

CENTRE FOR THE
MICROECONOMIC ANALYSIS
OF PUBLIC POLICY

IFS

E·S·R·C
ECONOMIC
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RESEARCH
COUNCIL

ANNUAL REPORT

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E·S·R·C Centre for the
Microeconomic Analysis of Public Policy
at the Institute for Fiscal Studies

ANNUAL REPORT 2005

In 1991, the ESRC and IFS created a new centre of academic excellence in microeconomic research – the Centre for the Microeconomic Analysis of Fiscal Policy. This Centre was renewed in 2001 and, reflecting the broader remit of research that had developed over the first decade, it was renamed the Centre for the Microeconomic Analysis of **Public Policy**, **CPP**. We are delighted that the ESRC has agreed to fund the Centre for a further five years, starting in 2005.

Research at the Centre falls into six broad themes: labour supply and retirement; education and human capital; competitiveness, productivity and firm performance; consumer demand, competition policy and new goods; dynamics of inequality, saving and wealth; and public finances.

Alongside its research, the Centre promotes academic dialogue in its subject areas, serves as a training centre and conveys findings to policymakers with enough clarity to influence decisions. By organising conferences, providing a base for foreign visitors, sponsoring young scholars and providing media briefings, and through its network of Research Associates and Fellows, the Centre strives to be a national and international resource.

This report reviews the Centre's work for the calendar year of 2005 and presents an account of ongoing research activity including future developments.

Editors: Steve Bond and Emma Hyman
Copy-editor: Judith Payne

E·S·R·C Centre for the Microeconomic Analysis of Public Policy

The Institute for Fiscal Studies
7 Ridgmount Street
London WC1E 7AE
Telephone: +44-(0)20-7291 4800
Fax: +44-(0)20-7323 4780
mailto:mailbox@ifs.org.uk
<http://www.ifs.org.uk/esrc>

ANNUAL REPORT

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RESEARCH CENTRE STAFF 2006

THE MANAGEMENT TEAM

Centre Director	Richard Blundell
Centre Co-Directors	Orazio Attanasio
	Stephen Bond
	Rachel Griffith
	Costas Meghir
IFS Director	Robert Chote
IFS Deputy Directors	Carl Emmerson
	Rachel Griffith
IFS Deputy Research Director	James Banks

RESEARCH PROGRAMME DIRECTORS

Consumption Sector	Laura Blow
Direct Tax and Welfare Sector	Mike Brewer
Education, Employment and Evaluation Sector	Alissa Goodman
Productivity and Innovation Sector	Helen Simpson
Public and Pensions Sector	Carl Emmerson
Centre for the Evaluation of Development Policies	Orazio Attanasio
Centre for the Economics of Ageing	James Banks
Centre for Early Years and Education Research	Lorraine Dearden

RESEARCH STAFF AND SCHOLARS

Laura Abramovsky	Andrew Leicester
Stuart Adam	Elena Martinez
Erich Battistin	Alice Mesnard
Chiara Binelli	Lars Nesheim
Renata Bottazzi	Zoë Oldfield
James Browne	Matthias Parey
Maria Casanova	Ximena Quintanilla
Haroon Chowdry	Jonathan Shaw
Monica Costa Dias	Andrew Shephard
Claire Crawford	Barbara Sianesi
Emla Fitzsimons	Luke Sibieta
Christine Frayne	Gemma Tetlow
Giovanni Gallipoli	Matthew Wakefield
Rupert Harrison	Frank Windmeijer
Alexander Klemm	

POLICY ADVISORY COMMITTEE

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Professor John Ermisch	BHPS, Essex University
Joanne Hindle	Miles Consulting
Jonathan Portes	Department for Work and Pensions
Rosemary Radcliffe	PriceWaterhouseCoopers
Peter Short	HM Treasury

David Ulph

Inland Revenue

RESEARCH CENTRE STAFF

2006

RESEARCH FELLOWS

Mark Armstrong (University College London)
Orazio Attanasio (University College London)
Samuel Berlinski (University College London)
Tim Besley (London School of Economics)
Martin Browning (Copenhagen)
Andrew Chesher (University College London)
Ian Crawford (Surrey)

Michael Devereux (Warwick)
Andrew Dilnot (Oxford)
Richard Disney (Nottingham)

Simon Lee (University College London)
Hamish Low (Cambridge)
David Miles (Morgan Stanley)
Gareth Myles (Exeter)
Ian Preston (University College London)
Stephen Redding (London School of Economics)
Jean-Marc Robin (Paris 1; University College London)
Ian Walker (Warwick)
Robert Walker (Nottingham)

RESEARCH ASSOCIATES

Jérôme Adda (University College London)
Dan Anderberg (Royal Holloway)
Abigail Barr (Oxford)
Walter Beckert (Birkbeck College)
Pedro Carneiro (University College London)
Christian Dustmann (University College London)
Marco Francesconi (ISER, Essex)
Amanda Gosling (Essex)
Jonathan Haskel (Queen Mary and Westfield)
Valérie Lechene (Oxford)

Stephen Machin (University College London)
Gillian Paull (IFS)
Nicola Pavoni (University College London)
George Smith (Oxford)
Sarah Smith (London School of Economics)
Stephen Smith (University College London)
Teresa Smith (Oxford)
Måns Söderbom (Oxford)
Kathy Sylva (Oxford)

INTERNATIONAL RESEARCH ASSOCIATES

Jaap Abbring (Tinbergen Institute)
Philippe Aghion (Harvard)
Gordon Anderson (Toronto)
Manuel Arellano (CEMFI)
Andrew Bernard (Tuck School of Business, Dartmouth)
Olympia Bover (Bank of Spain)
Agar Brugiavini (Venice)
David Card (Berkeley)
Kevin Denny (University College, Dublin)
Bill Gale (Brookings)
David Green (UBC)
Bronwyn Hall (Berkeley)
Dietmar Harhoff (Munich)
James Heckman (Chicago)

