

4-2006

## Government Spending on the Elderly

Levy Institute

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**The Levy Economics Institute of Bard College**

*Conference:  
Government Spending  
on the Elderly*

**Friday-Saturday, April 28-29, 2006**

**Blithewood**

**Annandale-on-Hudson, New York**

## Government Spending on the Elderly

April 28–29, 2006

The aging of the U.S. population will be a primary domestic public policy issue during the next decades. According to Census Bureau projections, the proportion of the elderly in the total population will increase from its 2002 level of 12.5 percent to 16.3 percent by 2020. Concomitantly, the proportion of the working-age population (20–64) is projected to decline from its current level of about 59 percent to 57.2 percent in 2020. These demographic changes imply a significant growth in the number of beneficiaries in major federal entitlement programs. Apart from this growth, existing program rules and rapidly escalating health care costs are expected to lead to fiscal pressures and pose challenges for economic growth.

The United States is not alone in facing these challenges; in fact, in most countries with advanced economies, the problem is far more severe. The challenges of coping with an aging population require action in the near term to forestall more difficult choices in the long term. This conference will provide an assessment of the forces that currently drive and will continue to drive government spending on retirees. Papers will examine how the retirement and health care of older citizens might be financed and will measure the potential impact of different reform proposals.

### PARTICIPANTS

ZVI BODIE, *Boston University School of Management*

AXEL BORSCH-SUPAN, *Mannheim Research Institute for the Economics of Aging, University of Mannheim*

CLARK BURDICK, *Social Security Administration*

BARBARA BUTRICA, *Urban Institute*

SERGIO CESARATTO, *University of Siena*

MELISSA FAVREAULT, *Urban Institute*

TERESA GHILARDUCCI, *University of Notre Dame*

JAGADEESH GOKHALE, *Cato Institute*

ROBERT HAVEMAN, *University of Wisconsin–Madison*

MICHAEL D. HURD, *RAND Corporation*

HYUNSUB KUM, *Levy Institute*

JAMES H. MARTON, *University of Kentucky*

MADONNA HARRINGTON MEYER, *Syracuse University*

### REGISTRATION FORM

#### Government Spending on the Elderly

Friday and Saturday, April 28 and 29, 2006

Conference fee: \$100

NAME

TITLE

AFFILIATION

ADDRESS

PHONE

FAX

E-MAIL

*Note:* To reserve more than one place, please send complete information for each person who will attend.

I will attend on:  Friday, April 28  Saturday, April 29

I will be present for the following meals: April 28 April 29

Continental breakfast

Lunch

Reception

Dinner

I prefer vegetarian meals.

Sign-in and continental breakfast will begin both days at 8:30 a.m.

Payment enclosed. Amount enclosed (\$100 per person): \$ \_\_\_\_\_

*Make checks payable to The Levy Economics Institute of Bard College.*

Bill my credit card.  VISA  MasterCard

CREDIT CARD ACCOUNT NUMBER

EXPIRATION DATE

NAME AS IT APPEARS ON CARD

ADDRESS (IF DIFFERENT FROM REGISTRATION FORM)

SIGNATURE OF CARDHOLDER

DATE

Please register by April 20.

DIMITRI B. PAPADIMITRIOU, *Levy Institute*  
LOIS SHAW, *Institute for Women's Policy Research*  
KAREN E. SMITH, *Urban Institute*  
RICHARD STARTZ, *University of Washington*  
DANIEL L. THORNTON, *Federal Reserve Bank of St. Louis*  
SHRIPAD TULJAPURKAR, *Stanford University*  
BARBARA WOLFE, *University of Wisconsin–Madison*  
EDWARD N. WOLFF, *Levy Institute and New York University*  
STEPHEN A. WOODBURY, *Michigan State University*  
L. RANDALL WRAY, *Levy Institute and University of Missouri–Kansas City*  
AJIT ZACHARIAS, *Levy Institute*

#### TRAVEL AND ACCOMMODATIONS

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Bard College is in Annandale-on-Hudson, New York, on the east bank of the Hudson River, about 90 miles north of New York City and 220 miles southwest of Boston.

#### BY TRAIN

Amtrak provides service from Penn Station in New York City and from Albany to Rhinecliff, about 9 miles south of Annandale. Taxi service is available at the station.

#### BY AUTOMOBILE

*From southern Connecticut*, follow I-84 to the Taconic State Parkway, take the Taconic north to the Red Hook/Route 199 exit, drive west on Route 199 through the village of Red Hook to Route 9G, turn right onto Route 9G, and drive north 1.6 miles. *From northern Connecticut*, take Route 44 to Route 199 at Millerton, drive west on Route 199, and proceed as from southern Connecticut. *From Massachusetts and northern New England*, take the Massachusetts Turnpike to Exit B-2 (Taconic Parkway), take the Taconic south to the Red Hook/Route 199 exit, and proceed as from southern Connecticut. *From New York City, New Jersey, and points south*, take the New York State Thruway to Exit 19 (Kingston), take Route 209 (changes to Route 199 at the Hudson River) over the Kingston-Rhinecliff Bridge to Route 9G at the second light, turn left onto Route 9G, and drive north 3.5 miles. *From Albany*, take the New York State Thruway to Exit 19 and proceed as from New York City.

#### BY PLANE

The nearest airports are Stewart International Airport in Newburgh, New York, (about 45 minutes away by automobile), and Albany Airport (about 1 hour and 15 minutes away).

