

# Yale

*Tobin Center*

*for Economic Policy*



Annual Report  
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# I. Introduction

## About the Tobin Center

Society faces both new and enduring challenges. Recent advances in economics, data and analytics present exciting and untapped opportunities to help us better understand and address these challenges, helping us move the needle on critical issues from health, education, and economic mobility to climate change and infrastructure.

In our inaugural phase, the Tobin Center is developing new ways to unlock these research opportunities at Yale. In tandem, we will advance the resulting insights and innovations for impact by bringing them to the policy arena.

The Tobin Center will serve as a platform for national, non-partisan policy impact at Yale. Working across disciplines and policy issue areas, and through meaningful policy partnerships, we will advance a fact-based policy debate in America.

By enabling more policy-relevant and data-intensive scholarship at Yale and bringing it to the policy arena, we seek to identify and scale better, more effective policy solutions that strengthen families, communities, and the nation.

The United States is home to the world's greatest universities, yet this unique American asset is an underutilized resource in answering pressing policy questions. New availability of large data sets and advances in analytics make it more promising than ever to deploy the unique talents of economists and social scientists to surface insights that can improve policy. Driven by this opportunity, the Tobin Center will work with partners across academia, policy, and journalism to advance policies that measurably improve results for people and the country.

*"In the social sciences, we are emphasizing the importance of using empirical approaches and data-driven research to tackle global issues, such as crime, extremism, health care, inequality, and migration. Right now, in the information age, social scientists have unprecedented access to data. By developing tools to analyze the data available, we can inform public policy issues by providing facts, not intuitions or anecdotes."*

- Yale President Peter Salovey

Named for the late James Tobin, iconic faculty member and Nobel laureate, the center advances rigorous, evidence-based research intended to define and inform policy debate.

With an emphasis on relevant, non-partisan and practical solutions, the center funds and supports data-driven, policy-relevant research. A new enterprise at Yale, the Tobin Center is prototyping new ways to mobilize and support economists and other social scientists towards pressing domestic policy needs.

We also seek to remove common barriers to policy-relevant work, assisting with acquisition of critical data and provision of analytic research support, [research assistance, and junior scholars](#).

In addition, the Center will advance research-based policy concepts in the public debate and the policy arena. We engage with policymakers and the media, offering both strategic counsel and direct support on core projects.

In its inaugural phase, and before the opening of its new building at Yale<sup>1</sup>, the Tobin Center emphasizes critical policy priorities where research-driven policy can have near-term impact, these include: Health Economics, Mobility and Opportunity, Early Childhood, Education, Digital Markets, and Evidence-Based Policy.

## A Year of Growth and Impact

For the Tobin Center, the COVID-19 crisis has been a call to action that caused us to accelerate our work. The immediate health, economic, and social challenges presented by COVID-19 require relevant, actionable solutions.

To date, the Center has supported over 20 pathbreaking faculty research projects, responded to dozens of government requests for technical support, and mobilized over 200 student and faculty volunteers to serve in response to the crisis. The Center has also won expansive media coverage for these efforts and seen direct policy impact at every level of government. We have also continued to maintain our portfolio of work beyond pandemic response.

Whether reducing health care costs for Americans, enabling more children in need to benefit from early childhood programs, understanding how big tech companies shape the information we see, enhancing policy response to climate change, or preventing COVID-19 risks in nursing homes, the Tobin Center has worked over the past year to channel the research and expertise

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<sup>1</sup> Thanks to Yale's generous donors, a new building at 87 Trumbull Street (architectural image on cover), will connect two existing economics buildings on Hillhouse Avenue as well as the buildings that house the Institute for Social and Policy Studies. This intersection of economics and policy will be the Tobin Center's new home. Construction has commenced. A video of the first phase of construction can be linked to [here](#) from the digital version of this report.

of Yale economists to real world impact. We have also made progress in strengthening Yale's institutional capacity to support this work, from creating a nation-leading PreDoc program, to informing the university's social science data strategy, to helping coordinate the University's external response to the pandemic.

