

Economics Department Newsletter

March 3, 2014

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2. Wednesday, March 5, 4:00pm-5:30pm. Griffin 6. Economics Department Seminar. [Tara Watson](#), Williams College. “[Enforcement and Immigrant Location Choice](#).”
3. Friday, March 7, Noon-1:00pm. CDE Dining Room. Development Dialogue. [Prakarsh Singh](#), Amherst College. “Targeting Child Malnutrition through Performance Incentives to Caregivers.” [Note: for Development Dialogues only, reservations are required due to limited seating and provision of lunch. If you are interested in attending, please email Karima Barrow at Karima.E.Barrow@williams.edu and she will let you know if there is room for you.]
4. Monday, March 10, 4:00pm-5:30pm. Griffin 6. Economics Department Seminar. [Sarah Jacobson](#), Williams College. “[Discovered Preferences for Risky and Non-Risky Goods](#).”

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Seminars and events

1. 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.”

2. Enforcement and Immigrant Location Choice

On Wednesday, March 5, from 4:00pm-5:30pm in Griffin 6 [Tara Watson](#) of Williams College will present an Economics Department Seminar on her paper “[Enforcement and Immigrant Location Choice](#).” From the abstract: “This paper investigates the effect of local immigration enforcement regimes on the migration decisions of the foreign born. Specifically, the analysis uses individual level American Community Survey data to examine the effect of recent 287(g) agreements which allow state and local law enforcement agencies to enforce Federal immigration law. The results suggest that one type of 287(g) agreement – the controversial local “task force” model emphasizing street enforcement – nearly doubles the propensity for the foreign-born to relocate within the United States. The largest effects are observed among non-citizens with college education, suggesting that aggressive enforcement policies may be missing their intended targets. No similar effect is found for the native born. After the extreme case of Maricopa County is excluded, there is no evidence that local enforcement causes the foreign-born to exit the United States or deters their entry from other countries. Rather, 287(g) task force agreements encourage the foreign born to move to a new Census division or region within the United States.”

3. Targeting Child Malnutrition through Performance Incentives to Caregivers

On Friday, March 7, from Noon-1:00pm in the CDE Dining Room, [Prakarsh Singh](#) of Amherst College will give a presentation on “[Targeting Child Malnutrition through Performance Incentives to Caregivers](#).” [Note: for Development Dialogues only, reservations are required due to limited seating and provision of lunch. If you are interested in attending, please email Karima Barrow at Karima.E.Barrow@williams.edu and she will let you know if there is room for you.]

4. Discovered Preferences for Risky and Non-Risky Goods

On Monday, March 10, from 4:00pm-5:30pm in Griffin 6, [Sarah Jacobson](#) of Williams College will present an Economics Department Seminar on her paper “[Discovered Preferences for Risky and Non-Risky Goods](#).” From the abstract: “We develop an axiomatic theory that integrates the discovered preference hypothesis into neoclassical microeconomic choice theory. A theory in which preferences must be discovered through experience can explain patterns observed in choice data, including preference reversals, evolution of or instability in risky choice, and errors that decline with repetition as seen in contingent valuation data. With reasonable assumptions, we show that preferences for common, high-ranked, and non-stochastic choice items are learned quickly and thus should appear stable. However, initially low-ranked choice items may remain persistently mis-ranked. Preferences for choice items with stochastic outcomes are difficult to learn,

so choice under uncertainty is subject to error. At finite time, a choice item is more likely to be mis-ranked if it has stochastic outcomes, if it is initially low-ranked, or if it appears rarely in choice sets. The existence of a default option may or may not render correct ranking more difficult. Undiscovered preferences can lead to real welfare loss as agents make choices not congruent with their true preferences. This theory is amenable to tests using laboratory experiments. Preference discovery has implications for policy, and the process of discovery may contaminate choice data in a variety of contexts.”

Employment opportunities and internships

5. Summer internships at American Institute for Economic Research, Great Barrington

The American Institute for Economic Research in Great Barrington, MA offers a paid summer internship program involving economic research. For more information, see: <https://www.aier.org/fellowships>

6. Apply to be a Williams Summer Research Intern at the Economic Policy Research Institute (EPRI)

Economics and Political Economy Junior majors interested in a 3-month summer internship based in Cape Town, South Africa are encouraged to apply early. For information, see: <http://epri.org.za/work-with-us/internships/>

7. Research assistant positions at the Brookings Institution’s Hamilton Project

The Hamilton Project at the Brookings Institution seeks graduating seniors to work as research assistants. For more information, see: <http://web.williams.edu/williams-only/Economics/NewsletterAnnouncements/2014031/HamiltonProject.pdf>

About the newsletter

8. 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.