

Appendix A

**Report to the President  
on the Activities of the  
Council of Economic Advisers  
During 2017**





# Letter of Transmittal

Council of Economic Advisers  
Washington, D.C., December 31, 2017

Mr. President:

The Council of Economic Advisers submits this report on its activities during calendar year 2017 in accordance with the requirements of the Congress, as set forth in section 10(d) of the Employment Act of 1946, as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely yours,

Kevin A. Hassett  
*Chairman*

Richard V. Burkhauser  
*Member*

Tomas J. Philipson  
*Member*

## Council Members and Their Dates of Service

Name	Position	Oath of office date	Separation date
Edwin G. Nourse	Chairman	August 9, 1946	November 1, 1949
Leon H. Keyserling	Vice Chairman	August 9, 1946	
	Acting Chairman	November 2, 1949	
	Chairman	May 10, 1950	January 20, 1953
John D. Clark	Member	August 9, 1946	
	Vice Chairman	May 10, 1950	February 11, 1953
Roy Blough	Member	June 29, 1950	August 20, 1952
Robert C. Turner	Member	September 8, 1952	January 20, 1953
Arthur F. Burns	Chairman	March 19, 1953	December 1, 1956
Neil H. Jacoby	Member	September 15, 1953	February 9, 1955
Walter W. Stewart	Member	December 2, 1953	April 29, 1955
Raymond J. Saulnier	Member	April 4, 1955	
	Chairman	December 3, 1956	January 20, 1961
Joseph S. Davis	Member	May 2, 1955	October 31, 1958
Paul W. McCracken	Member	December 3, 1956	January 31, 1959
Karl Brandt	Member	November 1, 1958	January 20, 1961
Henry C. Wallich	Member	May 7, 1959	January 20, 1961
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964
James Tobin	Member	January 29, 1961	July 31, 1962
Kermit Gordon	Member	January 29, 1961	December 27, 1962
Gardner Ackley	Member	August 3, 1962	
	Chairman	November 16, 1964	February 15, 1968
John P. Lewis	Member	May 17, 1963	August 31, 1964
Otto Eckstein	Member	September 2, 1964	February 1, 1966
Arthur M. Okun	Member	November 16, 1964	
	Chairman	February 15, 1968	January 20, 1969
James S. Duesenberry	Member	February 2, 1966	June 30, 1968
Merton J. Peck	Member	February 15, 1968	January 20, 1969
Warren L. Smith	Member	July 1, 1968	January 20, 1969
Paul W. McCracken	Chairman	February 4, 1969	December 31, 1971
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971
Herbert Stein	Member	February 4, 1969	
	Chairman	January 1, 1972	August 31, 1974
Ezra Solomon	Member	September 9, 1971	March 26, 1973
Marina v.N. Whitman	Member	March 13, 1972	August 15, 1973
Gary L. Seevers	Member	July 23, 1973	April 15, 1975
William J. Fellner	Member	October 31, 1973	February 25, 1975
Alan Greenspan	Chairman	September 4, 1974	January 20, 1977
Paul W. MacAvoy	Member	June 13, 1975	November 15, 1976
Burton G. Malkiel	Member	July 22, 1975	January 20, 1977
Charles L. Schultze	Chairman	January 22, 1977	January 20, 1981
William D. Nordhaus	Member	March 18, 1977	February 4, 1979
Lyle E. Gramley	Member	March 18, 1977	May 27, 1980
George C. Eads	Member	June 6, 1979	January 20, 1981
Stephen M. Goldfeld	Member	August 20, 1980	January 20, 1981
Murray L. Weidenbaum	Chairman	February 27, 1981	August 25, 1982
William A. Niskanen	Member	June 12, 1981	March 30, 1985
Jerry L. Jordan	Member	July 14, 1981	July 31, 1982
Martin Feldstein	Chairman	October 14, 1982	July 10, 1984