This annual report highlights the Center's research and policy work from November 2019 through October 2020. It shares our progress in establishing an institutional footing as a start-up. It provides metrics and analysis of our successes across key strategic vectors, including policymaker engagement, media coverage, research support, and resource development. Finally, it projects forward about what the lessons and accomplishments of the past year mean for our path ahead.

## II. Confronting COVID-19

The COVID-19 pandemic presented an acute and real-world test for the Center's theory that: (i) there is demand among Yale faculty and students to address pressing policy issues facing society and (ii) by providing targeted support, a Center could help them influence the policy debate and improve policy itself. In March, the Tobin Center team began working on COVID-19 response, putting its theory to the test in new and urgent circumstances. As a new enterprise, the Tobin Center had the flexibility to pivot its focus to the historic economic, health, and social challenges our country now confronts.

By late spring, with some notable accomplishments and several promising efforts underway, we realized the demand at Yale and the opportunity for impact was greater than Tobin resources alone could support. Seeking to do more, we worked with the Development Office to propose to donors the creation of a COVID-19 Policy Lab to sustain a higher level of effort. An early Tobin donor, pleased with our work, stepped up to support our efforts, committing \$1 million.

With this commitment we have expanded our efforts and formalized our strategy to respond to the virus. Core components of this strategy are to:

1. Catalyze, support, and accelerate COVID-related economics and social science research at Yale
2. Amplify and advance the resulting research and policy solutions, informing the public debate through media - and policy itself via direct outreach to government

3. Serve as a platform connecting Yale faculty and students with government to address their specific COVID-related policy challenges

To date, Tobin has invested or committed nearly half a million dollars across 23 COVID-19 research projects. We have engaged with policymakers at all levels, from the White House and congress to Governors' offices to city governments. We have catalyzed novel policy-oriented research efforts that have received significant national media coverage. We've also established a research and service infrastructure of over 200 student volunteers. The Tobin Center is also playing a leading role in coordinating both Yale social science and university-wide research and policy response.

In terms of the substance of our work, we've been able to channel expertise at Yale to a range of pressing issues: We've supported research that provides real-time awareness of what is happening in the economy and society, enabling policy makers to react more quickly to rapidly changing circumstances. We've helped faculty and students support cities in addressing the needs of small businesses, engaged with states to reduce wait times for unemployment insurance, provided analytics and strategies to reduce transmission among vulnerable populations, and created a partnership to advise HBCUs on safe campus reopening. We've made key recommendations credited by the federal government for helping them decide to increase funding levels for testing. We've onboarded novel data and mobilized faculty and students, enabling them to answer perhaps the prominent point of contention around the stimulus: whether the \$600 unemployment insurance increase is reducing employment. This became the most covered piece of research associated with the national debate on the issue and one that voices on the left and right accepted as nonpartisan, valid results. These represent a few highlights of our work, many of which are discussed in greater detail below.

### III. Turning Research into Action

The Tobin Center seeks to reduce the time between social science research and policy impact. Over the past year, we've begun to test several strategies towards this aim that are largely novel at Yale and in academia. We are seeing encouraging results across issue areas.

#### Health Economics

##### ***Taking on The Virus***

Tobin Center leadership served as early and visible advocates for a greater effort to directly take on the virus as the root cause of our economic crisis. This follows a near consensus opinion

among economists that there is a very high benefit/cost ratio of anti-virus spending on testing, tracing, protective equipment, therapeutics, and other measures. Among other work, [Faculty Director Steven Berry and Assoc. Faculty Director Zack Cooper](#) published opinion pieces in the [Washington Post](#) and [Politico](#). The latter piece garnered great national attention and spurred a collaboration with Economist and Nobel Laureate Paul Romer who is among the most visible national advocates for greater investment in testing. Together with Executive Director Dave Wilkinson they engaged extensively with senior White House, senate, and congressional staff.

The Tobin Center's success in gaining traction on this topic with the White House and administration was primarily due to Prof. Cooper's longstanding work with the same policymakers on surprise medical billing and related issues. This is a powerful lesson that offering smart, policy relevant advice on one topic can build relationships which can open the door to other issues.

