

Economics Department Newsletter

April 8, 2013

Contents

Events

1. **Wednesday, April 10**, 4:00PM, Griffin 6. [Jon Bakija](#) and [William Gentry](#), Williams College. Economics Department Seminar. "[Capital Gains Taxes and Realizations: Evidence from a Long Panel of State-Level Data.](#)"
2. **Thursday, April 11**, 4:00PM, Griffin 6. [Henry Schneider](#), Cornell University. Economics Department Seminar. "[Checklists for Economic Settings.](#)"
3. **Friday, April 12**, Development Dialogue, Noon, CDE. [Stephan Klasen](#), University of Goettingen. "[Millennium Development Goals post-2015: A Modest Proposal.](#)" [Space is limited, so if students are interested in attending they should send an RSVP to Karima Barrow at keb1@williams.edu.]

Post-graduation job opportunities

4. Tulane University marketing professors seek research assistants to manage behavioral economics experiments.

About the newsletter

5. How to get items into the newsletter and how to unsubscribe.

Events

1. Jon Bakija and William Gentry: "Capital Gains Taxes and Realizations: Evidence from a Long Panel of State-Level Data."

On **Wednesday, April 10**, at 4:00PM in Griffin 6. [Jon Bakija](#) and [William Gentry](#) of Williams College will present their paper "[Capital Gains Taxes and Realizations: Evidence from a Long Panel of State-Level Data.](#)" From the abstract: "We estimate how capital gains realizations respond to marginal tax rates on capital gains using a panel of aggregate data for U.S. states for the years 1957 through 2007. In specifications controlling for state fixed effects and year fixed effects, where identification comes from difference-in-differences variation in effective state marginal tax rates, our point estimate of the elasticity of capital gains realizations with respect to the marginal tax rate range is -0.6 with a standard error of 0.2. This point estimate suggests a significant and policy-relevant responsiveness of capital gains realizations to incentives, implying that the revenue gain from a capital gains tax increase would be in the ballpark of 60 percent

smaller than it would have been in the absence of the behavioral response, and is based on a relatively more convincing identification strategy than has been used in the previous literature. When we remove state and / or year fixed effects, relying on cross-state variation in tax rates and / or federal time-series variation tax rates for identification, our estimates of the elasticity of capital gains to the marginal tax rate are larger in absolute value, but also potentially subject to greater concerns about omitted variable bias.”

2. Henry Schneider: “Checklists for Economic Settings.”

On **Thursday, April 11**, at 4:00PM in Griffin 6, [Henry Schneider](#) of Cornell University will present his paper “[Checklists for Economic Settings](#).” Henry Schneider is probably best known for his dissertation, which involved interesting field work to investigate the consequences of asymmetric information in the auto repair market. (See, for example, http://www.nytimes.com/2007/11/07/business/07leonhardt.html?_r=0 for the *New York Times* article about it.) The paper he will be presenting here next Thursday is at least partly inspired by the work of Atul Gawande, a professor at Harvard Medical School and frequent *New Yorker* contributor (and our graduation speaker from last year), on “checklists” (see for example <http://gawande.com/the-checklist-manifesto>). Here is the abstract from the paper he’ll be presenting: “In the course of carrying out their jobs, experts may forget or otherwise skip certain actions. In some settings, this problem is made worse by moral hazard over expert effort and quality provision. In medicine and elsewhere, checklists have been identified as a memory aid and tool for codifying the minimum necessary steps. I examine the value of checklists as a complement or substitute for financial incentives in labor-market settings, and to learn about the adoption process of productivity-improving procedures in the workplace. I use field experimental data from an auto repair chain in which mechanics were randomly assigned into treatments in which they used checklists during car inspections and were paid to use checklists. Even though mechanic pay was already entirely commission based, checklists use improved productivity, firm profits, and worker income dramatically.”

3. Stephan Klasen: “Millennium Development Goals post-2015: A Modest Proposal.”

On **Friday, April 12**, at Noon at the Center for Development Economics, [Stephan Klasen](#) of the University of Goettingen will lead a Development Dialogue on “[Millennium Development Goals post-2015: A Modest Proposal](#).” Space is limited, so students who are interested in attending should send an RSVP to Karima Barrow at keb1@williams.edu. Summary: “With the recent appointment of the High-Level Panel to advise on the post-2015 development agenda, the preparation of a successor process to the MDGs is (finally) moving into high gear. In this note I provide an input to these discussions by briefly reviewing successes and failures of the current MDG process before making concrete suggestions of how a post-2015 goal system could look like.”

Post-graduation job opportunities

4. Tulane University marketing professors seek research assistants to manage behavioral economics experiments

Marketing Professors Daniel Mochon and Janet Schwartz are seeking a full-time research assistant at Tulane University's Freeman School of Business in New Orleans. The research assistant will manage the daily operations of field and laboratory research projects related to psychology and behavioral economics. For more information, see: http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/April2013_02/Mochon-Schwartz-Research-Assistant.pdf

About the newsletter

5. How to get items into the newsletter and how to unsubscribe

We send out the economics department newsletter approximately once per week when school is in session. Recipients include Economics and Political Economy faculty and majors, as well as any student who has manifested an interest in the field by taking an economics class at least once during their time at Williams. Please contact [Jon Bakija](#) with any news, events, or other information that you would like to send around to this list of recipients, or if you would prefer to unsubscribe.