Peter Howitt (Brown)
François Laisney (ZEW, Mannheim)
Arthur Lewbel (Boston College)
Thomas MaCurdy (Stanford)
Thierry Magnac (CREST, INRA, Paris)
Mårten Palme (Stockholm)
Susanne Prantl (WZB, Berlin)
Peter Schott (Yale School of Management)
James Smith (RAND)
Tom Stoker (MIT)
Coen Teulings (SEO, University of Amsterdam)
Frank Vella (Georgetown)
Gianluca Violante (NYU)
Guglielmo Weber (Padua)
Fabrizio Zilibotti (Stockholm)

1. EXECUTIVE SUMMARY

April 2005 saw the renewal of the Centre for the Microeconomic Analysis of Public Policy at the Institute for Fiscal Studies, with a further five years of support from the ESRC. We marked this with a launch event at the Institute for Contemporary Arts in London, timed to coincide with the ESRC's Social Science Week, and addressed by Sir Nicholas Stern and Frances Cairncross.

Research at the Centre continues to thrive. By December 2005, all the key milestones planned for the first full year of the new Centre had already been achieved. These include the completion of research in areas such as labour supply and retirement behaviour; evaluation of education and training programmes in the UK, and the *Familias en Acción* programme in Colombia; the effects of competition and entry on innovation and firm performance; and the effects of recent dividend tax reforms in the UK. They also include the development of important new data resources, such as matched pupil-level and school-level data, and new consumer panel data with rich information on purchases made and prices paid by individual households.

Two highlights of our research agenda, on the design of tax credits and the use of the new consumer panel data-sets, are described in Section 3. Progress during 2005 across the Centre's full research programme is summarised in Section 5. Scientific papers were published in a number of leading international journals, including the *Review of Economic Studies*, the *American Economic Review* and the *Journal of Political Economy*. Research Fellow Jean-Marc Robin was honoured during the year with the award of the prestigious Frisch Medal from the Econometric Society.

Centre researchers also published accounts of their research findings in journals aimed at a wider audience – for example, on the Russian 'flat tax' reform in *Economic Policy* and on pension reform and the effects of early education interventions in the IFS journal *Fiscal Studies*. Staff made major contributions to IFS Reports, Commentaries and online Briefing Notes, on issues such as higher education funding, R&D tax credits, and developments in poverty and inequality in Britain.

The 2005 general election provided a major opportunity to inform the public policy debate and to promote the public understanding of social science more broadly. We produced 13 Briefing Notes on key economic and social policy issues, and engaged in extensive discussions with the main political parties and the media. Other important events during the year included the Centre's contribution to the IFS Green Budget, produced this year together with economists from Morgan Stanley; the Centre's contributions to the IFS analyses of the March Budget and the December Pre-Budget Report; and the Centre's provision of evidence for the Turner Report on the future of UK pensions.

August 2005 saw the quinquennial World Congress of the Econometric Society held at University College London. Richard Blundell was Chair of the Local Organising Committee and one of the Programme Committee Chairs. As well as assisting with the organisation, Centre staff arranged a series of lunchtime policy sessions on education policy, monetary policy, policy evaluation and development policy.

The year also saw the initiation of a major new project on the structure and reform of the UK tax system. A committee chaired by Nobel laureate James Mirrlees and including Richard Blundell and Research Fellow Tim Besley, together with Malcolm Gammie and James Poterba, will oversee the preparation of a substantial book on taxation and tax policy. This will be published in 2008 to mark the 30th anniversary of the Meade Report. Centre researchers at all levels will contribute to chapters, together with a distinguished group of invited external co-authors.

This is one of several exciting areas where the ESRC Centre for Public Policy will develop its research agenda to meet the need for authoritative and timely empirical microeconomic research on public policy questions. Section 10 provides more information on our future plans.

2. INTRODUCTION AND OBJECTIVES

We were delighted that, as a result of our successful application to the recent Research Centres competition, the ESRC decided to continue its support for the ESRC Centre for the Microeconomic Analysis of Public Policy for a further five-year period from April 2005. This report covers the Centre's activities during the calendar year 2005, which therefore includes the final period under the previous award and part of the first year under the new award.

The objectives of the Centre for the Microeconomic Analysis of Public Policy remain those set at its inception. The principal aim is to inform debate on the microeconomic effects of public policies, addressing the growing need for sound evaluation and careful analysis of public policy. To do this effectively, the objectives include:

- (i) development and application of cutting-edge microeconomic and microeconomic research methods to analyse the scope for successful policy intervention and to evaluate past and proposed policy changes;
- (ii) provision of highly developed network access to firm-level and household-level databases, with detailed simulation models of how the fiscal system affects individuals and firms;
- (iii) collaboration with leading researchers in related disciplines in other Centres and elsewhere in the UK and abroad;
- (iv) provision of expert training and supervision for younger researchers, giving them close links to the policy arena;
- (v) active dissemination of research findings to a wide range of users in the academic and policy communities, and engagement in the policy debate.

Research at the Centre is deeply rooted in the development and application of rigorous empirical methods to microeconomic data to address topical issues in public policy. All senior IFS staff contribute to the management of the Centre. This provides a highly effective framework for the development and monitoring of new research, the dissemination of our findings to a wide range of research users, and the training and development of younger researchers.

The Centre aims to produce rigorous research findings in areas that are directly relevant to the design and evaluation of public policies. To this end, we engage in regular discussion with the policy community, helped by the long-standing reputation of IFS for independent and authoritative analysis. We draw on the expertise of leading academics in the UK and abroad, in economics and related fields. Many of these are actively involved in the development of research areas, as Research Associates or Research Fellows of the Centre. We host events that include both high-profile academic seminars addressed by top international researchers, and conferences on policy issues that attract much broader interest, as reflected by their coverage in the media. We also present our work at major international conferences and at academic seminars worldwide. In these ways, we strive to maintain both the policy relevance of our research and our leading position in the international research community.

