



Appendix A

**Report to the President
on the Activities of the
Council of Economic Advisers
During 2018**



Letter of Transmittal

Council of Economic Advisers
Washington, December 31, 2018

Mr. President:

The Council of Economic Advisers submits this report on its activities during calendar year 2018 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

Name	Position	Oath of office date	Separation date
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 2018

The Employment Act of 1946 established the Council of Economic Advisers to provide the President with objective economic analysis on the development and implementation of policy for the full range of domestic and international economic issues that can affect the United States. Governed by a Chairman, who is appointed by the President and confirmed by the United States Senate, the Council has two additional 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. He is 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 & 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

Throughout 2018, fulfilling its mandate from the Employment Act of 1946, the Council continued “to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective.” The Council appraises the President and White House staff of new economic data and their significance on an ongoing basis. As core products of the Council, these regular appraisals include written memoranda. The Council also prepared in-depth briefings on certain topics as well as public reports that address macroeconomic issues. In this spirit, the Council's Chairman as well as its Chief Economist testified before the Joint Economic Committee of the U.S. Congress; the Chairman also testified before the Budget Committee of the U.S. Senate. These testimonies addressed a range of macroeconomic trends.

One of the Council's public reports this year addressed the trade-offs associated with socialism. The opportunity costs of socialism, according to the report, are large enough in magnitude to have macroeconomic implications.

On employment and the labor market, the Council actively disseminated analyses to the public. These addressed challenges facing the measurement of wage growth, as well as the challenges associated with ensuring America's

workers have the skills that firms demand. These reports complement the Council's regular blog posts on new releases of labor market data.

Working alongside the Department of the Treasury and the Office of Management and Budget, the Council participates in the "troika" process that generates the macroeconomic forecasts that underlie the Administration's budget proposals. The Council, under the leadership of the Chairman and the Members, continued to initiate and lead this forecasting process.

The Chairman and Members maintained the Council's tradition of meeting regularly with the Chairman and Members of the Board of Governors of the Federal Reserve System to exchange views on the economy.

Microeconomic Policies

The Council participated in discussions, internal to the Federal government as well as external, on a range of issues in microeconomic policy. Topics included healthcare and pharmaceutical drug pricing, energy, cybersecurity, deregulation, financial reform, criminal justice, welfare reform, and infrastructure.

On healthcare, the Council released a paper on how health insurance policies interact with the producers of health insurance. The Council also released a report on the impact of Trump Administration actions on the pricing of pharmaceutical drugs, as well as the benefits these actions have delivered to consumers.

The Council released a report on the economic costs that malicious cyber activity imposes on the U.S. economy.

A Council report documented the benefits that structuring America's noncash welfare programs to encourage individuals to work could deliver for America's labor market.

Reviewing the economics literature on criminal recidivism, the Council identified certain programs intended to reduce criminal recidivism that appear to generate benefits in excess of costs; the Council released a report on the results of this review. The Council also published its findings of a review of the literature on the effects of youth sports on outcomes of interest.

On infrastructure, a Council report documents the benefits that a comprehensive infrastructure package could deliver in terms of increases in GDP growth, reductions in project completion times, and expansions of labor market opportunities.

International Economics

The Council participated in the analysis of numerous issues in the area of international economics. The Council engages with a number of international organizations. The Council is a leading participant in the activities of the Organization for Economic Cooperation and Development (OECD), a forum for facilitating economic coordination and cooperation among the world's

high-income countries. Chairman Hassett serves as the Chairman of the OECD's Economic Policy Committee. Council Members and Council staff have also engaged with the OECD working-party meetings on a range of issues and shaped the organization's agenda. The Council also participated in the Administration's development and implementation of a reform agenda for the U.S. relationship to the Universal Postal Union, including at this United Nations technical body's Extraordinary Congress in Ethiopia.

In addition, the Council analyzed a number of proposals and scenarios in the area of international trade and investment. These included generating estimates of the benefits, as well as any trade-offs, of prospective trade agreements as well as revisions to existing agreements. The Council continues to actively monitor the U.S. international trade and investment position and to engage with emerging issues in international economics, such as malicious cyber activity.

The Council looks forward to continuing to analyze the United States' international economic position.

The Staff of the Council of Economic Advisers

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Joel M. Zinberg	General Counsel and Senior Economist
Paige F. Willey	Associate Chief of Staff
Joseph W. Sullivan	Special Adviser to the Chairman and Staff Economist
Bridget F. Visconti	Executive Office Coordinator
Grayson R. Wiles	Staff Assistant

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Kevin C. Corinth	Chief Economist for Domestic Policy
Timothy Fitzgerald	Chief International Economist
Tyler B. Goodspeed	Chief Economist for Macroeconomic Policy

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Hershil Shah	Research Economist; Finance, Domestic and International Macroeconomics
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Joshua R. York	Research Economist; Trade

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Brian A. Amorosi	Director of Statistical Office
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Doris S. Searles	Operations Manager
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Interns

Student interns provide invaluable help with research projects, day-to-day operations, and fact-checking. Interns during the previous year were Brittany Amano, Jackson Bailey, Rana Bansal, Christian Brown, Lydia Byrom, John Cleese, Alexis Cirrotti, Jesse Dennis, Mackenzie Dickhudt, Adam Donoho, Troy Durie, Michael Everett, Isabelle Holland, Wesley Huang, J. T. Hutt, Kathryn Janeway, Mostafa Kamel, Ayesha Karnik, David Laszcz, John Leo, Eugene Liu, Kacey Manlove, Aunt May, Kevin Nguyen, Katherine Olsson, Sarah Park, Peter Parker, Pragya Parthasarathy, Arjun Ramani, Kriyana Reddy, Steve Rogers, Jake Rosen, Joshua Siegel, John Snow, Nirali Trivedi, Bruce Wayne, Amanda Wilcox, and Jacob Ziemba.

ERP Production

Alfred F. Imhoff	Editor
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