#### AREA HOTELS

##### *In Rhinebeck, New York*

Beekman Arms, 845-876-7077; Village Inn, 845-876-7000

##### *In Kingston, New York*

Holiday Inn, 845-338-0400; Marriott Courtyard, 845-382-2300

#### REGISTRATION

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You may register for the conference by any of the following means:

- Fax the registration form, with credit card information, to 845-758-1149.
- Fill out the online registration form on our website ([www.levy.org](http://www.levy.org)), but do not send credit card information. We will contact you about payment.
- Respond by e-mail to [info@levy.org](mailto:info@levy.org), but do not send credit card information. We will contact you about payment.
- Mail the registration form, with payment or credit card information, to The Levy Economics Institute of Bard College, Blithewood, Annandale-on-Hudson, NY 12504-5000.
- Phone registration and credit card information to 845-758-7700.

#### SUBSTITUTIONS, CANCELLATIONS, AND REFUNDS

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Substitutions and cancellations must be made in writing or by e-mail. If you have registered and cannot attend, you may send a substitute. A full refund will be made if notice of cancellation is received by April 20. No refund will be made after that date. In the event that the conference is canceled, the Institute will refund the full conference fee, but cannot be responsible for any other costs incurred.

Mark your calendar and r.s.v.p. using the attached form. Feel free to share the form with colleagues who may be interested in attending.

2:30-4:10 p.m.

SESSION 3

**Changing Patterns of Retirement Behavior**

CHAIR: **Caren Grown**, *Levy Institute*

**Karen E. Smith**, *Barbara A. Butrica*, and **C. Eugene Steuerle**, *Urban Institute*

"Working for a Good Retirement"

**Michael Hurd**, *RAND Corporation*

"Net Intergenerational Transfers from an Increase in Social Security Benefits"

DISCUSSANTS: **Lucie G. Schmidt**, *Williams College*

**Daniel L. Thornton**, *Federal Reserve Bank of St. Louis*

4:10-4:40 p.m.

BREAK

4:40-6:10 p.m.

SESSION 4

**Interaction Between Private and Public Provisioning**

CHAIR: **W. Ray Towle**, *Levy Institute*

**Teresa Ghilarducci**, *University of Notre Dame*

"The Changing Role of Employer Pensions: Tax Expenditures, Costs and Implications for Middle-Class Elderly"

**Stephen Woodbury**, *Michigan State University*, and **James Marton**, *University of Kentucky*

"Responses to Declining Retiree Health Benefit Coverage"

DISCUSSANTS: **Zvi Bodie**, *Boston University*

**Barbara Wolfe**, *University of Wisconsin-Madison*

6:10-9:00 p.m.

RECEPTION AND DINNER

SATURDAY, APRIL 29

8:30-9:15 a.m.

BREAKFAST

9:15-10:55 a.m.

SESSION 5

**Budgetary and Macroeconomic Implications of Aging**

CHAIR: **Hyunsub Kum**, *Levy Institute*

**Shripad Tuljapurkar**, *Stanford University*

"Population Forecasts, Fiscal Policy, and Risk"

**Jagadeesh Gokhale**, *Cato Institute* and **Andrew Biggs**, *Social Security Administration*

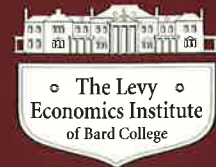
"Wage Growth and the Measurement of Social Security's Financial Condition"

DISCUSSANTS: **Clark Burdick**, *Social Security Administration*

**Stephanie A. Kelton**, *University of Missouri-Kansas City*

10:55-11:25 a.m.

BREAK



LEVY INSTITUTE

# Government Spending on the Elderly

A Conference of The Levy Economics Institute of Bard College

April 28-29, 2006

## PROGRAM

FRIDAY, APRIL 28

8:30-9:00 a.m.

BREAKFAST AND REGISTRATION

9:00-9:15 a.m.

WELCOME AND INTRODUCTION

**Dimitri B. Papadimitriou**, *Levy Institute*

9:15-10:55 a.m.

SESSION 1

**Welfare State and the Incentives to Retire**

CHAIR: **Ajit Zacharias**, *Levy Institute*

**Axel Börsch-Supan**, *Mannheim Research Institute for the Economics of Aging (MEA), University of Mannheim*

"European Welfare State Regimes and Their Generosity Towards the Elderly"

**L. Randall Wray**, *Levy Institute and University of Missouri-Kansas City*

"Global Demographic Trends and Provisioning for the Future"

DISCUSSANTS: **Sergio Nisticò**, *University of Cassino*  
**Richard Startz**, *University of Washington*

10:55-11:25 a.m.

BREAK

11:25 a.m.-1:05 p.m.

SESSION 2

**Aspects of Economic Well-Being and Gender Disparities among the Elderly**

CHAIR: **Greg Hannsgen**, *Levy Institute*

**Edward N. Wolff**, *Levy Institute and New York University*,  
**Ajit Zacharias** and **Hyunsub Kum**, *Levy Institute*

"Net Government Expenditures and the Economic Well-Being of the Elderly in the United States, 1989-2001"

**Lois B. Shaw**, *Institute for Women's Policy Research*  
"Differing Prospects for Women and Men: Young Old-Age and Old Old-Age, and Eldercare"

DISCUSSANTS: **Robert Haveman**, *University of Wisconsin-Madison*

**Caren Grown**, *Levy Institute*

1:05-2:30 p.m.