Our research programme is organised in six broad themes: labour supply and retirement; education and human capital; competitiveness, productivity and firm performance; consumer demand, competition policy and new goods; dynamics of inequality, saving and wealth; and public finances. The rest of this report provides more detail of the Centre's output and contributions to the policy debate during 2005.

3. MAIN OUTCOMES OF THE YEAR AND PROGRESS TOWARDS OBJECTIVES

Major research projects have been undertaken in all six areas covered by the Centre for the Microeconomic Analysis of Public Policy. These are described briefly in Section 5 below, with more information available on our website at <http://www.ifs.org.uk/esrc/index.php>. Research highlights in the areas of tax credit policy and the analysis of new consumer panel data are described below. We have also initiated a review of taxation and tax policy in the UK led by Nobel Prize winner James Mirrlees (Cambridge) and co-edited by James Poterba (MIT), Tim Besley (LSE), Malcolm Gammie (Tax Law Review Committee) and Richard Blundell (ESRC Centre, IFS).

All the objectives set out as milestones for Year 1 of the Centre in our application for ESRC funding have been achieved. These include the completion of research in areas such as labour supply and retirement behaviour; evaluation of education and training programmes in the UK, and the *Familias en Acción* programme in Colombia; the effects of competition and entry on innovation and firm performance; and the effects of recent dividend tax reforms in the UK. They also include the development of important new data resources, such as matched pupil-level and school-level data, and new consumer panel data with rich information on purchases made and prices paid by individual households.

The Centre has continued to achieve high standards in the publication of its research in leading scientific journals. Examples from 2005 include:

- Aghion, P., Bloom, N., Blundell, R., Griffith, R. and Howitt, P. (2005), 'Competition and innovation: an inverted U relationship', *Quarterly Journal of Economics*, vol. 120, no. 2, pp. 701–728, May
- Banks, J., Blundell, R. and Emmerson, C. (2005), 'The balance between defined benefit, defined contribution and state provision', *Journal of the European Economic Association*, vol. 3, no. 2–3, pp. 466–476, April–May
- Banks, J., Disney, R., Duncan, A. and Van Reenen, J. (2005), 'The internationalisation of public welfare policy', *Economic Journal*, vol. 115, no. 502, pp. C62–C81, March
- Blundell, R., Chiappori, P.-A. and Meghir, C. (2005), 'Collective labour supply with children', *Journal of Political Economy*, vol. 113, no. 6, pp. 1277–1306, December
- Blundell, R., Dearden, L. and Sianesi, B. (2005), 'Evaluating the effect of education on earnings: models, methods and results from the National Child Development Survey', *Journal of the Royal Statistical Society: Series A*, vol. 168, no. 3, pp. 473–512, July
- Dustmann, C. and Meghir, C. (2005), 'Wages, experience and seniority', *Review of Economic Studies*, vol. 72, no. 1, pp. 77–108, January
- Meghir, C. and Palme, M. (2005), 'Educational reform, ability and family background', *American Economic Review*, vol. 95, no. 1, pp. 414–424, March

Centre researchers also strive to present their research findings to a wider audience. Publications in less technical journals include:

- Attanasio, O., Banks, J. and Wakefield, M. (2005), 'Effectiveness of tax incentives to boost (retirement) saving: theoretical motivation and empirical evidence', *OECD Economic Studies*, no. 39, 2004/2, pp. 145–172
- Banks, J. and Blundell, R. (2005), 'Private pension arrangements and retirement in Britain', *Fiscal Studies*, vol. 26, no. 1, pp. 35–53, March
- Disney, R. and Emmerson, C. (2005), 'Public pension reform in the United Kingdom: what effect on the financial well-being of current and future pensioners?', *Fiscal Studies*, vol. 26, no. 1, pp. 55–81, March
- Goodman, A. and Sianesi, B. (2005), 'Early education and children's outcomes: how long do the impacts last?', *Fiscal Studies*, vol. 26, no. 4, pp. 513–548, December
- Griffith, R. and Harmgart, H. (2005), 'Retail productivity', *International Review of Retail, Distribution and Consumer Research*, vol. 15, no. 3, pp. 281–290, July
- Ivanova, A., Keen, M. and Klemm, A. (2005), 'The Russian "flat tax" reform', *Economic Policy*, vol. 20, no. 43, pp. 397–444, July

The Centre also made major contributions to IFS Reports, Commentaries and Briefing Notes on policy issues, including the IFS Green Budget in collaboration with Morgan Stanley, and:

- Abramovsky, L., Griffith, R. and Harrison, R. (2005), 'Background facts and comments on "Supporting growth in innovation: enhancing the R&D tax credit"', IFS Briefing Note no. BN68, 18 pp., November
- Banks, J., Emmerson, C., Oldfield, Z. and Tetlow, G. (2005), *Prepared for Retirement? The Adequacy and Distribution of Retirement Resources in England*, IFS Report no. R67, 106 pp., October
- Brewer, M., Goodman, A., Shaw, J. and Shephard, A. (2005), *Poverty and Inequality in Britain: 2005*, IFS Commentary no. C99, 61 pp., March

Dearden, L., Fitzsimons, E., Goodman, A. and Kaplan, G. (2005), *Higher Education Funding Policy: Who Wins and Who Loses?*, IFS Commentary no. C98, 83 pp., March

There were also a number of short reports and a briefing note summarising more technical research published about the analysis of cash transfer programmes in Colombia. The ‘report summaries’ look specifically at the impacts of the programme on school enrolment, consumption, and child health and nutrition. The briefing note summarises the whole programme and its evaluation for a policy audience:

Attanasio, O., Battistin, E., Fitzsimons, E., Mesnard, A. and Vera-Hernández, M. (2005), ‘How effective are conditional cash transfers? Evidence from Colombia’, IFS Briefing Note no. BN54, 9 pp., January

Attanasio, O., Fitzsimons, E. and Gomez, A. (2005), *The Impact of a Conditional Education Subsidy on School Enrolment in Colombia*, 14 pp., March

Dissemination of our findings and participation in the policy debate were, as always, central to our objectives for the year. Centre researchers spoke to a variety of audiences about their research; as well as academics, the groups targeted were policymakers, civil society (opposition MPs and NGOs), journalists, business people and the general public.

