

A conversation with Dr. Jared Bernstein, March 21, 2017

Participants

- Dr. Jared Bernstein – Senior Fellow, Center on Budget and Policy Priorities (CBPP)
- Alexander Berger – Program Officer, US Policy, Open Philanthropy Project

Note: These notes were compiled by the Open Philanthropy Project and give an overview of the major points made by Dr. Bernstein

Summary

The Open Philanthropy Project spoke with Dr. Bernstein of CBPP to get an update on our 2016 grant supporting CBPP's Full Employment program. Conversation topics included papers that CBPP has commissioned, Dr. Bernstein's recent activities and output, and potential future projects.

Papers CBPP has commissioned

CBPP has commissioned a number of economists to produce papers relating to full employment, including:

- Mark Paul and William Darity Jr. (Duke University) and Darrick Hamilton (The New School), to outline in detail how a federal job guarantee would work, including cost estimates. (These three authors previously co-authored an article on this topic that Dr. Bernstein found helpful.)
- Harold Pollack (University of Chicago), on the connection between full employment and crime reduction. According to the outline Dr. Bernstein has seen, the paper will examine the extent to which well-run youth employment programs (e.g. summer jobs programs) are linked to reductions in youth violence.
- Charles Betsey (Howard University), on the relationship between full employment and reduction of racial occupational segregation.
- Zachary Liscow (Yale Law School), arguing that the contemporary monetary policy framework rests on economic assumptions that are fundamentally distributionally conservative.
- Timothy Bartik (W.E. Upjohn Institute for Employment Research), on how to help workers displaced by manufacturing job loss and automation.

Other work

- Dr. Bernstein and Ben Spielberg's "On the Economy" podcast has launched and they have posted 13 episodes.
- Dr. Bernstein's team is collaborating with some other people, who are contributing new data, to produce a paper on the benefits of full employment that will examine its impact not only on wages but also on bringing more workers into the labor force.
- Dr. Bernstein writes for the Washington Post about twice a week. He has a

recent piece in the New York Times on why Medicaid should not have a work requirement. He has also been writing regularly about the Fed, full employment, and other topics.

- Ben Spielberg has been working with Fed Up.
- The Washington Post recently published an interview Dr. Bernstein did with Josh Bivens of the Economic Policy Institute about Dr. Bivens' recent paper on the potential benefits of a "high-pressure economy" for boosting productivity. The goal for work like that is to draw attention from economic journalists who can help disseminate it and broadly shape economist's and policymaker's ideas about how the economy works.
- Dr. Bernstein would still like to experiment with having someone run simulations in the Fed's FRB/US macro model, but has not found the ideal candidate.

The Congressional Budget Office (CBO) potential output project

The CBO has updated its way of calculating potential economic output. Its new report has not been released in full yet, but CBPP's understanding is that it will be out soon. The new approach may moot Dr. Bernstein's work to understand their estimates and point out ways in which potential could be underestimated.

Ideas for the future

Dr. Bernstein thinks it could be beneficial to commission papers on labor market policies to help the people and geographies left behind by the economic recovery, and plans to hold a conference to present them in February 2018.

All Open Philanthropy Project conversations are available at <http://www.openphilanthropy.org/research/conversations>