### ***American Healthcare Costs***

In the past year Prof. Cooper's research in health economics – a major investment priority for the Center – has continued to have pathbreaking impact. He and his research have been quoted or cited in at least 18 media pieces in major outlets in the last year. His consultations with the White House on surprise medical billing have elevated and advanced the issue more than ever – as evidenced, among other things, by both an Op-Ed in the *USA Today* by the President's Domestic Policy Director and, most notably, the President himself raising the issue in his State of Union address. Cooper has also been sought out by and continually engaged with bipartisan congressional policy leads on the issue.

Cooper and the Tobin Center are also launching the 1% Project, through which we have engaged the nation's top health economists to share incremental cost saving policies that collectively could reduce American healthcare costs by 15%. In late January, the Tobin Center hosted two 1% Project events in Washington. The first brought together a distinctively bipartisan group of senior policymakers, those in a position to shape American health policy.<sup>2</sup> The second event convened leading health journalists from top media outlets. Both were successful. With new donor support for the effort, we look forward to building on the momentum of these efforts in the coming year.

Tobin Center continues to support Cooper's research portfolio, as well. At present, he is making progress on his research assessing vertical integration between hospitals and physicians and focusing more effort into better understanding how rising health spending impacts the rest of the economy, including the salaries of workers outside the health sector.

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<sup>2</sup> For instance, with Speaker Pelosi's Policy Director seated next to the White House health policy lead. Several attendees commented on the uncommon bipartisanship of the senior staff attendees.

### ***Other Health Economics Work***

Health Economics is a major priority and an area of strength for the Tobin Center. In addition to Prof. Cooper's work, the Center is supporting 15 health economics projects contributed to by 11 faculty members and several Tobin Predoctoral Fellows. Among other supported research in the field, work by Prof. Jason Abaluck (surfacing compelling new insights on Medicare Advantage plans) and by Prof Chima Ndumele's (on Medicaid and Medicare access, bias and cost efficiency) complement Cooper's private insurance sector work and compellingly round out the Tobin Center's health economics portfolio.

### **Employment and the Pandemic**

#### ***A Leading Voice in the National Debate over Unemployment Benefits***

The Tobin Center brought novel data to Yale, launched a research team to perform ground-breaking research, and executed a media campaign enabling the research to inform and shape the national debate on unemployment insurance (UI) during the pandemic.

As context, the CARES Act expanded UI benefits by providing a \$600 weekly payment in addition to state unemployment benefits. Most workers thus were able to receive unemployment benefits exceeding their weekly wages. A topic of much political debate has been whether this discourages workers from returning to work and thus contributes to higher unemployment.

This is, of course, an empirical question and one that the right data could help answer. The novel data set Tobin Center discovered and onboarded provides current, anonymized hourly work and wage data for tens of thousands of small businesses. The Center worked with six faculty members (Profs. Altonji, Meghir, Washington, Lindenlaub, O'Dea, and Humphries) to launch a COVID-19 Labor Economics Data Lab, enabling several PhD students to work with them on the data. The team has completed four papers to date. The paper on the \$600 UI expansion labor supply effect was particularly impactful.

The data shows workers receiving larger increases in UI benefits returned to their previous jobs at similar rates as those who did not. No evidence indicated that the more generous benefits disincentivized work either at the onset of the expansion or as firms looked to return to business over time.

The Tobin Center timed the release of this research to coincide with the U.S. Senate debate around a next stimulus bill. The UI question was the largest potential cost center in the bill and the most prominent point of contention. The Tobin COVID-19 Labor Lab's paper was the first and most robust academic research addressing the issue. It was widely covered, receiving over 100 media mentions in three weeks. It has been covered multiple times in the [Wall Street Journal](#), [Washington Post](#), [New York Times](#), [ABC](#), [CBS](#), and [NPR](#), among other major venues. Covered in total on at least 180 occasions, it was very likely the most covered piece of American social science research in late summer. The paper remains the most commonly cited research on the topic.

The Tobin team's finding also received great attention in the political realm, discussed by the media and on television by Treasury Secretary Mnuchin, Speaker Pelosi, and Senator Gillibrand among others. The findings have been validated by researchers and think tanks associated with both sides of the political aisle. The research team has gone on to deploy additional methodologies which have found the same result. Should congress pick up the issue in the near future, the Tobin Center will again seek opportunities to help these findings inform the debate.