An important event for communication with all these groups was the general election, which influenced the coverage in the media and the policy debate surrounding events before May, such as the Budget, the release of the Households Below Average Income figures and the debate about higher education funding. Our election activity is discussed at more length below as a dissemination highlight. Another important policy event, about which Centre researchers were able to comment, was the Turner Report on the future of pensions. We published a paper to coincide with the report’s publication, and staff discussed the subject with journalists and other interested parties. The Turner Report serves as an example of our direct engagement with policymaking: Centre researchers met with Adair Turner to present findings and submitted a paper, later published as an IFS Report and cited by Turner.

A number of conferences, seminars and workshops were held during the year, at which Centre researchers played a major part. These included the launch of the Green Budget in January, where Centre researchers and economists from Morgan Stanley presented the results of their collaborative work, and the IFS residential conference about tax and the family. This two-day event involved presentations and discussants from academia, policy, tax law and accountancy. Another major event at which academics and policymakers were brought together was the World Congress of the Econometric Society, covered below as a highlight from 2005.

Research highlights

Two research areas that we highlight here are the work on the optimal design of tax credit policies and the work on the understanding of consumer behaviour and consumer welfare using the new consumer panel data.

Optimal design of tax credit policies

The objectives of our research on tax credit design have been to evaluate the impact and assess the optimality of employment tax credit reforms generally, and to carry out specific analysis for lone parents in the UK. The questions we pose in this research are: what is the impact of such policies and in what sense are they ‘optimal’, i.e. do they constitute a welfare-maximising income transfer programme for low-income people? Much theoretical work has focused on the ‘intensive margin’ of labour supply in the design of optimal tax structures, i.e. do credits encourage workers to work longer hours? But much policy design and especially tax credit design focuses on the ‘extensive margin’ as well as the intensive margin, i.e. do credits encourage people to participate in paid work? If the sensitivity of labour supply decisions to net income differs at the extensive and intensive margins, this observation can make optimal a strategy to transfer more to those in work on low wages than to those out of work, even with welfare weights that decline with income. To assess optimality, we need robust estimates of labour supply elasticities. These are structural parameters. Robust quasi-experimental or experimental methods typically provide estimates of average treatment effects from specific policy reforms, which bear only an indirect relation to the elasticities

needed. On their own, they do not identify all the parameters necessary to assess the optimality of tax credit designs. But we show that these ‘impact’ effects of past reforms can be used to assess the reliability of structural estimates of labour supply parameters. The elasticities derived from our structural model are consistent with this evidence. We find that under reasonable social welfare weights, and given our estimated elasticities, the current tax credit system for lone parents in the UK is arguably close to the optimal design for those parents with school-age children. But for those lone parents with younger children, it is more difficult to make the case for the optimality of the current system.

Consumer behaviour and consumer welfare

One important concern of policymakers is that poor people may be disadvantaged by having to pay higher prices than rich people do for the same goods. This could be for several reasons – poor people may live predominantly in urban areas where prices tend to be higher, or they may lack access to large, out-of-town supermarkets where retail prices tend to be lower (for example, by not owning cars), or poorer people may be more immobile through old age or disability and thus unable to search for lower prices. Such concerns led to a wealth of literature about ‘food deserts’ in the UK. However, standard economic search models might suggest a counter-story, where poorer people have a lower opportunity cost of time and can therefore spend longer searching for lower prices. We use the highly disaggregated nature of the newly available Taylor Nelson Sofres (TNS) consumer panel to analyse this question. We find little overall difference in the prices paid by those in the highest and lowest social classes. Some more persistent differences are found when we look at the prices paid by different household types – older people tend to face higher prices than younger people, single people face higher prices than couples, and those with children face lower prices than those without. We find evidence that older people in particular are disadvantaged. This consumer panel research has also analysed the responses of consumers to sales, in which we examine the extent to which sales simply encourage the consumer to consume more of a good, or to stockpile the good in their homes to take advantage of temporary price reductions. Finally, a key part of this work is to compare the expenditure and demographic information contained in the new consumer panel with that available in other data sources. This validation exercise will be particularly useful in understanding where and why the TNS is particularly good or bad at capturing expenditure accurately, and the extent to which the data are representative. Some initial comparisons of the TNS data and the well-established Expenditure and Food Survey (EFS) have shown that whilst TNS captures the lower part of the spending distribution well, it does less well at capturing the upper part, suggesting that higher-income households may be under-represented. We plan to do considerably more work not only comparing the TNS with EFS data but also examining demographics compared with the 2001 Census and demographic transitions compared with those seen in the British Household Panel Survey (BHPS).

Dissemination highlights

Two areas of our dissemination activities during 2005 that we highlight here are our contributions to discussions during the general election, and our organisation of events at the Econometric Society World Congress.