## Council Members and Their Dates of Service

<b>Name</b>	<b>Position</b>	<b>Oath of office date</b>	<b>Separation date</b>
William Poole	Member	December 10, 1982	January 20, 1985
Beryl W. Sprinkel	Chairman	April 18, 1985	January 20, 1989
Thomas Gale Moore	Member	July 1, 1985	May 1, 1989
Michael L. Mussa	Member	August 18, 1986	September 19, 1988
Michael J. Boskin	Chairman	February 2, 1989	January 12, 1993
John B. Taylor	Member	June 9, 1989	August 2, 1991
Richard L. Schmalensee	Member	October 3, 1989	June 21, 1991
David F. Bradford	Member	November 13, 1991	January 20, 1993
Paul Wonnacott	Member	November 13, 1991	January 20, 1993
Laura D'Andrea Tyson	Chair	February 5, 1993	April 22, 1995
Alan S. Blinder	Member	July 27, 1993	June 26, 1994
Joseph E. Stiglitz	Member	July 27, 1993	
	Chairman	June 28, 1995	February 10, 1997
Martin N. Baily	Member	June 30, 1995	August 30, 1996
Alicia H. Munnell	Member	January 29, 1996	August 1, 1997
Janet L. Yellen	Chair	February 18, 1997	August 3, 1999
Jeffrey A. Frankel	Member	April 23, 1997	March 2, 1999
Rebecca M. Blank	Member	October 22, 1998	July 9, 1999
Martin N. Baily	Chairman	August 12, 1999	January 19, 2001
Robert Z. Lawrence	Member	August 12, 1999	January 12, 2001
Kathryn L. Shaw	Member	May 31, 2000	January 19, 2001
R. Glenn Hubbard	Chairman	May 11, 2001	February 28, 2003
Mark B. McClellan	Member	July 25, 2001	November 13, 2002
Randall S. Kroszner	Member	November 30, 2001	July 1, 2003
N. Gregory Mankiw	Chairman	May 29, 2003	February 18, 2005
Kristin J. Forbes	Member	November 21, 2003	June 3, 2005
Harvey S. Rosen	Member	November 21, 2003	
	Chairman	February 23, 2005	June 10, 2005
Ben S. Bernanke	Chairman	June 21, 2005	January 31, 2006
Katherine Baicker	Member	November 18, 2005	July 11, 2007
Matthew J. Slaughter	Member	November 18, 2005	March 1, 2007
Edward P. Lazear	Chairman	February 27, 2006	January 20, 2009
Donald B. Marron	Member	July 17, 2008	January 20, 2009
Christina D. Romer	Chair	January 29, 2009	September 3, 2010
Austan D. Goolsbee	Member	March 11, 2009	
	Chairman	September 10, 2010	August 5, 2011
Cecilia Elena Rouse	Member	March 11, 2009	February 28, 2011
Katharine G. Abraham	Member	April 19, 2011	April 19, 2013
Carl Shapiro	Member	April 19, 2011	May 4, 2012
Alan B. Krueger	Chairman	November 7, 2011	August 2, 2013
James H. Stock	Member	February 7, 2013	May 19, 2014
Jason Furman	Chairman	August 4, 2013	January 20, 2017
Betsey Stevenson	Member	August 6, 2013	August 7, 2015
Maurice Obstfeld	Member	July 21, 2014	August 28, 2015
Sandra E. Black	Member	August 10, 2015	January 20, 2017
Jay C. Shambaugh	Member	August 31, 2015	January 20, 2017
Kevin A. Hassett	Chairman	September 13, 2017	
Richard V. Burkhauser	Member	September 28, 2017	
Tomas J. Philipson	Member	August 31, 2017	



# Report to the President on the Activities of the Council of Economic Advisers During 2017

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues. The Council is governed by a Chairman, who is appointed by the President and is confirmed by the United States Senate; and has two Members, who are also appointed by the President.

## The Chairman of the Council

Kevin A. Hassett was confirmed by the U.S. Senate on September 12, 2017, and was sworn in as the 29th Chairman on September 13, 2017. Before becoming Chairman of the CEA, he was an economist for almost 20 years at the American Enterprise Institute. His most recent positions at AEI included James Q. Wilson Chair in American Culture and Politics and Director of Research for Domestic Policy. He also served as Director of Economic Policy Studies and Resident Scholar from 2003 through 2014. Before joining AEI, he was a senior economist for the Board of Governors of the Federal Reserve System and an associate professor of economics and finance at Columbia University's Graduate School of Business. He has also served as a visiting professor at New York University's Law School, as a consultant to the U.S. Treasury Department, and as an adviser to presidential campaigns. A noted expert in the field of public finance, he has written peer-reviewed articles for leading economics journals and has served as a columnist for leading media outlets. He received his B.A. from Swarthmore College and his Ph.D. in economics from the University of Pennsylvania.

