation.

**Sheiks vs. Shale: New Economic Realities of Oil and Gas and their Impacts on America’s Energy Industry** — On February 23, Professor **Bernard Weinstein** of Southern Methodist University’s Maguire Energy Institute talked about the changing economic and political realities of the oil and gas industry.

He began with the “Shale fracking” revolution and its impact on American production—enabling the U.S. to almost double its crude oil production. He also talked about how lower costs and technological improvements have helped to support production in the low price environment. Then his focus turned to the ramifications of overproduction, massive oversupply, and the sustainability of operations in a low oil price economy—layoffs in the industry, bankruptcy, and the closing of almost all shallow water platforms.

Professor Weinstein concluded with concern pointing out that after six years of declining oil imports, they are now rising rapidly. This has serious implications for economic and energy security.

**An Introduction to The American Panel Survey (TAPS) and a Sampling of Recent Findings** — On March 23, **Steven Smith**, the director of the Weidenbaum Center, spoke on The American Panel Survey, which has been collecting original survey data for nearly five years. While many Washington University faculty have conducted original surveys covering different topics, his talk focused on his research platform.

He spoke on how he has collected various data on key political questions and how the data has given him insight into public opinion on a number of political issues and questions. The data he discussed ranged from data collected on consumer confidence of Democrats and Republicans over time, how views of the Supreme Court changed, how age and gender have affected public support for Hillary Clinton and Bernie Sanders, and partisan effects on economic perceptions.

**The Party Decides: Coordination Failure and Success in the 2016 Presidential Nominations** — On April 26, Professor **Hans Noel** of Georgetown University spoke on the presidential nomination process. Drawing on the extensive research conducted for his book,
Public Policy Luncheons

The Center’s Major Donors Public Policy Luncheons—roundtable discussions of current events—continued with fall meetings on September 9, October 19, and December 2. Spring 2016 luncheons were held on February 9, March 28, April 18, and May 2.

These luncheons, specifically designed and limited to the Center’s major donors, brought in an array of academic experts, business and community leaders, and former government officials to interact with attendees in an open discussion format. At each meeting, four or five issues were examined with an expert briefly summarizing the issue and then leading the discussion.

This format enabled participants to hear an overall analysis of each issue and then delve into the topic in more depth—i.e.,
how important is this issue, what are the underlying causes, what are its current and future ramifications, what is/will be its impact on the public, as well as ways the issue could/should be addressed and improved or resolved if possible. Topics examined included economic long-term stagnation, Medicare spending as a share of GDP and Social Security Disability Insurance expenditures, foreign governmental elections and political corruption, why the Russian economy is declining, EU response to the refugee situation, Greek debt debate and bailout, terrorism and national security, Congressional Republicans’ proposals for regulatory reform (SCRUB Act, APA revisions, etc.), Supreme Court nominations, presidential primaries, political convention politics, and many aspects surrounding the presidential contest.

The Party Decides: Presidential Nominations Before and After Reform, he discussed how the process in the spring of 2016 deviated from the historical nomination process.

He further discussed the arguments and developments in nomination processes and gave his observations about the lessons to be drawn from the presidential primary election process in 2016.
In January 2016, Weidenbaum Center Eliot Society members were invited to a private viewing of The Paintings of Sir Winston Churchill at the Mildred Lane Kemper Art Museum (Washington University). Special arrangements were made with Timothy Riley, Director and Chief Curator, National Churchill Museum at Westminster College in Fulton, Missouri, to be the guide and narrator for the viewing.

According to Mr. Riley: “This exhibition collects most of the very best of Churchill’s painting. Some of these works have seldom, if ever, been seen outside of the United Kingdom. It represents an incredible opportunity, for museum-goers and students of history alike, to explore who, as an artist, Churchill truly was.”

The paintings of Sir Winston Churchill, one of the greatest renowned wartime leaders, represent each of the five decades in which Churchill pursued what was for him the greatest of hobbies. This exhibit consists of forty loans from preeminent public and private collections in the United Kingdom, Canada, and the United States, including the Royal Academy of Arts in London and Chartwell, the historic family estate in Kent, England.

The viewing and luncheon with Timothy Riley were hosted and funded by Center Executive-in-Residence Richard J. Mahoney and Weidenbaum Center Eliot Society Chairman, James E. Schiele.
The American Panel Survey

TAPS is a monthly online survey of a national probability sample from a panel of about 2,000 adults in the United States. A variety of social science investigators use the panel. Most studies concern the economic and political attitudes and behavior of the American public.