Election 2005

Our busiest period during the past year was around the general election. Centre support for research, augmented by extra funding for this purpose, gave us crucial resources needed to conduct timely analysis of issues and to make our findings available to a broad audience. With the aim of contributing to a more informed public debate, we published detailed briefing papers on 13 key economic and social policy topics.¹ In each case, we analysed the government’s record to date in

¹ These were: public finances; public spending; taxation; winners and losers from tax and benefit changes; living standards, inequality and poverty; business taxes; productivity policy; employment; higher education participation and funding; childcare, early education and the work–life balance; and pensions and saving. See <http://www.ifs.org.uk/election/index05.php> for details.

historic and international context, as well as comparing rigorously the proposals of the three main parties. The briefings were downloaded about 11,000 times in April and May, were very widely discussed in the media (and blogosphere) and were referred to often in the campaign.

We were also called upon frequently to comment on policy issues and to referee sometimes highly charged arguments between the political parties. We have received a great deal of positive feedback on our work over this period; staff worked hard to maintain the quality and integrity of their outputs at a time when they were under enormous formal and informal pressure from spin doctors and politicians on all sides. In the two months running up to the election, IFS staff gave 88 TV and radio interviews and were cited over 300 times in the written media – significantly more even than in 1997 or 2001. (The annual figure for written media citations for IFS averages around 600 in recent years.) Centre staff also contributed to the ‘Fact-check’ website set up for the election campaign by Channel 4.

World Congress of the Econometric Society

The World Congress of the Econometric Society 2005 was held at University College London in August. Richard Blundell was Chair of the Local Organising Committee and one of the Programme Committee Chairs. IFS contributed to the event by helping with several aspects of the organisation, including producing the event handbook and working on the logistics of mapping and signage throughout the campus.

Centre staff also arranged a series of policy sessions, sponsored by the ESRC Centre and by Blackwell Publishing, the publishers of the IFS journal, *Fiscal Studies*. The topics chosen for the sessions were education policy; monetary policy in Europe; well-being and policy evaluation; and development policy. Speakers and discussants at these sessions included key policymakers and leading academics who were attending the conference; the sessions were attended by a mixture of academics, policymakers and journalists. The presenters included James Heckman (University of Chicago), Alan Krueger (Princeton University) and Anthony Venables (Department for International Development).

4. MAIN ISSUES, PROBLEMS AND ACTIONS TAKEN DURING THE YEAR

There were no significant problems to report during the year.

5. BRIEF REPORTS ON RESEARCH

A. Labour supply and retirement

Research in this theme has covered a number of areas. We have made substantive progress in understanding the mechanism by which labour supply can and does adjust to tax and welfare incentives. We have made substantive progress in our modelling of the labour supply impacts of the new tax credits and have also developed an empirical approach for assessing the optimal design of such tax credits. We have also focused on understanding the qualitative and quantitative importance of any general equilibrium feedbacks from policy reform across the wider economy. Finally, we have provided the first reliable measures of pension wealth and pension incentives for the UK using the newly collected English Longitudinal Study of Ageing (ELSA) data.

A central tenet of the canonical labour supply model is that workers have flexible choices over hours of work, selecting their desired level at any given wage. A number of studies have argued that there is not free choice of hours within a job and that there is limited choice across jobs. The question we have sought to address is: where do most labour supply adjustments take place? Our strategy has been to use the sequence of tax credit policy reforms that directly affected the labour supply incentives of specific groups of individuals to assess the degree of flexibility of hours changes within and across jobs. In work co-funded by the DTI, we find that the mechanism by which the labour supply adjustments were made occurred largely through job changes, rather than hours changes with the same employer. These results are confirmed when we look at hours changes by stated labour supply preferences.

As part of our analysis of tax credit reforms and the labour market impact of welfare reforms more generally, we have made a detailed study of the impact and optimality of the working families' tax credit – an earned income tax credit programme introduced in 2000 for low-income families with children in the UK. For this, we have developed a new structural simulation model and assessed its reliability by simulating the difference-in-differences effects of tax credit reforms. The structural model is then used to examine the optimality of the tax credit design and uncover the implied social welfare weights. This work was co-funded by HMRC.

In addition to this work on the impact of reforms on current labour market outcomes, we have begun to develop a stochastic general equilibrium model to understand how the tax system and welfare-to-work programmes affect important life-cycle decisions and the market as a whole, separating the distributional, insurance and efficiency impacts once feedback effects have been accounted for. The analysis focuses on the UK tax credits within a realistic institutional background. These policies affect incentives to save, work and invest in human capital, changing the whole life-cycle profile of affected individuals. Direct effects are expected to vary widely across individuals in ways that depend on individual and household characteristics. Feedback effects are expected to the extent that these are large-scale policies, directly affecting a large proportion of the population. Further work on general equilibrium policy evaluation will be supported by a specific ESRC research grant.

The past year was an important year in the development of government policy on the child and working tax credits. After mounting concern that the recovery of overpayments of tax credits has been leading to, at best, confusion and, at worst, genuine hardship amongst some low-income families with children, the government announced two sets of changes to the rules that determine how overpayments are generated and how they are recovered. Our research has analysed possible future policy directions for tax credits. Based on this work, we have given written and oral evidence to the Treasury Select Committee inquiry into the administration of tax credits.

Finally, we should mention the work on retirement using the new ELSA data. These data are being used to investigate the role of both financial incentives and health in determining individual retirement decisions. The first stage of this work has involved computing pension income for each individual for each possible retirement age. This highlights the extent to which individuals remaining in paid employment can boost their retirement incomes, and how this varies by the type of pension arrangement that an individual has: specifically, whether they are a member of a final

salary pension scheme, a defined contribution pension scheme or an average salary pension scheme (such as the State Second Pension (S2P), previously known as the State Earnings-Related Pension Scheme (SERPS)). These calculations are now complete, and we are now able to start estimating models of retirement decisions (using labour market transitions between the first wave of ELSA data, from 2002, and the second wave of ELSA data, from 2004). In particular, we will carefully document the types of transitions from full-time employment to retirement that are observed in the data and examine the role of financial incentives and health (both level and changes) in explaining those transitions.