## The Members of the Council

Richard V. Burkhauser is Emeritus Sarah Gibson Blanding Professor of Policy Analysis and Management at Cornell University. Before coming to Cornell, he was a tenured professor in the Department of Economics at Syracuse University and at Vanderbilt University. Most recently, before joining the CEA, he was a professorial research fellow at the Melbourne Institute of Applied

Economic and Social Research, and a senior research fellow at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin. A former president of the Association for Public Policy Analysis and Management, his professional career has focused on how public policies affect the economic behavior and well-being of vulnerable populations. He has published widely in peer-reviewed economics and policy analysis journals. He received degrees in economics from St. Vincent College (B.A.), Rutgers University (M.A.), and the University of Chicago (Ph.D.).

Tomas J. Philipson is on leave from his position as Daniel Levin Professor of Public Policy Studies at the University of Chicago’s Harris School of Public Policy and from serving as the Director of the Health Economics Program of the Becker Friedman Institute at the University. With a research focus on health economics, he has twice won the highest honor in his field, the Kenneth Arrow Award of the International Health Economics Association, and he has published extensively in many leading academic journals. He founded the consulting firm Precision Health Economics LLC and has held senior positions at the Food and Drug Administration and the Centers for Medicare and Medicaid Services. In addition, he was appointed to the Key Indicator Commission created by the Affordable Care Act, served as an adviser to Congress on the 21st Century Cures legislation, and was on the steering committee of the Biden Foundation’s Cancer Moon Shot Initiative. He received his B.S. in mathematics from Uppsala University in Sweden and his M.A. and Ph.D. in economics from the Wharton School of the University of Pennsylvania.

## Areas of Activity

### *Macroeconomic Policies*

As is its tradition, the Council devoted much time during 2017 to assisting the President and the White House staff in formulating economic policy objectives and in fulfilling its obligation under the Employment Act of 1946 to apprise the President and senior White House staff of “current and future economic trends.” In this regard, the Council kept the President and senior White House staff members informed, on a continuing basis, about important macroeconomic developments and other major policy issues through regular macroeconomic briefings. The Council prepares for the President and White House senior staff memoranda that report key economic data and analyze current economic events.

In addition, the Council, the Department of the Treasury, and the Office of Management and Budget—the Administration’s economic “troika”—are responsible for producing the economic forecasts that underlie the Administration’s



budget proposals. The Council, under the leadership of the Chairman and the Members, initiates the forecasting process.

In 2017, the Council took part in discussions on a range of additional macroeconomic issues. An important part of the Council's ongoing work involved monitoring economic data, including the labor market, as well as how economic data may demonstrate the impact of current and prospective Administration policies. To this end, Chairman Hasset testified before the Joint Economic Committee of the U.S. Congress on the state of the economy and the labor market. The Council also produces regular Web posts that highlight trends in economic data.

The Council participated specifically in the analysis of corporate tax reform along the lines of the Unified Framework that served as the basis for the legislation passed as the Tax Cuts and Jobs Act. The Council released a report to the public that analyzed the effect of a corporate tax reduction on wages, much like the one featured in the Tax Cuts and Jobs Act, in addition to a report on the effect of this same set of changes on output. The Council looks forward to engaging in the analysis of future Administration policy.

The Chairman and Members also regularly met to exchange views on the economy with the Chairman and Members of the Board of Governors of the Federal Reserve System.

### *Microeconomic Policies*

The Council actively participated in discussions on topics as varied as agriculture, energy policy, financial reform, health care, housing policy, pharmaceutical drug pricing, regulatory reform, and the opioid epidemic.

On the opioid epidemic, in particular, the Council participates actively in the Opioid Cabinet that coordinates the Administration's response to the epidemic across components of the Executive Office of the President as well as other parts of the Federal government. The Council also released a report on the economic cost of the opioid crisis, which concluded that previous estimates may have underestimated this cost by a factor of six.

On deregulation, the Council released a report that assessed the costs of excessive regulation for the economy.

The Council has, in addition, prospectively assessed the benefits and costs of policy options on infrastructure.

The Council also played a role in advising the President and White House senior staff on the likely effects of the natural disasters that afflicted communities in America this year, including Hurricane Irma and Hurricane Maria, the forest fires in California, and others.

## ***International Economic Policies***

The Council was involved in the analysis of numerous issues in the area of international economics.

The Council interacts with a number of international organizations. The Council is a leading participant in the Organization for Economic Cooperation and Development (OECD), an important forum for economic cooperation among high-income industrial economies. The Council coordinated with other agencies to provide information for the OECD's review of the U.S. economy. Chairman Hassett also serves as Chairman of the OECD Economic Policy Committee, and Council Members and staff actively participate in working-party meetings on macroeconomic policy and coordination, and contribute to the OECD's agenda. Chairman Hassett has also met with the representatives of many foreign governments in order to facilitate dialogue on issues of shared interest between the United States and other governments.

