



Annual Report 2013

**SCHWARTZ CENTER FOR
ECONOMIC POLICY ANALYSIS
THE NEW SCHOOL**

economic policy research

providing alternatives

empowering policy makers

creating lasting change

SCEPA

director's message

At SCEPA, we are committed to supporting research projects that advance positive change. Our formula is simple. We start with peer-reviewed academic research, prescribe innovative solutions for the nation's economic questions, and end with high-impact outreach strategies.

This year, we focused on building momentum based on this theory of change. Using our new, dynamic website as a primary platform, we were able to grow our audience, garnering more followers in person at public events and online through social media.

Our audience has expanded because our economists and research teams are tackling some of the largest issues in today's policy arena. Last year, we consolidated our research into dedicated projects, enabling us to promote dialogue, education and collaboration around thematic research questions. These projects have increased in both breadth and depth. Our Retirement Income Security Project has seen a policy victory in California with the signing of a new law for private retirement accounts based on a SCEPA model. Our Economics of Climate Change project received additional funding this year to expand an international conversation on renewable energy. Last, our work on the effects of climate change has grown with a joint project with the Institute for New Economic Thinking (INET) on sustainability and economic growth.

These efforts have brought SCEPA increased visibility in American policy debates, funding from prominent foundations, and helped us solidify our position as a New York-based, progressive policy institute producing scholarly research. We look forward to continuing this work next year and beyond.



mission

SCEPA is the leader in alternatives to mainstream economics. As the economic policy think tank within The New School's Department of Economics, our projects empower policy makers to create positive change.

We work to focus the public economics debate on the role government can and should play in the real productive economy – that of business, management, and labor – to raise living standards, create economic security, and attain full employment. SCEPA is the economic policy research arm of the department of economics at The New School for Social Research. Our team of faculty

and research associates works from the broad and critical perspectives of post-Keynesian, neo-classical, classical, and institutionalist schools of thought.

With a focus on collaboration and outreach, we provide scholars, non-profits, and government officials with original, standards-based research on key policy issues. We also partner with non-partisan advocates and foundations to engage the public, opinion leaders, and elected officials in the discussion of how to create a more stable, equitable, and prosperous economy.



scepa team

Dr. Teresa Ghilarducci, SCEPA Director, is a labor economist, a nationally-recognized expert in retirement security, and a professor of economics at The New School. Her book, When I'm Sixty Four: The Plot Against Pensions and the Plan to Save Them, investigates the loss of pensions on older Americans and proposes a comprehensive system of reform. She serves as a trustee for the retiree health care trusts of the United Auto Workers (UAW) and Goodyear's retired steelworkers. She was twice appointed by President Clinton to the Pension Benefit Guaranty Corporation advisory board, serving from 1995-2002.

Joelle Saad-Lessler, Economist/Statistician, is an economist with extensive experience in econometric modeling, statistical programming, and data analysis. She completed her PhD at Columbia University, and worked as an assistant professor of economics at Long Island University. Her publications span a range of issues, from the impact of immigration on local wages, to the economics of international child labor, and the economic impact of global warming.

Bridget Fisher, Associate Director, is a communications specialist with a background in government and public affairs. Before joining SCEPA, she was a senior press officer in The New School's communications department. She came to higher education from government, where she served as chief of staff for a member of the New York City Council, director of communications for the Working Families Party and press secretary for a member of the U.S. Congress.

Katherine Moos, SCEPA Assistant, is a graduate student in the Economics Department at The New School for Social Research. Prior to studying at The New School, Katherine worked for a number of non-profit advocacy organizations focused on domestic poverty and hunger alleviation. These positions included working as a policy analyst at the Food Research and Action Center (FRAC) in Washington, DC and as public affairs manager at Hunger Free Colorado in Denver. In 2007-2008, Katherine served as a Bill Emerson National Hunger Fellow. Katherine earned her BA from Sarah Lawrence College.

research scholars

Deepak Nayyar, Senior Fellow, served as Distinguished University Professor of Economics at the New School for Social Research from 2008 to 2012. Currently, he is Emeritus Professor of Economics at Jawaharlal Nehru University, New Delhi. Earlier, he taught at the University of Oxford, the University of Sussex, and the Indian Institute of Management, Calcutta, and Jawaharlal Nehru University, New Delhi. He was Vice Chancellor of the University of Delhi from 2000 to 2005. He also served as Chief Economic Adviser to the Government of India and Secretary in the Ministry of Finance. Professor Nayyar has published more than 75 papers in academic journals and 14 books. His research interests are primarily in the areas of international economics, macroeconomics and development economics.