## Early Childhood, Childcare, and the American Workforce

### ***Enabling the Nation's Largest Study on COVID-19 and Childcare***

Childcare is critical to America's ability to return to work. Notwithstanding the miniscule risk to young children, parents and providers are understandably concerned about transmission from young children to adults in childcare settings. The Tobin Center was a lead contributor to an interdisciplinary study co-authored by Prof. John Eric Humphries, Wilkinson, and faculty members from the schools of Medicine and Public Health. The study finds that children in childcare programs present no significant risk to adults. Published as a feature article in [Pediatrics](#), the research findings have been broadly covered in the national media, including the [Wall Street Journal](#), [The New York Times](#) (twice), [The Washington Post](#), [The LA Times](#), [NPR](#), and [NBC \(the Today show\)](#). Tobin-recruited economics students – recruited via the volunteer platform we created – played critical roles in cleaning and analyzing the data across millions of individual responses from over 57,000 provider surveys. This is thought to be both the largest occupational-epidemiological study ever conducted and the largest-ever research survey of American childcare providers.

### ***Other Early Childhood Projects***

One of Tobin's largest single investments is supporting work by Profs. Costas Meghir, Orazio Attanasio, and the Medical School evaluating the combination of two promising interventions to improve early childhood outcomes and parental outcomes, including mental health and

workforce participation. In the COVID era, the project is pivoting to deliver the planned interventions by telehealth rather than in person. Should it show impact, the shift to telehealth could be a powerful factor that enables the intervention to scale more affordably. Since this adjustment, MIT's JPAL North America has awarded the project a \$200,000 grant which will leverage the Tobin Center investment.

The Tobin Center is also supporting an initiative led by Prof. John Eric Humphries to address challenges in the child care system, including information gaps and rapidly evolving supply and demand mismatches as between childcare providers seeking families to support, families seeking childcare when their provider has closed, and subsidy sources for whom an evolving and increasing numbers of families and providers are eligible. Connected to longstanding work with New Haven Public Schools, the Tobin Center is making an investment in this work leveraged by a gift by a supportive Yale donor. The work has potential for impact statewide.

### **Advancing Real-Time Knowledge to Inform Policy Response**

Rapidly changing circumstances resulting from COVID-19 call for research to generate answers about current conditions more quickly. Tobin has supported faculty research towards this end. Highlights include:

#### ***Uncovering a Major Risk in Nursing Homes***

The Center supported Prof. Judy Chevalier's research showing that a major driver of infections in nursing homes is shared staffing across homes. Using cell phone mobility data, Chevalier's work shows this phenomenon drives 44% of nursing home infections (and therefore approximately 15% to 20% of all COVID-19 deaths in America). The research is now informing direct engagement with government that has the potential to save lives.

#### ***More Rapidly Assessing American Labor Markets***

The Tobin Center made a major investment in an effort led by Prof. Bill Nordhaus to develop a faster approach to assessing the state of the U.S. labor market. The [Yale Labor Survey](#) (YLS) is modeled on the Current Population Survey (CPS), the official source of labor force statistics in the United States, carried out by the U.S. Census and the Bureau of Labor Statistics. Similar to the CPS, the YLS summarizes American employment, unemployment, and other labor-market measures. It is distinct in that survey results are available after one week rather than six weeks. In addition, questions can be adjusted to address unique moments in the economy and it addresses demographics to identify labor conditions for different segments. The YLS can be conducted for 1% of the cost of the CPS.

The YLS is still experimental, involving the application of new, highly technical and complex methodologies. Establishing its accuracy will be accomplished over time by matching the leading YLS findings with the lagging CPS results. The work has been covered by [Bloomberg BusinessWeek](#), is widely promoted by our partners and co-authors at the Federal Reserve Bank of Boston, and is being used by at least one local government to inform policy.

### ***More Quickly Understanding the Impact Felt by Small Business and the Role of Government Assistance***

With support from the Tobin Center, Prof. Humphries launched what may have been the first continuous small business sentiment survey in response to the COVID-19 crisis. From March to May, over 14,000 small businesses completed surveys on the impacts of COVID-19 on their business, their awareness of government assistance programs, and their utilization of the programs. The work is covered in the May 2nd issue of *The Economist*. In the digital version of this document, U.S. results can be found [here](#).