From a random selection of residential addresses, stratified using ancillary data on age and ethnic group, a panel of more than 2,000 was recruited in late 2011. Monthly surveys have been conducted with these same panelists for nearly five years. TAPS surveys are administered online; selected panelists who do not have a computer or online service are provided a computer and internet access by TAPS.

The surveys are conducted for the Weidenbaum Center by GfK Custom Research, a leading online survey research firm. Particular care is taken to ensure that the panelists are unknown to researchers.

Director Steven Smith co-authored the following reports based on TAPS survey data:

“Use of the ‘Liberal’ and ‘Progressive’ Labels by Democrats” (with Patrick Tucker)

“Women and the 2016 Democratic Presidential Nomination” (with Michelle Torres)

“Perceptions of Liberals and Progressives” (with Patrick Tucker)

“Examining Conditioning in Panel Surveys, Part I” (with Patrick Tucker)

“Partisanship and Economic Perceptions” (with Jonathan Rapkin and Patrick Tucker)

“Revisiting Bedrock Values: The Stability and Predictive Power of the Society Works Best Index” (with Michelle Torres)

The following journal article was published in fiscal 2016:

Matthew Gabel et al, “Attitudes of Research Participants and the General Public Regarding Disclosure of Alzheimer Disease Research Results,” *JAMA Neurology*

The following conference papers resulted from TAPS research:

Jacob Montgomery, Steven Smith, and Patrick Tucker, “Moving the Unmoved Mover?: The Origins and Limitations of Systematic Individual-Level Change in Party Identification”

Betsy Sinclair et al, “The Dynamic Relationship between Personality Stability and Political Attitudes”

Patrick Tucker, “A Constituent-Level Analysis of Home Style”

For more information, please visit taps.wustl.edu.
The Weidenbaum Center continues to work with faculty in the Department of Political Science on research grant submissions. Staff assisted faculty with budget preparation, proposal preparation and development, and submission to federal agencies.

The following are proposals submitted to the National Science Foundation unless otherwise specified.

**David Cunningham**, “Trajectories of School Desegregation” (Spencer Foundation) (awarded)

**Jeff Gill**

“Smooth National Measurement of Public Opinion Across Boundaries and Levels: A View From the Bayesian Spatial Approach” (resubmission)

“Maternal Overnutrition and Obesity: Effect on Prostate Development in Male Offspring” (NIH)

“Novel Approaches to Measuring Demand-Side Community Perceptions and Barriers to Family Planning Via Social Network Analysis in Ethiopia” (Bill & Melinda Gates Foundation)

“A Multilevel Approach to Energy Balance and Cancer Across the Lifecourse” (NIH)

**Jacob Montgomery**

“Computerized Adaptive Testing for Survey Research” (awarded)

“Collaborative Research on Ensemble Methods for the Prediction of Political Outcomes”

**Norman Schofield**, “Modelling Campaign Contributions and Advertising in U.S. Elections”

**Betsy Sinclair**, “Meeting the Challenge: Evaluating the Impact of the Top Two Primary on California Voters” (awarded)

**Dalston Ward** (with Margit Tavits), “Doctoral Dissertation: Local Political Contexts and Immigrant Integration” (awarded)

**Faculty Small Grants**

The Center’s small grants program provides support for work to be done over a two-year period. The Center is particularly interested in supporting collaborative efforts, research that has a high probability of prominent publication, and research that will lead to application for external funding. Funding for a project is normally under $10,000.

Small grants awarded in fiscal year 2016 are listed below:

**Venus Bivar**, “A Promise for the Twentieth Century” (History)

**Michele Boldrin** and Raul Santaeulalia-Llopis, “Inequality, Innovation and Intellectual Property” (Economics)
ACADEMIC RESEARCH PROGRAMS

**Paulo Natenzon**, “Rational Choice and Limited Sampling” (Economics)

**Norman Schofield**, “Party coalition in the U.S. Presidential Election of 2016” (Political Science)

**Betsy Sinclair**, “Polarization and Its Solutions: The Top Two Primary” (Political Science)

**Margit Tavits**, “Wartime Violence and Post-War Women’s Representation” (Political Science)

**Adia Harvey Wingfield**, “Racial Realities of Professional Employment: Black Workers in the Hospital Setting” (Sociology)


**Guillermo Rosas**


**Norman Schofield**


**Margit Tavits**


Publications

Below is a list of articles by Weidenbaum Center Fellows and publications resulting from Center-sponsored research for faculty.