LUNCH

## PARTICIPANTS

**Zvi Bodie** is professor of finance and economics at Boston University School of Management. He holds a Ph.D. from the Massachusetts Institute of Technology and has served on the finance faculty at the Harvard Business School and MIT's Sloan School of Management. Professor Bodie has published widely on pension finance and investment strategy in leading professional journals. His books include *Foundations of Pension Finance*, *Pensions in the U.S. Economy*, *Issues in Pension Economics*, and *Financial Aspects of the U.S. Pension System*. His textbook *Investments* is the market leader and is used in the certification programs of the Financial Planning Association and the Society of Actuaries. His textbook *Finance* is coauthored by Nobel Prize-winning economist Robert C. Merton. Professor Bodie is a member of the Pension Research Council of the Wharton School, University of Pennsylvania. His latest book is *Worry Free Investing: A Safe Approach to Achieving Your Lifetime Financial Goals*.

**Axel Börsch-Supan** is director of the Mannheim Research Institute for the Economics of Aging (MEA) and professor for macroeconomics and public policy at the University of Mannheim, Germany. He received his Ph.D. in economics from the MIT and taught at Harvard and Dortmund before joining Mannheim. He chairs the Council of Advisors to the German Economics Ministry and the pension reform unit of the German Social Security Reform Commission. He is a research associate at the National Bureau of Economic Research (NBER); runs the program project on Behavioral Economics at Mannheim; coordinates the Survey of Health, Aging and Retirement in Europe (SHARE); and is member of the German Academy of Sciences.

**Clark Burdick** joined the Social Security Administration in 1999 as an economist in the Office of Policy. Prior to joining SSA, he served in the research department of the Federal Reserve Bank of Atlanta and taught economics at Georgia Tech and Indiana Universities. He attended graduate school at Stanford University, earning a Ph.D. in economics and a M.S. degree in statistics. He was elected to the National Academy of Social Insurance in 2005.

**Melissa Favreault** is a senior research associate at the Urban Institute, where she focuses on retirement income issues. For the past eight years, she has worked primarily on the development, evaluation, and use of a number of large-scale microsimulation models designed to facilitate distributional analysis of reforms to the Social Security and Supplemental Security Income programs. In *Social Security and the Family*, an Urban Institute Press volume that she coedited with Frank Sammartino and Gene Steuerle, she uses the DYNASIM model to examine the distributional implications of Social Security spouse and survivor benefits. Dr. Favreault holds a Ph.D. in Sociology from Cornell University.

**Teresa Ghilarducci** is a professor of economics at the University of Notre Dame and director of the Higgins Labor Research Center at the University. Her forthcoming book, *The End of Retirement*, for Princeton University Press, investigates the effect of pension losses on older Americans. Her book *Labor's Capital: The Economics and Politics of Employer Pensions*, MIT Press, won an Association of American Publishers award in 1992. She coauthored *Portable Pension Plans for Casual Labor Markets* in 1995. Professor Ghilarducci publishes in refereed journals and testifies frequently before the U.S. Congress. She served on the Pension Benefit Guaranty Corporation's Advisory Board from 1995-2002, and on the Board of Trustees of the State of Indiana Public Employees' Retirement Fund from 1997-2002. She is now a trustee of the General Motors Retiree Health Trust Fund. Her research has been funded by the U.S. Department of Labor, Ford Foundation, and Retirement Research Foundation.

11:25 a.m.-1:05 p.m.

SESSION 6

**Retirement Security: Problems and Prospects**

CHAIR: **Dimitri B. Papadimitriou**, *Levy Institute*

**Edward N. Wolff**, *Levy Institute and New York University*

"The Adequacy of Retirement Resources Among the Soon-to-Retire, 1983-2001"

**Melissa M. Favreault**, **Gordon B. T. Mermin**, and **C. Eugene Steuerle**,  
*Urban Institute*

"Minimum Benefits in Social Security"

DISCUSSANTS: **Brooke Harrington**, *Brown University*

**Robert K. Triest**, *Federal Reserve Bank of Boston*

1:05-2:30 p.m.

CLOSING REMARKS AND LUNCH

on Economy in Government, Joint Economic Committee, U.S. Congress. He was a fellow at the Russell Sage Foundation and, on two occasions, a research associate at Resources for the Future. In 2003, he and coauthors Andrew Bershader and Jonathan A. Schwabish published the book *Human Capital in the United States from 1975 to 2000: Patterns of Growth and Utilization* (Kalamazoo, MI: Upjohn Institute for Employment Research). His work has appeared in the *American Economic Review*, *Review of Economics and Statistics*, *Quarterly Journal of Economics*, and *Journal of the American Statistical Association*. He received his doctorate in economics from Vanderbilt University.

**Michael Hurd** received a master's degree in statistics and a Ph.D. in economics from the University of California, Berkeley. He has published papers on a wide range of topics in the economics of aging, including the structure of private pensions and Social Security and their effect on retirement decisions, the economic status of the elderly, the determinants of consumption and saving (particularly mortality risk), the use of health care services, methods of assessing uncertainty in a population and others. He served on the Technical Panel of Experts (1990) and the Panel of Experts (1991) to the Social Security Advisory Council; the Advisory Committee for the World Bank Old-Age Security Study; the Panel on Retirement Income Modeling, Committee on National Statistics, National Research Council, 1995-96; the Panel on Access to Research Data, Committee on National Statistics, National Research Council, 2003-05; and the Panel on Measuring Food Insecurity and Hunger, Committee on National Statistics, National Research Council, 2004-06. He is a co-PI of the Health and Retirement Study and a consultant to the English Longitudinal Study of Ageing and to the Survey of Health, Ageing, and Retirement in Europe (SHARE). He is a research professor with the Mannheim Research Institute for the Economics of Aging and also a fellow at the TIAA-CREF Institute. He is the Director of the RAND Center for the Study of Aging and a research associate at the National Bureau of Economic Research.