The research shows that the smallest businesses learned about government assistance programs later, were less likely to apply, less likely to get approved conditional on applying, and, when approved, waited longer for approval. These findings may influence future small business support initiatives by providing an empirical case to design programs that overcome these frictions. This may include, among other things, more direct outreach to underrepresented business types and simpler application processes for small dollar loans.

## **IV. Highlights Across Key Vectors of Impact**

### **Strengthening Communities and The Nation: An Overview of Direct Engagement with Government**

In the past year, the Tobin Center has enabled 27 substantive engagements with federal, state, and local government, assisting with issues from health policy, poverty and economic opportunity to infrastructure, energy, and the macro-economy. Fourteen of these engagements we consider especially impactful collaborations. Many states are facing new and unprecedented challenges due to COVID-19, which have driven a majority of the engagements. The Tobin Center's Pandemic Response Volunteer Platform has facilitated support for 11 of these engagements utilizing 29 participants to date.

Highlights include engagement with:

- The White House, HHS, and CMS on surprise medical billing and COVID-19
- The Federal Trade Commission, co-hosting an antitrust conference
- The Federal Department of Transportation on cost-efficiency
- U.S. Senate and House on both C19 and health economics (1% Project), including informing the design of testing legislation for Congressman Raskin; performing a CBO-style cost-benefit analysis on employer-based testing legislation for Senator Cruz; advising Senator Hawley on cross-branch interrogatories, and advising Senate Finance staff, Nancy Pelosi's Policy Director, and others on health policy
- The Connecticut Governor's Office on several issues relating to COVID-19, including nursing home safety; process streamlining to reduce UI waitlist; provision of regular small business analytics; serving as a Governor's appointee on the state Health Cost-Control Commission (Prof. Cooper); initiating and helping to drive an effort with the Governor's team leading to passage of a statutory provision on anti-recessionary utility pricing
- Legislatures in Massachusetts (testifying on health costs (Prof. Cooper)) and Connecticut (testifying on data-driven social policy innovations (Wilkinson), and utility pricing (Prof. Listokin))
- The City of New Haven on education, small business, and economic development
- The Ohio Governor's Office and state agencies on nursing home safety, testing, higher education and early childhood policies

## Bringing Yale Economics into the Public Conversation: Media Successes

Tobin Center-supported research, work, and expert contributions have been covered by media on 279 occasions. A large share of the coverage has been on the UI expansion research. The Center executed a media campaign responsible for 180 media references so far. Other research has been covered, typically thanks in whole or part to Tobin efforts, on 86 occasions across 15 pieces of research. Most notable among these in terms of instances of coverage has been the childcare study (31), followed by the collected efforts of Zack Cooper Health Policy research and commentary (18). We are in the process of tracking non-research expert commentary coverage and have tracked 13 instances to date.

Of the total 279 total media references, 123 appeared in prominent national outlets.

- 51 appeared in the most important national outlets (WSJ, NYT, Post, ABC, CBS, NBC, CNN, MSNBC, CNBC, Fox, AP, NPR)
- another 72 in other prominent or strategically important outlets (like The Economist, LA Times, Chicago Tribune, Politico, Time, Axios, BuzzFeed, The Hill, The Guardian, and Vox)

## Helping Shape the Future of the Profession: The Tobin Predoctoral Program

The Tobin Center/Economics Predoctoral Fellows Program has been early proof of the value the Tobin Center can bring in creating the conditions necessary for increased data-intensive, policy relevant research at Yale. Now starting its second year, the “PreDoc” program saw even higher levels of faculty demand. The program advances two key goals for the Tobin Center:

(1) The program helps to overcome a key barrier to data-intensive, policy-relevant economics research. Recent economics graduates with data analytics skills are increasingly essential to this scholarship. Finding, recruiting, and onboarding these fellows is complex and time consuming for individual faculty members.

(2) Through the program, we intend for Yale to contribute to the future of economics, infusing a critical mass of data-experienced young economists into the field while also increasing the presence of underrepresented minorities, bringing vital new perspectives to the profession stemming from different backgrounds and experiences. The Tobin Center has had success on this measure.