Jeff Madrick, Senior Fellow, is the editor of Challenge Magazine and former contributing economics columnist to *The New York Times*. He is a regular contributor to the *New York Review of Books*. His most recent book is [Why Economies Grow](#). He is also the author of [The End of Affluence](#) and [Taking America](#), both *New York Times* Notable Books of the Year. A former NBC News correspondent and WN-

BC-TV news commentator, he is the winner of an Emmy Award. He has contributed to *The Washington Post*, *The Los Angeles Times*, *The New York Times Sunday Magazine*, *The Nation*, and *Newsday*, among other publications.

Deborah Winkler, Research Associate, has worked as a consultant at the World Bank International Trade Department since 2009 and has also consulted to the UN Department of Economic and Social Affairs and the ILO. Prior to that, she worked as a research and teaching assistant at Hohenheim University, Germany, where she obtained her Ph.D. in 2008. Her fields of interest include the social effects of international trade and offshoring, trade in services, export competitiveness, and foreign direct investment. Her recent articles have appeared in *The World Economy* and the *Cambridge Journal of Economics*. She is author of the book [Services Offshoring and Its Impact on the Labor Market](#) (Springer, 2009) and co-author of [Outsourcing Economics: Global Value Chains in Capitalist Development](#) (Cambridge University Press, forthcoming).

research assistants



Kate Bahn is a graduate student in the Economics Department at The New School for Social Research. Before coming to study at The New School, Kate worked at SEIU Local 32BJ, the largest property services union in the U.S. She has worked in the Contracts and Grievance Center and the Research Department at 32BJ. She received her BA from Hampshire College in Amherst, MA, where she concentrated in labor economics. Her research interests are in labor economics, monopsony, the U.S. labor movement, teacher labor markets, and feminist economics.

Ellis Scharfenaker is a PhD student in the Economics Department at The New School for Social Research. Originally from Denver, CO, he earned a BA in Political Philosophy from the Evergreen State College in Washington. He went on to consult in Washington D.C. in economic planning for disaster recovery with such organization as the World Bank, FEMA, USAID, the ADB, and the ASEAN Secretariat. He has also worked as a researcher for the World Bank's Poverty Reduction and Economic Management Network (PREM). His interests are in classical political economy, the history of economic thought, the use of statistical mechanics and complexity in economic theory, globalization and inequality.

research projects



The Economics of Climate Change

Initiated in 2010 with a comprehensive international conference, the Economics of Climate Change project, led by Faculty Fellow Willi Semmler, questions how to enact effective climate change policy in light of fragile domestic and global economies and the possibilities and practicalities of renewable energy. In 2012, Semmler was awarded a grant from the Fritz Thyssen Foundation to hold a two-year speaker series to bring distinguished scholars, policy experts and government officials to The New School.

November 15, 2012

Mark Jacobson, Professor of Civil and Environmental Engineering; Director of the Atmosphere/Energy Program at Stanford University

“Wind, Water and Sunlight:

How to Address Global Warming, Air Pollution, and Energy Security.”

April 3, 2013

Artur Runge-Metzger, European Union’s Director of the European Commission’s Climate Action Directorate

“Towards 2020: A New Chapter in Europe’s Climate Change Policy.”

The project is also generously supported by the Consulate General of Germany in New York and the Macroeconomic Policy Institute (IMK) of the Hans-Böckler-Foundation.

Sustainability, Distribution and Stability Project

SCEPA Faculty Fellows Duncan Foley and Lance Taylor were awarded a four-year grant to investigate the effects of economic growth on sustainability, distribution and stability. The project is funded by the Institute for New Economic Thinking (INET), a non-profit think tank founded by George Soros to support the development of a new generation of economic scholars working to shift economic thought to new paths and away from the theories that helped create the recent global financial crisis.

According to Professors Foley and Taylor, who have spent the last 40 years questioning key presuppositions of textbook models of growth, mainstream economics has not adequately dealt with the long-term consequences of economic growth, including the effects on climate change, the shift toward a service-centered economy, and the potential for financial and fiscal instability.