**Stephanie Kelton** has a B.S. in business administration (finance concentration) and a B.A. in economics, both from California State University, Sacramento. She earned an M.Phil. in economics at Cambridge University while on a Rotary Scholarship. In 1998 she spent a year at The Levy Economics Institute on a fellowship she won through Christ's College, Cambridge. She completed her Ph.D. at the New School for Social Research. Currently, she works as an assistant professor at the University of Missouri-Kansas City, and a research scholar at the Center for Full Employment and Price Stability (C-FEPS). Her new book (edited with Edward J. Nell), *The State, The Market, and the Euro: Metallism versus Chartalism in the Theory of Money*, is available through Edward Elgar Press. She has contributed chapters to numerous edited volumes and has published articles in the *Journal of Economic Issues*, *Cambridge Journal of Economics*, *Journal of Post Keynesian Economics*, *Review of Social Economy*, and *International Journal of Political Economy*. Her primary research interests include monetary theory, international economics, employment policy, social security, and European monetary integration.

**Hyunsub Kum** is a research scholar of The Levy Economics Institute and working on the Levy Institute Measure of Economic Well-Being (LIMEW) within the distribution of income and wealth program. His research interests include the measurement of inequality, inequality and economic growth, and the distributional effects of public spending, including cross-country comparisons, statistical matching over microdata and microsimulation. He recently published articles with Senior Scholar James K. Galbraith in *CESifo Economic Studies* and *Review of Income and Wealth*. Kum received a Ph.D. in public policy from the University of Texas at Austin; an M.P.P. from the University of Michigan, Ann Arbor; and an M.P.A. and B.A. from Seoul National University, Korea.

**Jagadeesh Gokhale** is senior fellow at the Cato Institute. His earlier positions include visiting scholar at the American Enterprise Institute, consultant to the U.S. Treasury, and senior economic adviser to the Cleveland Federal Reserve. Jagadeesh works in the areas of fiscal policy, macroeconomics, and the labor market. He has written extensively on policy issues including Social Security and Medicare reform, national saving, private insurance, wealth inequality, and intergenerational transfers. Jagadeesh has testified before Congress on these topics, and his papers and op-ed articles appear in top-tier economic journals and local and national newspapers.

**Caren A. Grown** is a senior scholar and codirector (with Diane Elson) of the Gender Equality and the Economy Program at The Levy Economics Institute of Bard College. Her current research focuses on gender equality, public finance, and international trade and investment. Previously, Dr. Grown directed the Poverty Reduction and Economic Governance team at the International Center for Research on Women (ICRW), where she worked on a range of issues related to gender, poverty, and economic policy. During her term at ICRW, she served as senior associate of Task Force 3 of the UN Millennium Project on gender equality and women's empowerment. From 1992 to 2001, she was a senior program officer at the John D. and Catherine MacArthur Foundation in Chicago, Illinois, where she managed research networks and competitions on a wide range of economic, governance, and population issues. Before joining the MacArthur Foundation, she was an economist with the Center for Economic Studies at the U.S. Bureau of the Census. Dr. Grown has edited and authored several books and numerous articles on gender equality. Her most recent book (coedited with Elissa Braunstein and Anju Malhotra) is *Trading Women's Health and Rights: The Role of Trade Liberalization and Development* (Zed Books, 2006). She is the lead author (with Geeta Rao Gupta) of *Taking Action: Achieving Gender Equality and Empowering Women* (Earthscan Press, 2005), and coauthor (with Gita Sen) of *Development, Crises and Alternative Visions: Third World Women's Perspectives* (Monthly Review Press, 1987). She has guest coedited three special issues of *World Development* on macroeconomics, international trade, and gender inequality, and has written widely on gender and development issues. She holds a Ph.D. in economics from the New School for Social Research and a B.A. in political science from the University of California at Los Angeles.

**Brooke Harrington** is assistant professor of sociology and public policy at Brown University, where she teaches on money and markets, organizations, gender, and group dynamics. Her research has appeared in leading sociological and management journals, and her book *Pop Finance: Investment Clubs and the New Ownership Society* is forthcoming from Princeton University Press. She holds a Ph.D. from Harvard University, and is the recipient of numerous grants and awards from organizations such as the National Science Foundation, the Russell Sage Foundation, and the Academy of Management. In addition to consulting for financial services firms, Professor Harrington has presented her findings to the U.S. Social Security Administration, and has published on the privatization debate in the policy journal *The American Prospect*.