Across two years of recruitment and two rounds of admissions, the Tobin Center has onboarded 59 PreDocs. Last year they have supported 25 faculty members. There are currently 45 active PreDocs this year (24 are new, 21 continuing) supporting 34 faculty. Last year the PreDocs contributed to 56 unique pieces of faculty research. Six have entered Econ PhD programs so far.

The Center’s distinctive emphasis on applied economics and real-world impact may help attract a broader audience of recent graduates by providing opportunities to engage with the numerous ways economics can improve society. An illustrative list of research topics on which PreDocs are working:

- Inequality and technology
- Macro trade policy and protectionism
- Economic development implication of foreclosures and vacancy
- Savings and economic mobility
- Rising infrastructure costs over time
- Parental decision making and child outcomes
- Racial disparities in economic outcomes
- Effectiveness of unilateral carbon policies

The program continues to be led by the Tobin Center’s Director of Research Support, Rebecca Toseland, who for several years oversaw Raj Chetty’s PreDoc teams at Harvard and Stanford. This summer, the program was highlighted (and Dr. Toseland was quoted) in The [Economist](#).

## Expanding Resources to Advance the Mission: Resource Development

The Tobin Center’s founding mandate is ambitious: to become “an essential point of reference and a leading voice in the discussion of the great U.S. public policy issues of the day.” We believe we have made noteworthy strides towards realizing this vision. At the same time, we know that achieving this mandate calls on us to broaden our topical coverage and expand our reach in media and policy. It further requires working internally at Yale to increase the university’s capacity to support data-intensive, policy-relevant work. Finally, it calls on us play a meaningful role in helping to increase demand in government and the media for evidence-based policy and fact-driven national conversation. We believe that while the Tobin Center is currently exceeding what many might expect of a small team, our success has been accelerated by our response to the current crisis, and tremendous willingness of faculty, students, media, and policymakers to engage in different ways with our efforts. Sustaining our level of success beyond the immediate crisis while amplifying our impact will require greater capacity and resources.

Covering critical fixed costs, such as maintaining high quality staff, can present a challenge when an organization is overly reliant on funding sources (such as foundation grants) that are likely to vary in source, emphasis, and amount overtime. Looking ahead, to achieve a stable level of research across key issues and impactful presence in the policy arena, the Tobin Center will seek to build a more robust foundation so that it may better pursue its mission.

## V. Conclusion

The mission of the Tobin Center – bringing to bear the considerable intellectual resources of Yale Economics on domestic policy – is as relevant as ever. The newest and smallest of the three centers affiliated with the Department, over the year ahead, the Tobin Center team hopes to sustain its efforts and discover new ways to support faculty and students for impact.

In our inaugural year as a staffed enterprise, the economic, social, and health impacts of the pandemic called on us to accelerate and intensify our efforts. We saw pent up demand among faculty and students to act. We saw communities and policymakers needing help in taking on

unprecedented challenges. We saw researchers asking profound questions that could yield insights on how respond to the crisis, but in need of resources to do so.

In each of these cases we felt that Tobin Center could serve as a useful platform, connecting the Yale community with policymakers to ask and answer the questions that help address the many challenges presented by the pandemic. As a startup we were able to be nimble in doing so. The lessons from our experience will substantially inform our strategy going forward.

Since the challenges presented by COVID-19 – including the economic and social recovery – will endure for some time, we expect pandemic response may remain a focus for the Center for some time. Ideally it is a diminishing one as the virus comes under control.<sup>3</sup>

As a result of our efforts to date, we have learned a good deal about where and how we can have impact. The Tobin Center has shown significant results for its efforts in both research and policy. We have begun to build a public profile with key sectors of the media and become a valued partner to important policymakers in government. The Center has also become recognized across Yale as a responsive and action-oriented enterprise and convenor. Each of these elements of progress serve as building blocks that we hope will expand capacity for impact going forward.

In the year ahead, we will continue to learn from our experience responding to the pandemic. We will also take these lessons to other research and policy efforts, both today and into the future.

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<sup>3</sup> Though it is worth noting that much of our research and policy work in response to the pandemic has potential for lasting impact beyond the current crisis.