B. Education and human capital

Our research on the long-term impact of early education in the UK reached some interesting conclusions, suggesting that early interventions can have long-lasting positive effects on children's cognitive development. Using data from the 1958 cohort study, we found positive effects of pre-compulsory schooling on children's test scores up to the age of 16, on the probability of obtaining qualifications, and on the probability of being employed at age 33. These findings are particularly relevant given the emerging focus of government policy on the importance of early childcare. This work was co-funded by HM Treasury's Evidence Based Policy Fund, has been discussed with other government departments such as the Department for Education and Skills (DfES) and was widely reported in the national press.

Factors such as birthweight and length of gestation, which have consistently been shown to have important effects on later child outcomes including educational attainment, show significant variation across ethnic groups. Other research co-funded by HM Treasury's Evidence Based Policy Fund has considered how policy interventions may be able to reduce these ethnic differences in child birth outcomes – for example, by reducing the proportion of underweight Asian mothers and overweight black mothers, and by encouraging more attendance of ethnic minority women at antenatal classes.

Non-cognitive skills, such as interpersonal skills and self-confidence, are potentially important for labour market success and many other aspects of life. Centre research, co-funded by the Centre for the Economics of Education (DfES), has analysed the determinants and consequences of one aspect of non-cognitive skills – namely, social adjustment – at ages 7 and 11, using data from the National Child Development Survey (NCDS). We found that social skills are important for a host of outcomes, including school attainment and social outcomes such as teenage motherhood and involvement in crime, and also for labour market outcomes. The early home environment is very important in determining social skills, and social skills appear to be more malleable than cognitive skills between the ages of 7 and 11, suggesting a potentially important role for policy.

Centre research has evaluated a major government pilot programme, the Employer Training Pilots, aimed at increasing qualification-based learning amongst low-qualified employees. This work used unique workplace- and employee-level data to assess the impact of the policy on the take-up of training. Centre funding and resources allowed this evaluation to incorporate data on employees from the UK Labour Force Survey. Comparing developments in the pilot areas, before and after the implementation of the programme, with those in a set of comparable control areas suggested very small and generally statistically insignificant effects of the pilot schemes.

Other research on education, supported by the Nuffield Foundation, has developed methods to model the distribution of lifetime earnings for university graduates. This research allowed us to present a detailed analysis of proposals for higher education funding reform from each of the main political parties in the run-up to the 2005 general election.

Centre funding has also supported an evaluation of the effects of a large-scale welfare programme in Colombia, known as *Familias en Acción*, on school enrolment and on child health and nutrition. This programme has been successful at improving these dimensions of children's human capital: it has increased school enrolment rates, particularly of children aged 14 and above; it has substantially

reduced the occurrence of diarrhoea amongst infants and increased the percentage of children with an up-to-date schedule of preventive healthcare visits; and it has improved the longer-term nutritional status of young children, as measured by their height-for-age. Overall, our research indicates that the programme has considerably increased total household consumption, particularly of protein-rich food.

C. Competitiveness, productivity and firm performance

Despite the growing importance of the service sector, there has been little research on the productivity and performance of service sector firms, reflecting a lack of suitable data. Using funding under the ESRC/EPSRC AIM Initiative, Centre researchers have purchased and developed several commercial data-sets with information on the retail food market. These include detailed data on individual consumer purchases, characteristics of individual stores and information on the local economic environment. These have been used to estimate the cost of restrictive planning regulations introduced in the UK in 1996, modelled as a component of the fixed costs that influence supermarket entry into different store formats. We find that this planning change had statistically significant but economically small effects by increasing barriers to entry for large supermarkets. Related to this project, Centre researchers ran a two-day workshop for HM Treasury, the DTI and the Competition Commission on evaluating the nature and extent of competition in UK retail markets. Other research is using internal data from individual firms in the wholesale and retail sectors to study the impact of different performance incentive schemes on branch performance.

Research at the Centre has developed theory and empirical evidence on the relationship between technology and firms' organisational form. Firms tend to prefer vertical integration with suppliers when the more technologically advanced activity is carried out by the producer. But outsourcing may be optimal when the supplier is the more technologically advanced of the two, as it gives the supplier greater incentives to invest in technological improvements. Related work has considered the impact of information and communication technology (ICT) on firms' decisions to outsource business services, assessed the benefits to the UK from increased international trade in services, and provided evidence on the importance of innovation in service sectors and on the role played by foreign firms.

A major area of research has been the relationship between product market competition, innovative activity and economic performance. A project carried out with the European Commission analysed the impacts of both product market competition and labour market institutions, using differential changes in regulations across OECD countries in the 1980s and 1990s to identify the effects of liberalisation. The findings suggest that increased product market competition reduces unemployment, and does so by more in countries with labour market institutions that increase workers' bargaining power. Related analysis of the EU Single Market Programme suggests that these reforms increased product market competition, with a subsequent increase in innovation intensity and productivity growth.

Research co-funded by the Gatsby Charitable Foundation has investigated the relationship between the location of university research departments and private sector R&D labs. Combining establishment-level data on R&D with information on the research quality of university departments, we find evidence of geographic co-location in several sectors. The strongest evidence is for pharmaceuticals R&D, which is located disproportionately near to high-quality chemistry departments. The relationship is even stronger for labs owned by foreign multinationals, suggesting the results are not driven purely by university spin-outs, and consistent with multinational firms sourcing technology internationally.

Other research is investigating differences in trade patterns – for example, the UK and the US differ greatly in terms of where their imports originate. Likely reasons include both geography and policy, e.g. differences in UK and US tariff structures. We are assembling a new and very detailed product-level data-set on UK import tariffs, matched with product-level data on trade flows. This will be combined with similar US data in a comparative econometric analysis.