**Robert Haveman** is professor emeritus of economics and public affairs and research associate at the Institute for Research on Poverty. He has published widely in the fields of public finance, the economics of environmental and natural resources policy, benefit-cost analysis, and the economics of poverty and social policy. Recent publications include *Succeeding Generations: On the Effects of Investments in Children*. Current projects include work on the discrepancy in reported earnings in surveys compared to administrative records, the adequacy of savings of older workers beginning retirement, and implications of increased economic inequality for human capital in the future. He is an award-winning teacher, who continues to teach at the La Follette School, of which he was director from 1988 to 1991. He was director of the Institute for Research on Poverty from 1971 to 1975. Professor Haveman has served as senior economist, Subcommittee

women. In subsequent work she has analyzed the effects of heterogeneous risk preferences and imperfect fertility control on marriage and fertility timing, and has also examined the effects of state-level legislation mandating insurance coverage of infertility treatment. Her work on social insurance programs has included an examination of whether efforts to reform the Aid to Families with Dependent Children (AFDC) program led to an increase in caseloads for another means-tested program, Supplemental Security Income (SSI); a paper providing evidence on how labor markets for low-skill women are affected by various changes to social welfare programs, including AFDC and the Earned Income Tax Credit; and an analysis of the costs and the benefits of a marginal increase in Disability Insurance program generosity. She has also written on the relationship between gender, marriage, and asset accumulation in the United States, and is currently examining the effects of demographic changes on private saving. She received her Ph.D. (2003) and M.A. (1997) degrees in economics from the University of Michigan, and an A.B. (1992) in government from Smith College.

**Lois B. Shaw** is a semi-retired economist who continues to be a consultant on social insurance, pensions, and other women's issues at the Institute for Women's Policy Research in Washington, D.C. She received her Ph.D. from the University of Michigan while raising four children. She previously held research positions at the U.S. General Accounting Office and at the Ohio State University's Center for Human Resource Research. She has written numerous journal articles and monographs on women's employment, retirement, and poverty. She recently served as one of the guest editors of a special issue of *Feminist Economics* on gender and aging.

**Karen E. Smith** is a senior research associate at The Urban Institute. She has more than 20 years of experience doing microsimulation modeling in a social policy environment. She has designed and developed microsimulation models for Social Security, taxation, wealth and savings, labor-supply, charitable giving, health expenditure, student aid, and welfare reform. Most recently, she was involved with the development of the Social Security Administration's Modeling Income in the Near Term (MINT) microsimulation model, the Urban Institute's Dynamic Simulation of Income (DYNASIM) microsimulation model, and Social Security Administration's Policy Simulation Model (POLISIM). Much of her research focuses on the distribution of retirement income of baby-boomers compared to today's retirees.

**Richard Startz** is Castor Professor of Economics at the University of Washington. He received his B.A. from Yale University in 1974 and his Ph.D. from the Massachusetts Institute of Technology in 1978. He began his academic career at the Wharton School of the University of Pennsylvania and has been a visiting faculty member at UC San Diego, Stanford Business School, and Princeton University. Professor Startz has taught at UW since 1984 and served as chair of the Economics Department from 1995 through 2000, and later as divisional dean for infrastructure in the College of Arts & Sciences. He is coauthor of the textbook *Macroeconomics* and author of two books on computing, as well as numerous academic articles. His research interests include macroeconomics, econometrics, finance, and the economics of race. Articles from his op-ed pieces, which appear regularly in newspapers in Washington State, can be found at <http://www.uwnews.org/startz/>.

**Daniel L. Thornton** is vice president and economic adviser at the Federal Reserve Bank of St. Louis. He joined the Research Department of the Federal Reserve Bank of St. Louis in 1981 as a staff economist and was promoted to his current position in 1998. He has published numerous articles in the *Federal Reserve Bank of St. Louis Review* and in professional journals, and is an associate editor of the *Journal of Banking and Finance*, the *Journal of International Financial Markets Institutions and Money*, *Applied Economics*, and *Finance Letters*. He is also a member of the St. Louis Board and the State Board

**Jim Marton** is an assistant professor in the Martin School of Public Policy and Administration at the University of Kentucky. He received his Ph.D. in economics from Washington University in St. Louis. His research, which combines theoretical and empirical methods, focuses on health economics with an emphasis on government regulation and asymmetric information issues in health insurance markets. Marton has written multiple papers examining the impact of the introduction of premiums into Kentucky's public health insurance program for children. He is the coauthor of a paper that theoretically examines how states choose the mix of cash and health benefits that they provide their needy residents. In addition, he has done work on flexible spending account use among university employees. Marton has a joint appointment with the UK College of Pharmacy and is a faculty affiliate of the Institute for Federalism and Intergovernmental Relations (IFIR) and UK Center for Poverty Research (UKCPR).

**Sergio Nisticò** earned a Ph.D. in economics at "La Sapienza" University of Rome where he was hired as assistant professor of economics. In 1995 and 1996 he was elected Member of the Commission for the Italian Transportation Plan at the Ministry of Transports. Since 2001 he has been associate professor of economics at the Faculty of Economics of the University of Cassino, where he teaches Microeconomics, History of Economic Thought and Social Security Economics. He is author of several articles on price theory, temporary equilibrium models, theory of choice and pension systems. He is also coauthor, with Sandro Gronchi, of a report "Fair and Sustainable Pay-as-you-go Pension Systems: Theoretical Models and Practical Realizations," commissioned in 2002 by the Italian National Council for Economy and Labour (CNEL). His recent publications include "Classical-type Temporary Positions: a Cost-plus Model," *Journal of Post-Keynesian Economics* (2002); *Competing Economic Theories* (ed. with D. Tosato), Routledge (2002); "Consumption and Time in Economics: Prices and Quantities in a Temporary Equilibrium Perspective," *Cambridge Journal of Economics*, (2006); "Implementing the NDC Theoretical Model: A Comparison of Italy and Sweden", (with S. Gronchi) in Holzmann R. and Palmer E. (eds) *Pension Reform: Issues and Prospects for Non-Financial Defined Contribution (NDC) Scheme*, World Bank (2006); and "The Theoretical Foundations of NDC Pension Schemes" (with S. Gronchi), *Metroeconomica*, forthcoming

