

Economics Department Newsletter

February 25, 2014

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1. Thursday, February 27. 4:00pm-5:30pm. Griffin 6. Political Economy Class of 1960 Scholars Seminar. [Douglas Elmendorf](#), Congressional Budget Office. “Approaches to Restraining Federal Health Care Spending.”
2. Monday, March 3. 4:00pm-5:30pm. CDE classroom. CDE Seminar. [Dina Pomeranz](#), Harvard Business School. “[Tax Me if You Can: Evidence on Firm Misreporting Behavior and Evasion Substitution](#).”

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Seminars and events

1. Approaches to Restraining Federal Health Care Spending

On Thursday, February 27, from 4:00pm to 5:30pm in Griffin 6, [Douglas Elmendorf](#), Director of the Congressional Budget Office will present a Political Economy Class of 1960 Scholars talk on “Approaches to Restraining Federal Health Care Spending.” Prior to becoming Director of CBO, he was a Brookings Institution senior fellow from 2007 to 2009, and was a director of the Hamilton Project at Brookings. Joining the CBO in late December 2008, Elmendorf is responsible for providing estimates of the cost of legislation on the federal budget. Since its founding in 1974, the CBO has produced independent analyses of budgetary and economic issues to support the Congressional budget process.

2. Tax Me if You Can: Evidence on Firm Misreporting Behavior and Evasion Substitution

On Monday, March 3, from 4:00pm-5:30pm in the CDE classroom, [Dina Pomeranz](#) of Harvard Business School will present a CDE seminar on her paper “[Tax Me if You Can: Evidence on Firm Misreporting Behavior and Evasion Substitution](#).” From the abstract: “Reducing tax evasion is a key priority for many governments, particularly in developing countries. A growing literature has argued that the use of third party information to verify taxpayer self-reports is critical for tax enforcement and the growth of state capacity.

However, there may be limits to the effectiveness of third party information if taxpayers can substitute misreporting to less verifiable margins. We present a simple framework to demonstrate the conditions under which substitution will occur and provide strong empirical evidence for substitution behavior by exploiting a natural experiment in Ecuador. We find that when firms are notified by the tax authority about detected revenue discrepancies on previously filed corporate income tax returns they increase reported revenues, matching the third party estimate when provided. Firms also increase reported costs, by 96 cents for every dollar of revenue adjustment, resulting in minor increases in total tax collection.”

Employment opportunities and internships

3. Princeton University Industrial Relations Section seeks research assistant

The Princeton University Industrial Relations Section is looking for someone to hire as a full-time data analyst (i.e., research assistant). They say: “It would be a great job for a recent BA who wants to work for a while before going to graduate school in economics. Obviously, the position would be best suited for someone with interests in education, labor, or public economics, although that is not a job requirement” To get more information and apply, search for requisition number 1300750 at: <https://jobs.princeton.edu>

Funded summer educational opportunities

4. Property and Environment Research Center summer colloquium

The Property and Environment Research Center offers a week-long, all-expenses paid, summer colloquium in Bozeman, Montana which is “designed to introduce students to a property rights and market approach to environmental issues.” For further information on the colloquium and how to apply, see: <http://perc.org/programs/undergraduate-and-graduate-colloquium>

About the newsletter

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

Please contact [Jon Bakija](#) with any news, events, or other information that you would like to send around to Economics and Political Economy faculty and majors, as well as anyone who has manifested an interest in the field by taking a class in either department this semester, or if you would prefer not to receive the newsletter and want to unsubscribe.