D. Consumer demand, competition policy and new goods

Data purchased with funding under the ESRC/EPSRC AIM Initiative provide detailed longitudinal information on purchases of many consumer goods by a large number of households. We are working with colleagues in the US, Denmark, France and Spain who are developing similar data-sets.

Centre research is investigating the effects of temporary price reductions on consumer behaviour. Consumers increase purchases when prices are temporarily reduced, which could reflect either an increase in the level of consumption or stockpiling for future consumption. Combining information on amounts purchased, the price reduction and the time to the next purchase allows us to quantify the relative importance of these consumption and stockpiling effects. We consider how this varies across goods that are more or less perishable and across households that face different storage costs and transport costs.

A particularly valuable aspect of this new consumer panel data is information on the actual price the household paid for each good purchased. We have used these data to begin looking at the question of whether different household types pay systematically different prices for the same or similar goods, and if so why. For example, can it be linked to different households' ability or willingness to search out lower prices, either because they have differing time costs of search and/or because there are some less mobile groups (older people, people without cars) who find it more difficult to access out-of-town supermarkets which tend to have lower prices?

Joint research with Ian Crawford (Surrey) explores the empirical implications of different functional structures in consumers' preferences. This year, we have built on our previous analysis of static models of consumer behaviour (latent separability and characteristics models) to consider intertemporal consumption models. These include the life-cycle rational expectations model, the rational addiction model and the hyperbolic discounting model. Work is at an early stage but we have already established simple, finitely computable tests for the consistency of consumer panel data with these models, and developed methods of identifying the features of these models whenever the data and the model are rationalisable. We have also shown that the hyperbolic discounting model (which relates to self-control problems by consumers) may be non-parametrically indistinguishable from the rational addiction model (which relates to addictive behaviour by relaxing intertemporal separability).

Other joint research, with Martin Browning (Copenhagen) and Ian Crawford (Surrey), investigates how non-parametric statistical methods can be combined with the non-parametric theoretical structure of the economic theory of consumer behaviour to predict consumer choices when faced with new relative price situations. Given data on a consumer's previous choices, the prices they faced and the relationship between their budget and their spending patterns, we ask what set of goods and services the consumer will buy when faced with an entirely new price/budget combination. We show that it is possible to identify a set of possible consumption choices given the information at hand and the non-parametric restrictions implied by economic theory. We also show how to recover the set of demands that is, in a clearly defined sense, the smallest possible set given the data and information contained in them. Another way to put this is that this is the best a researcher can possibly do without more data or without making parametric assumptions about the consumer's preferences.

Centre researchers, joint with Robert Hamilton (Bank of England), have examined the relationship between house prices and consumption at a time when concern has been expressed that a sudden slowdown in house price inflation would have implications for consumer spending and the wider economy. Several different explanations can be put forward for the observed correlation between house prices and consumption: housing is a part of people's wealth, such that higher house prices generate higher expenditures; increases in house prices raise homeowners' collateral to borrow; or house prices and consumption are linked by some third, unobserved factor such as expectations about future income growth. Using data from the Family Expenditure Survey, this work found that the relationship between house prices and expenditure is greatest for young people rather than the

elderly, and that, in terms of their spending, those who own their houses react in the same way to higher house prices as those who rent. These results suggest that neither the wealth nor the collateral channels are the most important explanations for the link between house prices and consumption. Otherwise, we would expect the elderly, who can best exploit higher housing wealth by trading down, to react more and homeowners, who see borrowing constraints relaxed, to react more than renters. Instead, the likeliest explanation for the observed link is some common causal factor.

E. Dynamics of inequality, saving and wealth

In 2005 we again produced our annual report into income inequality and poverty, *Poverty and Inequality in Britain: 2005*, timed to coincide with the release of the government's official low-income statistics for 2003–04. Our analysis focused on two main issues arising from the new data. First, why had average income growth been so low in the last year? Here, our work considered the impact of tax rises in April 2003 on household incomes. Second, we considered why child poverty had fallen much less than many commentators had been expecting between 2002–03 and 2003–04, examining in particular the extent to which administrative problems with the new tax credits could explain the smaller-than-expected fall in child poverty. We also considered the implications of this unexpectedly small reduction in child poverty for the ability of the government to meet its 2004–05 child poverty target. Our analysis of these issues received widespread media coverage.

Centre funding allowed us to extend research, supported by the Joseph Rowntree Foundation, investigating how measures of poverty in Britain evolve differently when household expenditure rather than household income is used to measure material well-being. The motivation for this is that spending is likely to provide a better picture of long-run financial circumstances than income. We found some important differences in patterns of income poverty and spending poverty in recent years. For example, across the whole population average poverty rates using spending have gone up since 1996–97, whilst relative poverty rates using income have fallen. Whom we think of as being poor also differs depending on whether we use income or expenditure as a guide. Pensioners appear poorer based on their spending than on their income, while the self-employed and the unemployed seeking work are less likely to be classed as poor when considering their spending rather than their income. We also tested whether the series of increases in benefits and tax credits for pensioners since 1999, which affected different pensioners differently according to their income, disability status and age, had led to changes in pensioner expenditure. We found that these benefit increases have led pensioners to spend significantly more, particularly on non-essential items (i.e. items other than food or fuel).

Centre funding also allowed us to develop methods for simulating lifetime earnings distributions using copulas. Co-funded by the Nuffield Foundation, this research obtains estimates of the distribution of lifetime earnings for different groups of individuals in the UK. We introduce a new method for modelling non-linear earnings growth that is flexible, simple to estimate and able to capture the important features of earnings dynamics highlighted by the existing literature. Importantly, unlike linear models, the copula methodology only requires panel data covering two time periods for identification. Our results point to large differences in lifetime earnings distributions for observable groups in the UK. This work has been used in our analysis of the effects of higher education funding reforms.