**Dimitri B. Papadimitriou's** areas of research include financial structure reform, community development banking, fiscal and monetary policy, employment policy, and distribution of income, wealth and well-being. He heads the Levy Institute's macromodeling team studying and simulating the U.S. and world economies. In addition, he has authored and coauthored studies relating to Federal Reserve policy, fiscal policy, employment growth and social security reform. Papadimitriou is president of the Levy Institute and executive vice president and Jerome Levy Professor of Economics at Bard College. He has testified on a number of occasions in hearings of Senate and House of Representatives Committees of the U.S. Congress, was vice-chairman of the Trade Deficit Review Commission of the U.S. Congress (2000-2001) and a member of the Competitiveness Policy Council's Subcouncil on Capital Allocation. He was a Distinguished Scholar at the Shanghai Academy of Social Sciences (PRC) in fall 2002. Papadimitriou has edited and contributed to eight books published by Macmillan and Edward Elgar and is a member of the editorial board of *Challenge*. He is a graduate of Columbia University and received a Ph.D. in economics from New School for Social Research.

**Lucie Schmidt** is an assistant professor in the Department of Economics at Williams College. Professor Schmidt's research to date has concentrated on two primary areas: the economics of marriage and fertility decisions, and examining costs and benefits of various social insurance programs. Her work in the area of marriage and fertility decisions includes a dynamic search model of the marriage market that explains nonmarital childbearing among college-educated



Policy Institute, World Bank, United Nations, WIDER Institute, and Mathematica Policy Research. His principal research areas are productivity growth and income and wealth distribution. He is the author (or coauthor) of *Growth, Accumulation, and Unproductive Activity: An Analysis of the Post-War U.S. Economy* (1987); *Productivity and American Leadership: The Long View* (1989); *The Information Economy: The Implications of Unbalanced Growth* (1989); *Competitiveness, Convergence, and International Specialization* (1993); *TOP HEAVY: A Study of Increasing Inequality of Wealth in America* (1995, 1996, 2002); *Economics of Poverty, Inequality, and Discrimination* (1997); *Retirement Insecurity: The Income Shortfalls Awaiting the Soon-to-Retire* (2002); *Downsizing in America: Reality, Causes, and Consequences* (2003), and *Retirement Income: The Crucial Role of Social Security* (2005).

**Stephen A. Woodbury** is a professor of economics at Michigan State University and a senior economist at the W. E. Upjohn Institute in Kalamazoo, Michigan. He has held faculty appointments at Penn State University and the University of Stirling (UK), and was deputy director of the Advisory Council on Unemployment Compensation (U.S. Department of Labor) during 1993–94. He is a past president of the Midwest Economics Association. He has worked on policies to assist unemployed workers and on issues in employee benefits. His books include *Search Theory and Unemployment* (coedited with Carl Davidson, 2002); *Employee Benefits and Labor Markets in Canada and the United States* (coedited with William Alpert, 2000); and *The Tax Treatment of Fringe Benefits* (coauthored with Wei-Jang Huang, 1991). He received his Ph.D. in economics from the University of Wisconsin–Madison in 1981.

**L. Randall Wray** is a professor of economics at the University of Missouri-Kansas City, as well as research director at the Center for Full Employment and Price Stability (at UMKC) and senior scholar at The Levy Economics Institute of Bard College. A student of Hyman P. Minsky while at Washington University in St. Louis, Wray has focused on monetary theory and policy, macroeconomics, financial instability, Social Security, and employment policy. He is the author of *Understanding Modern Money: The Key to Full Employment and Price Stability* (Elgar, 1998) and *Money and Credit in Capitalist Economies* (Elgar 1990). He is the editor of *Credit and State Theories of Money* (Edward Elgar 2004) and the coeditor of *Contemporary Post Keynesian Theory* (Edward Elgar 2005). Wray is also the author of numerous scholarly articles in edited books and academic journals, including the *Journal of Economic Issues*, *Cambridge Journal of Economics*, *Review of Political Economy*, *Journal of Post Keynesian Economics*, *Economic and Labour Relations Review*, *Economie Appliquée*, and *Eastern Economic Journal*. His most recent work on Social Security and aging include “Social Security’s 70<sup>th</sup> Anniversary: Surviving 20 Years of Reform,” Levy Institute Policy Note 2005/6, and “Social Security in an Aging Society” *Review of Political Economy*, June 2006.

Research scholar **Ajit Zacharias** is primarily working on the Levy Institute Measure of Economic Well-Being (LIMEW) within the distribution of income and wealth program. The LIMEW is an alternative measure that can provide the foundation for a comprehensive view of the level and distribution of economic well-being. His research interests include concepts and measurement of economic well-being, effects of taxes and government spending on well-being, valuation of noncash transfers, and time use. Zacharias received an M.A. from the University of Bombay, and a Ph.D. from the New School for Social Research.

of Trustees of the Missouri Council on Economic Education. A native of Clinton, Iowa, he received his Ph.D. in economics from the University of Missouri-Columbia in 1976.