[An Analysis of Paul Krugman's Macroeconomic Theory - "Paul Krugman's Liquidity Trap"](#)

[A New Model: What Policies Will Really Reduce Inequality? "U.S. Size Distribution and the Macroeconomy, 1986-2009,"](#)

[Policy Note: "The Social Cost of Carbon Emissions"](#)

[Challenging Dichotomies in Challenging Times: "Accounting, Distribution, \(Un?\)stable Dynamics, and Fundamental Uncertainty"](#)

[SCEPA Working Paper: "Work Effort, Firm Closure and Signaling through Excess Capacity Investment"](#)

research projects

Retirement Income Security Project

This project is home to SCEPA's ongoing, comprehensive project investigating the political economy of aging populations. Led by Dr. Teresa Ghilarducci, the project documented the need for reform measures to prevent a crisis of downward mobility in retirement resulting from inadequate savings, eroding pension institutions, and decreasing access to and participation in effective retirement savings vehicles at work.

On September 14, 2012, SCEPA partnered with the Pension Rights Center to host, "Retirement Security for All: A Forum on State Action." The event, jointly hosted by New York State Comptroller Tom DiNapoli, welcomed state treasurers, comptrollers and legislators from California, Connecticut, Pennsylvania, North Carolina and New York City.

A week later, California Governor Jerry Brown signed into law legislation by State Senator DeLeon (right, with Pennsylvania Treasurer Rob McCord) to expand access to retirement savings plans to 6.3 million private sector workers without access to a plan through their employer.



The Age of Austerity Lecture Series

This series documents the failure of austerity policies that persist politically despite economic stagnation. As an alternative, SCEPA economists offer concrete policies to create economic growth and prosperity for everyone.

Is America Becoming Ungovernable?

On February 14, 2013, a panel of New School experts on economics and politics, including Rick McGahey, Teresa Ghilarducci, Darrick Hamilton and David Plotke, discussed the past, present and future of political dysfunction from a perspective that is outside the mainstream debate of cuts vs. spending.

They explored the historical and structural causes that brought us here and offer new ideas for moving the country forward to overcome polarization on our key economic issues, including inequality, proper support for the elderly, and fair taxation.



research papers

Climate Change

The Social Cost of Carbon Emissions
Duncan Foley, Armon Rezai and Lance Taylor
December 2012

Economic Growth and the Transition from Non-Renewable
to Renewable Energy
Willi Semmler, Lars Gruene and Alfred Greiner,
August 2012

Economic Growth

Paul Krugman's "Liquidity Trap"
Lance Taylor
May 2013

Employment

Confronting Low Pay: Minimum Wage Policy and Employment
in the U.S. and France
David R. Howell, Bert M. Azizoglu and Anna Okatenko
October 2012

Financial Crisis

Implications of the Recent Financial Crisis for Innovation
William Milberg and Nina Shapiro
May 2013

Financial Reform in the U.S.: A Critical Survey of Dodd-
Frank and What is Needed for Europe
Raphael Chappé and Willi Semmler
September 2012

Inequality and Poverty

U.S. Size Distribution and the Macroeconomy, 1986-2009
Lance Taylor, Armon Rezai, Rishabh Kumar,
Laura de Carvalho and Nelson Barbosa
May 2013

Retirement Security

New Policies for an Older Unemployed Population
Joelle Saad-Lessler and Teresa Ghilarducci
June 2013

Are Connecticut Workers Ready for Retirement?
Joelle Saad-Lessler, Teresa Ghilarducci, Kate Bahn,
Anthony Bonen, and Lauren Schmitz
April 2013

Are Maryland Workers Ready for Retirement?
Joelle Saad-Lessler, Teresa Ghilarducci and
Lauren Schmitz
March 2013

The Crisis of Jobs and Healthcare for Unemployed
Americans Aged 55-64

Joelle Saad-Lessler, Teresa Ghilarducci and Lauren Schmitz
January 2013

Older Workers and Employers' Demands
Anthony Bonen
January 2013

Retirement Readiness in North Carolina
Teresa Ghilarducci, Joelle Saad-Lessler and Lauren Schmitz
December 2012

State Guaranteed Retirement Accounts: A Low-Cost,
Secure Solution to America's Retirement Crisis
Teresa Ghilarducci, Robert Hiltonsmith and Lauren Schmitz
September 2012