**Matthew Gabel**


**Andrew Reeves**

Workshop and Seminar Support

The Center co-sponsors workshops and seminars with the Department of Economics in the Fall and Spring Semesters. Speakers presented and discussed their groundbreaking research with faculty and students of Washington University and participants from the Federal Reserve Bank of St. Louis.

For more information on these seminars, please visit economics.wustl.edu/events/archive.

**Labor Workshops**

Search and Training on the Job, Rasmus Lentz, University of Wisconsin

Heterogeneity or Duration Dependence? New Evidence from Labor Force Histories, Fabian Lange, McGill University

Need-Based Aid from Selective Universities and High School Achievement, Sunha Myong, Washington University

Trade Reform and Regional Dynamics: Evidence From 25 Years of Brazilian Matched Employer-Employee Data, Rafael Dix-Carneiro, Duke University

Multidimensional Skills, Sorting, and Human Capital Accumulation, Jeremy Lise, University College London

Reliability in the Labor Market, Aloysius Siow, University of Toronto

The Costs of Occupational Mobility: An Aggregate Analysis, Giovanni Gallipoli, The University of British Columbia

Causes and Consequences of Central Neighborhood Change, 1970-2010, Nathaniel Baum-Snow, University of Toronto

**Empirical Microeconomics Workshops**

Labor Market Implications of Unemployment Benefit Extensions, Kurt Mitman, Stockholm University

Immigrant Wages and Recessions: Evidence from Undocumented Mexicans, Rebecca Lessem, Carnegie Mellon University

The Aggregate Effects of Labor Market Frictions, Mike Elsby, University of Edinburgh

A Stock-Flow Theory of Unemployment with Endogenous Match Formation, William Hawkins, Yeshiva University

Discrete Games in Endogenous Networks: Theory and Policy, Anton Badev, Federal Reserve Board

One Size Does Not Fit All: Multiple Dimensions of Ability, College Attendance and Wages, Sergio Urzua, University of Maryland

Debt, Jobs, or Housing: What’s Keeping Millennials at Home?, Meta Brown, Federal Reserve Bank of New York

Cohort Size and the Marriage Market: Explaining Nearly a Century of Changes in U.S. Marriage Rates, Mary Ann Bronson, Georgetown University

The Comprehensive Wealth of Immigrants and Natives, Lucie Schmidt, Williams College

Disability Benefits, Consumption Insurance, and Household Labor Supply, Magne Mogstad, University of Chicago

Religions, Fertility, and Growth in South-East Asia, David de la Croix, Université Catholique de Louvain (Belgium)

What Do Data on Millions of U.S. Workers Reveal about Life-Cycle Earnings Risk?, Serdar Ozkan, University of Toronto

Economic Theory Workshops
Endogenous Intermediation in OTC Markets, Tai-Wei Hu, Northwestern University

Large Deviations and Stochastic Stability in the Small Noise Double Limit, Bill Sandholm, University of Wisconsin

When More Information Reduces the Speed of Learning, Omer Tamuz, Caltech

Can Cooperation Be Sustained Without Punishing the Innocent? A Limit of Self-Regarding Behavior, Bruno Strulovici, Northwestern University

Near-Optimal Outcomes in Markets Large and Small, Brendan Lucier, Microsoft Research

On the Management of Population Immunity, Flavio Toxvaerd, University of Cambridge

Search Design and Broad Matching, Kfir Eliaz, Tel-Aviv University

Risk-Taking and Financial Competition The Impact of Fund-Manager Compensation on Social Welfare, Philipp Strack, University of California, Berkeley

Competitive Information Disclosure in Search Markets, Simon Board, University of California, Los Angeles

Competition in Persuasion, Emir Kamenica, University of Chicago

Revenue Guarantee in Auction with Common Prior, Takuro Yamashita, Toulouse School of Economics (France)

Monotonic Epsilon-Equilibrium in Strongly Symmetric Games, Shiran Rachmilevitch, University of Haifa

The Value of a Reputation Under Imperfect Monitoring, Eduardo Faingold, Yale University

Macroeconomics Workshops
A Theory of Liquidity and Risk Management Based on the Inalienability of Risky Human Capital, Neng Wang, Columbia University