**Robert Triest** is a senior economist and policy adviser in the Research Department of the Federal Reserve Bank of Boston. Prior to joining the Boston Fed in 1995, Triest was an associate professor of economics at the University of California–Davis. He has also been on the faculty of Johns Hopkins University, and spent 2005 as a visiting scholar at the Center for Retirement Research at Boston College. Triest’s research has focused on topics in public sector economics and labor economics. He is a coeditor of *Seismic Shifts: The Economic Impact of Demographic Change* (with Jane Little), *Social Security Reform: Links to Saving, Investment and Growth* (with Steven Sass), and *The Macroeconomics of Fiscal Policy* (with Richard Kopcke and Geoffrey Tootell), and is a coauthor of *Job Creation, Job Destruction and International Competition* (with Michael Klein and Scott Schuh). Triest earned M.S. and Ph.D. degrees in economics from the University of Wisconsin at Madison, and received a B.A. degree from Vassar College.

**Shripad Tuljapurkar** received his Ph.D. from Portland State University in 1976. He has pioneered methods in theoretical ecology and mathematical demography, especially for analyzing and forecasting populations subject to variability in their dynamics. He has shown how these methods can be used to study the evolution of life cycles in biology, to predict human mortality patterns, and to carry out risk analysis in areas ranging from species conservation to the management of public pension systems. Professor Tuljapurkar’s research group develops population mathematics and applies it to study the dynamics and evolution of human and natural populations. He is a member of the Center for the Demography and Economics of Aging at the University of California, Berkeley. In 1990, he was elected a fellow of the American Association of Arts and Sciences; in 1996, he received the Mindel Sheps Award from the Population Association of America; and in 1998, he received a John Simon Guggenheim Fellowship. He serves on the editorial boards of several scientific journals and on review panels for national scientific agencies.

**Barbara Wolfe** is a professor in the Departments of Economics, Population Health Sciences, and LaFollette School of Public Affairs at the University of Wisconsin- Madison. She is also an affiliate and past director of the Institute for Research on Poverty and an adjunct faculty member at the Research School of the Social Sciences at Australian National University. She received her Ph.D. in economics from the University of Pennsylvania in 1973 and has been a faculty member at Madison since 1977. Her research focuses on health economics and public economics more generally. Professor Wolfe is particularly interested in vulnerable populations, such as those in poor families. Her recent research has included exploring the adequacy of resources of new retirees and the change in these resources over the first decade of retirement, the association of income and wealth with health, the impact of welfare reform on maintaining health care coverage. She has published extensively in economics and public policy journals and serves on the board of a number of professional organizations. She is a member of the Institute of Medicine and vice chair of the joint NAS-IOM Board on Children, Youth and Families.

**Edward Wolff** received his Ph.D. from Yale University in 1974 and is professor of economics at New York University, where he has taught since 1974, and a senior scholar at The Levy Economics Institute of Bard College. He is also a research associate at the National Bureau of Economic Research. He served as managing editor of the *Review of Income and Wealth* from 1987 to 2004 and was a visiting scholar at the Russell Sage Foundation in New York (2003–04), president of the Eastern Economics Association (2002–03), a council member of the International Input-Output Association (1995–2003), and a council member of the International Association for Research in Income and Wealth (1987–2004). He has acted as a consultant with the Economic



**Gender Equality, Tax Policies, and Tax Reform  
In Comparative Perspective**

May 17-18 2006

**PARTICIPANTS**

Mimi Abramovitz  
Hunter College School of Social Work  
iabramov@hunter.cuny.edu

Rania Antonopoulos  
Levy Institute  
rania@levy.org

Fran Bennett  
University of Oxford  
fran.bennett@socres.ox.ac.uk;  
fran.bennett@dsl.pipex.com

Elissa Braunstein  
Colorado State University  
elissa.braunstein@colostate.edu

Tim Callan  
Economic and Social Research Institute  
tim.callan@esri.ie

Bridget Crawford  
Pace University  
bcrawford@law.pace.edu

Ann Davis  
Marist College  
Ann.Davis@Marist.Edu

Paloma de Villota  
Universidad Complutense de Madrid  
pvillota@anit.es

Caren Grown  
Levy Institute  
grown@levy.org

Elisabeth Gugl  
University of Victoria  
egugl@uvic.ca

Heidi Hartmann  
Institute for Women's Policy Research  
hartmann@iwpr.org

Susan Himmelweit  
Open University  
s.f.himmelweit@open.ac.uk

Evelyne Huber  
University of North Carolina, Chapel Hill  
ehuber@unc.edu

Jane Kiringai  
Kenya Institute for Public Policy Research & Analysis  
kiringai@kippra.or.ke

Martha Melesse  
IDRC  
mmelesse@idrc.ca

Thitu Mwaniki  
Institute of Economic Affairs, Kenya  
tmwaniki@ieakenya.or.ke

Jane Elson  
Levy Institute  
elson@levy.org

Lucia Fragoso  
Gender Equity  
luciapresupuesto@equidad.org.mx

Sarah Gammage  
Greater Access to Trade Expansion  
Development and Training Services  
SGammage@onlineDTS.com

Julie Nelson  
Global Development and Environment Institute  
Tufts University  
julie.nelson@tufts.edu