Near Retirees' Defined Contribution Retirement Account
Balances
Joelle Saad-Lessler and Teresa Ghilarducci
July 2012

annual lectures

Robert Heilbroner Memorial Lecture
October 10, 2012
**The Treasured Bourgeoisie:
How Innovation Became Ethical, 1600-1848**

Deirdre N. McCloskey, Distinguished Professor of Economics, History, English, and Communication at the University of Illinois at Chicago, argued that a change in attitude towards the bourgeoisie and its innovations made the modern world. In the third volume in her four-volume treatise on The Bourgeois Era, she documents the Bourgeois Revaluation from Shakespeare to early Dickens. An economist, historian and rhetorician, McCloskey has written sixteen books and over 400 scholarly pieces on topics ranging from technical economics and statistics to transgender advocacy and the ethics of the bourgeois virtues.

The Irene & Bernard L. Schwartz Lecture
February 26, 2013
Financial Firms & Economic Crisis

Greg Smith, former Vice President at Goldman Sachs and author of New York Times Bestseller, “Why I Left Goldman Sachs,” discussed how banks behave behind the scenes and how those practices differ from the perception they convey to the public. Smith’s controversial New York Times op-ed, which announced his resignation to the world after 12 years at the investment bank, publicly criticized the firm’s business culture and risky investments. His lecture was followed by a panel discussion on the financial collapse and the public interest with **Marianne LeNabat**, a New School student active in the Occupy Wall Street movement, and **Jeff Madrick**, author and financial journalist, and a former SCEPA Senior Fellow.



Jeff Madrick
SCEM Senior Fellow
Author, Age of Greed

Marianne LeNabat
SCEM Senior Fellow, Director, Research
& Studies, Full-Time Program

in the press

ECONOMIC CRISIS

Hamlet without the Prince: Politics
and the Eurozone
Sanjay Reddy
Economics and Political Weekly
August 4, 2012

A Big Banker's Belated Change of Heart
Jeff Madrick
New York Times
July 29, 2012

Europe Should Not be Crucified on Euro's Cross
Sanjay Reddy
The Hindu
July 16, 2012

ECONOMIC RECOVERY / GROWTH

Jobs and Growth, Not Austerity
Teresa Ghilarducci
Bill Moyer "Group Think" Blog
November 16, 2012

INEQUALITY / POVERTY

The Republicans' Medicaid Cruelty
Jeff Madrick
The New York Review of Books Blog
July 30, 2012

RETIREMENT SECURITY

Golden Years Tainted as Retirement Savings Dwindle
NPR, 90.9 WBUR
June 9, 2013

The Retirement Gamble
PBS's Frontline
April 23, 2013

Nearly Half of Marylanders Not Plan Participants
Plan Sponsor
April 5, 2013

40% of Older Households in Maryland Ill-Prepared
for Retirement, Study Finds
The Baltimore Sun
March 31, 2013

A Crucial Step Toward Retirement Security
for the Working Class
Los Angeles Times
February 19, 2013

Fiscal Troubles Ahead for Most Future Retirees
The Washington Post
February 16, 2013

Should the 401(k) be Reformed or Replaced?
The New York Times
September 11, 2012

Has the American Retirement System Failed?
The Takeaway
July 31, 2012

Is This the Solution to America's Retirement Crisis?
PBS's Next Avenue
July 27, 2012

The 401(k) System Doesn't Work
American Public Media's Marketplace

July 27, 2012

Providing All Californians With Retirement Security
California Progress Report
July 25, 2012

The Looming Retirement Crisis and What To Do About It
Huffington Post
July 24, 2012

Economist: Do-It-Yourself Pension System Has Failed
Business Insider
July 24, 2012

Our "Ridiculous" Retirement System is Crumbling,
AARP Blog
July 23, 2012

Our Ridiculous Approach to Retirement
by Teresa Ghilarducci
New York Times Sunday Review
July 21, 2012

www.economicpolicyresearch.org

Founded in 1995 by the influential political economist David Gordon, SCEPA is the economic policy research arm of the department of economics at The New School for Social Research.

Made possible through a generous gift from Irene and Bernard L. Schwartz, SCEPA is distinct from other economic think tanks by its location within The New School. In the heart of New York City, both the university and center are part of a network of leaders dedicated to progressive and innovative education and ideas.

SCEPA