Shadow Banking, Capital Requirement and Monetary Policy, Fatih Tuluk, Washington University

The Social Value of Financial Expertise, Pablo Kurlat, Stanford University

The Economic Impact of Business Groups, Duksang Cho, Washington University

Inflation Targeting with Incomplete Markets, Jundong Zhang, Washington University

Fertility and HIV Risk in Africa, Yao Yao, Washington University

Trade Credit in Production Chains, Washington University

Aggregate Risk, Inside Money, and Bank Capital Requirements, Jaevin Park, Washington University

Maturity and Multiplicity in Sovereign Debt Models, Manuel Amador, Federal Reserve Bank of Minneapolis

International Trade, Technology and the Skill Premium, Ariel Burnstein, University of California, Los Angeles

Financial Frictions and Export Dynamics in Large Devaluations, Fernando Leibovici, York University

Sovereign Defaults and Banking Crises, Pawel Krolikowskit, Federal Reserve Bank of Cleveland

Adverse Selection, Risk Sharing and Business Cycles, Marcelo Veracierto, Federal Reserve Bank of Chicago
The Center supported 42 undergraduate and graduate student research assistant positions in fiscal 2016. These one-on-one opportunities for students were funded through the Center’s Faculty Small Grants program, the Murray Weidenbaum Scholars’ program, and other designated funds.

These research assistants worked with faculty on some of their most important research projects in macroeconomics, international relations, and American politics and policymaking. Faculty instructed and trained students on key research concepts including creating effective and efficient research plans; locating, identifying, and collecting data; properly evaluating and analyzing data; and preparing reports and papers for publication. Additional support was provided for a few graduate students to attend conferences to present research papers.

Erin Amato
Christian Baehr
James Barton
Brandon Barutt
Ryden Butler
David Carlson
Samantha Chestney
Deepa Devanathan
Antonia Drummond
Constanza Figueroa Schibb
Kenneth Geisler
Adam Green
Dino Hadzic
Conor Hammond
Allen Hao
Michael Henderson
Hannah Hughes
Dongyan Huo

Matthew Malis
Hal Matthews
Ryan Mikkelsen
Jeremy Moses
Nidhi Narielwala
Ryosuke Nava
Tianzan Pang
Peter Rosenquist
Erin Rossiter
David Rusk
Eli Scher-Zagier
Ryan Schneider
Min Seo
William Simoneau
Scott Solomon
Silvia Torres Pacheco
Patrick Tucker
Thomas Wilkinson

Olin Prize Winner
Peter Metz
“Race and Property Value Appreciation: A St. Louis Case Study”
Financial Support

The Weidenbaum Center, while an integral part of Washington University, is responsible for its own financial support and relies heavily upon generous donations from individuals, corporations, and foundations. As a nonprofit, nonpartisan organization, the Center falls under the University’s 501(c) (3) tax-exempt status.

There are many ways to make an investment in the Weidenbaum Center’s activities. You can provide annual support or make a designated gift for specific purposes such as public policy programs, research, the Murray Weidenbaum Scholars Program, or TAPS. You can give online using a credit card at https://gifts.wustl.edu/giftform.aspx, make a gift of stock, or mail in a contribution. In any of these cases, make sure you identify that your gift should be directed to the Weidenbaum Center.

Expansion of current programs and the creation of new programs require additional funding on a continual basis. Every dollar helps. For further information on supporting the Center’s efforts, please contact Gloria Lucy at 314-935-5689 (glolucy@wustl.edu) or Melinda Warren at 314-935-5652 (warren@wustl.edu).

The Center’s Eliot Society consists of individuals who have come together to support the Weidenbaum Center. Eliot Society support makes our work possible, helping to develop the fabric of a better society by working to influence and shape public policy through the dissemination of unbiased information to the public.

The Center is grateful to the volunteers who worked so hard to help it reach its annual financial needs. Special recognition goes to James E. Schiele, Chairman of the Center’s Eliot Society and Corporate Leaders Volunteer Committee, for his dedication, endless development efforts, and community outreach on behalf of the Center.

Administration & Staff

**Steven Smith**
Director

**Steven Fazzari**
Associate Director

**Betsy Sinclair**
Associate Director, The American Panel Survey

**Richard Mahoney**
Distinguished Executive in Residence

**Melinda Warren**
Director, Weidenbaum Center Forum

**Gloria Lucy**
Assistant Director and Business Manager

**Christine Moseley**
Administrative Coordinator