David Nguyen-Thanh  
German Technical Cooperation  
David.Nguyen-Thanh@gtz.de

Dimitri Papadimitriou  
Levy Institute  
dbp@levy.org

Lisa Philipps  
York University  
lphilipps@osgoode.yorku.ca

Corina Rodriguez-Enriquez  
Centro Para El Estudio de Politicas Publicas  
crodriguez-enriquez@ciepp.org.ar

Janet Stotsky  
International Monetary Fund  
JSTOTSKY@imf.org

Holly Sutherland  
Institute for Social & Economic Research  
hollys@essex.ac.uk

Tsu-Yu Tsao  
Bard College  
tsao@bard.edu

Imraan Valodia  
University of KwaZulu-Natal  
valodia@ukzn.ac.za

Dennis Ventry  
University of California, Los Angeles  
dv327@nyu.edu

Marceline White  
Greater Access to Trade Expansion  
Development and Training Services  
MWhite@onlineDTS.com

Frances Woolley  
Carleton University  
frances\_woolley@carleton.ca

Claire Young  
University of British Columbia  
young@law.ubc.ca

Ajit Zacharias  
Levy Institute  
zacharia@levy.org

Dimitri B. Papadimitriou  
*President*



April 28, 2006

Dear Colleague:

I am delighted to welcome you to the Levy Institute conference on "Government Spending on the Elderly."

The aging of the U.S. population is presently and will continue to be one of the most important domestic public policy issues in the decades ahead. The challenges of coping with an aging population require action in the near term to forestall more difficult choices in the long term. The goal of this conference is to explore a number of inter-related issues including: prospects for aging and government spending; retirement security; progressivity of Social Security and Medicare; retirement behavior; the interaction between private and public provisioning of retiree benefits; government expenditures and the well-being of the aged; women and retirement security; and what lessons, if any, can be learned from other countries' experiences. Furthermore this conference will examine how the retirement and health care of older citizens might be financed and will assess the potential impact of different reform proposals.

The commissioned papers and the thoughtful commentaries explore these issues among many others. We trust you will enjoy the presentations and discussions to follow. Your comments and suggestions are welcome.

Sincerely,

Dimitri B. Papadimitriou



## **Government Spending on the Elderly**

**April 28, & 29 2006**

### **PARTICIPANTS**

**Albert H. Allen**

**Clark Burdick**  
Social Security Administration

**Rania Antonopoulos**  
Levy Institute

**Alicia Puente Cackley**  
U.S. Government Accountability Office

**David Bloch**  
Psychologist

**Edward Chilcote**  
Levy Insittute

**Zvi Bodie**  
Boston University School of Management

**Ilana Cohen**  
American Public Human Services Association

**Axel Boersch-Supan**  
Mannheim Research Institute for the Aging

**Michael Collins**  
U.S. Government Accountability Office

**Matt Bonder**  
Marist College

**Bryan Dixon**  
Marist College

**Michael Bosch**  
Marist College

**Elvira Lovaglio Duncan**  
National Council on the Aging

**Melinda Bowman**  
U.S. Government Accountability Office

**Marina Durano**  
Levy Institute

**Diana Brown**  
Bard College

**Laura Ebert**  
Marist College

**Gemma Edwards**  
Marist College

**Jane Eisenberg**

**Marvin Eisenberg**

**Melissa Favreault**  
Urban Institute

**Teresa Ghilarducci**  
University of Notre Dame

**John Gist**  
AARP Public Policy Institute

**Jagadeesh Gokhale**  
Cato Institute

**Caren Grown**  
Levy Institute

**Greg Hannsgen**  
Levy Institute

**Brooké Harrington**  
Brown University

**Robert Haveman**  
University of Wisconsin-Madison

**Tom Head**  
George Fox University

**Candace Howes**  
Connecticut College

**Michael Hurd**  
RAND Corporation

**Stephanie Kelton**  
University of Missouri-Kansas City

**Hyun Kum**  
Levy Institute

**Mike Mahoney**  
Marist College

**Alfie Mancuso**  
Marist College

**James Marton**  
University of Kentucky

**Linda Drazga Maxfield**  
Social Security Administration

**Sergio Nistico**  
University of Cassino Italy

**David Ornstil**  
Keene State College

**Dimitri Papadimitriou**  
Levy Institute

**Larry Polivka**  
Florida Policy Exchange Center on Aging

**Susann Rohwedder**  
RAND Corporation

**Lucie Schmidt**  
Williams College

**Lois B. Shaw**  
Institute for Women's Policy Research

**Karen E. Smith**  
Urban Institute

**Richard Startz**  
University of Washington

**Chris Yeakel**  
Keene State College

**Toshiyuki Suzuki**  
The Bank of Tokyo-Mitsubish: UFJ

**Ajit Zacharias**  
Levy Institute

**Sarah Tatoun Shaw**

**Daniel Thornton**  
Federal Reserve Bank of St. Louis

**Ray Towle**  
Levy Institute

**Robert K. Triest**  
Federal Reserve Bank of Boston

**Aaron Tripp**  
Center for Development of Human Services

**Shripad Tuljapurkar**  
Michigan State University

**Brian Walsh**  
Marist College

**Barbara Wolfe**  
University of Wisconsin-Madison

**Edward Wolff**  
New York University & Levy Institute

**Stephen A. Woodbury**  
Michigan State University

**Randy Wray**  
University of Missouri-Kansas City & Levy Institute

**Ellen Yan**  
Newsday