In addition, the Council analyzed a number of the proposals under consideration by the Administration in the areas of international trade and intellectual property. The Administration has explored a number of options to respond to developments with regard to the U.S. international trade position, and the CEA has assessed a number of these options. The CEA has also analyzed various issues related to cybersecurity, including cybercrime and new networks.

The Council also engages in the analysis of policies that could influence flows of foreign investment in the United States.

## **Public Information**

The Council's annual *Economic Report of the President* is an important vehicle for presenting the Administration's domestic and international economic policies. It is available for purchase through the Government Publishing Office, and is viewable on the Internet at [www.gpo.gov/erp](http://www.gpo.gov/erp).

The Council frequently prepared reports and blog posts in 2017, and the Chairman and Members gave numerous public speeches. The reports, posts, and texts of speeches are available on the Council's website, <https://www.whitehouse.gov/cea/>. Finally, the Council publishes the monthly *Economic Indicators*, which are available online at [www.gpo.gov/economicindicators](http://www.gpo.gov/economicindicators).

# The Staff of the Council of Economic Advisers

## Executive Office

DJ Nordquist .....	Chief of Staff
Dr. Joel M. Zinberg .....	General Counsel and Senior Economist
Joseph W. Sullivan .....	Special Assistant to the Chairman
Paige F. Willey .....	Special Assistant to the Chief of Staff
William B. Hallisey .....	Staff Assistant

## Research Staff

Alexander C. Abajian .....	Research Assistant; Energy, Cyber, and Trade
Michael K. Adjemian.....	Senior Economist; Agriculture, Rural, and Finance
Steven N. Braun.....	Director of Macroeconomic Forecasting; Macroeconomics
Blake P. Connolly.....	Research Assistant; Finance, Cyber, and Labor
Kevin C. Corinth.....	Senior Economist; Poverty, Health, and Housing
William O. Ensor .....	Research Economist; Tax, Trade, and Macroeconomics
Naomi E. Feldman .....	Senior Economist; Tax and Housing
Amy K. Filipek .....	Economist; Macroeconomics and Housing
Grace E. Finley.....	Research Economist; Labor, Poverty, and Agriculture
Timothy Fitzgerald .....	Senior Economist; Energy and Environment
Tyler B. Goodspeed .....	Senior Economist; Tax and Macroeconomics
Tara Iyer.....	Economist; Macroeconomics, Tax, and Trade
Nataliya Langburd .....	Staff Economist; Trade, Cyber, and Financial Technology
Robert B. Porter.....	Chief Financial Economist; Finance and Housing
Anna D. Scherbina .....	Senior Economist; Financial Technology, Cyber, and Finance
Hershil B. Shah .....	Research Assistant; Domestic and International Macroeconomics, Infrastructure, and Agriculture

- Julia A. Tavlás ..... Research Economist; Labor, Education,  
and Poverty
- Marianne H. Wanamaker ..... Senior Economist; Labor and Education
- James H. Williams ..... Research Economist; Health, Finance,  
and Tax
- Paula R. Worthington ..... Senior Economist; Finance,  
Infrastructure, and Regulation

**Statistical Office**

- Brian A. Amorosi ..... Director of the Statistical Office
- Jennifer S. Vogl ..... Economic Statistician

**Administrative Office**

- Tomeka R. Jordan ..... Director of Finance and Administration
- Doris L. Searles ..... Operations Manager

**Interns**

Student interns provide invaluable help with research projects, day-to-day operations, and fact-checking. Interns during the year were Jackson Bednar, Jake Bochner, Alexis Cirrotti, Erin Deal, Danielle DiQuattro, Ian Dunne, Peter Ferrara, Neil Filosa, A. J. Glubzinski, Daniel Gold, Jenny Grimberg, Maria Hussain, Ayesha Karnik, Paul Keady, J. T. Kirk, Jee Young Kim, Nicole Korkos, Grace Lafaire, Adina Lasser, Alex Magnuson, Megan Maloney, Akbar Naqvi, J-L. Picard, Jules Ross, Danielle Sockin, Sharan Subramanian, Brian Trainer, Laura Wilcox, and Michael Zhou.

**ERP Production**

- Alfred F. Imhoff ..... Editor