With regard to measures of wealth and wealth inequality, our research this year focused on providing important new evidence on the distribution of wealth among the population approaching state pension age. Using data from the English Longitudinal Study of Ageing (ELSA), designed specifically for this purpose by Centre researchers, we were able to construct measures of financial wealth, housing wealth and accrued pension wealth which we have both described in detail and deposited in the UK Data Archive for future users of ELSA data. This evidence was extensively presented in policymaking and academic circles, and has proved to be influential in the debate about inequalities in retirement wealth. In the run-up to the Pensions Commission's second report, we launched a detailed analysis of the distribution of pension wealth among those aged between 50 and

the state pension age, how it varies with other sources of wealth from which consumption in retirement could also be financed, and how many people might be considered to be at risk of having 'inadequate' retirement resources. Knowledge gained during this survey design and data analysis process has been put to use in a broader capacity: over the course of this year, Centre researchers have advised the design teams for the ONS Wealth and Assets Survey, the British Household Panel Survey and the MRC National Child Health and Development Study (1946 cohort) on issues related to the measurement of the distribution of income and wealth.

F. Public finances

Our annual Green Budget, published in January 2005, was co-funded for the first time by Morgan Stanley. In our analysis of the evolution of the public finances, we developed further our approach to estimating not only point estimates of fiscal aggregates but also the magnitude of the risks to those forecasts. For the first time, we published fan charts for our fiscal projections for both the current budget deficit and public sector net debt – the measures of borrowing and debt used by the Treasury to assess compliance with its fiscal rules. These fan charts are very similar in spirit to those used by the Bank of England when presenting its projections for inflation and growth. The analysis published in the Green Budget also argued the case for adopting a more forward-looking interpretation of the 'golden rule' for borrowing over the cycle. This argument was reinforced by the Treasury's decision to re-date the beginning of the current economic cycle from 1999 to 1997, which was subsequently announced in July 2005. This decision increased the margin with which the 'golden rule' was expected to be met over the current cycle by £12½ billion, despite the fact that it left the medium-term strength of the public finances unchanged.

In the run-up to the May 2005 general election, Centre researchers also produced analyses of both the Labour government's economic record to date and the fiscal implications of each of the major parties' proposals for reform going forwards. This research, which was co-funded through a specific ESRC grant, was made widely available through a combination of press releases when specific announcements were made, a series of Election Briefing Notes published during the election campaign, and two press briefings held at IFS. Analysis examined a range of policy areas including: winners and losers from each of the parties' proposed reforms; taxation; public spending; inequality and poverty; business taxes; productivity; employment; higher education; childcare; and pensions and saving.

6. DISSEMINATION AND ENGAGEMENT STRATEGY

This section describes our strategy for dissemination and engagement with non-academic communities. The Centre plays a pivotal role in IFS's contribution to public policy debate and the wider dissemination of its research findings.

As always, Centre funding has given us the crucial resources we need to analyse issues as they arise and respond quickly to current debates. Through interaction with policymakers and the press, we aim to bring our research to bear on policy issues, often by picking up on the debate surrounding a policy event. An obvious dissemination highlight was the election, but researchers were also busy talking to the media and political parties around the Budget and the Pre-Budget Report, often drawing on the research prepared for our Green Budget report. For the first time in 2005, the Green Budget was co-funded by Morgan Stanley, who also contributed to the analysis with macroeconomic forecasts. At the appropriate times during the year, press releases or Briefing Notes were published on the IFS website about each of these subjects.² We continued to release monthly public finance bulletins, which are now sent to over 500 recipients. In place of our previous occasional newsletter, we started to produce a quarterly e-newsletter.³

To ensure that Centre research is influential at the highest level, members of staff meet regularly with civil servants and MPs to discuss current policy questions; several Centre researchers have given oral and written evidence during the year to government select committees, and one, Carl Emmerson, continues to act as a specialist advisor to the Work and Pensions Select Committee. During the period leading up to the election, researchers met and regularly spoke on the telephone with MPs and their advisers from opposition parties to advise them on the economic and tax policies in their proposals.

We also received a large number of delegations from foreign governments, mostly organised through the Foreign Office. These included visits from the OECD, the IMF, the European Commission and representatives from Brazil, Bulgaria, Chile, China, Japan, Russia, South Korea, Sweden, Taiwan and the US.

As mentioned above, the general election, together with the preceding Budget, constituted a focus of policy analysis and media attention during the year. With additional ESRC funding and careful strategic planning at the start of the year, Centre researchers produced a series of Briefing Notes on important areas of public policy. We addressed Labour's performance in these areas since 1997 and compared the three main parties' manifesto pledges for each topic. Staff gave presentations at several briefings, and the notes were released online and disseminated via email. Throughout the campaign, Centre researchers responded to announcements by the parties with press releases – for example, about the Conservatives' proposals for higher education spending or the Liberal Democrats' tax proposals.⁴

Press coverage was particularly high in 2005 because of the election activity, with over 690 print and broadcast appearances during the year. The website received around 440,000 visits during 2005, peaking in March and April, but with significant interest later in the year around the time of the Pre-Budget Report and the beginning of the university terms. Other significant policy events included debate about higher education funding early in the year, analysis of the annual Households Below Average Income figures in March and the launch of the Turner Report in November. Centre research contributed directly to the Turner Report as staff met with Adair Turner and submitted evidence, later published by IFS and cited in the report.

The World Congress of the Econometric Society took place in August, and members of IFS staff were involved in its organisation along with colleagues from the Department of Economics at UCL. The Local Organising Committee was chaired by Richard Blundell, who was also one of the

² More details are provided in Section 3.

³ See http://www.ifs.org.uk/newsletters/newsletter_index.php.

⁴ For more details of our 2005 election coverage, see <http://www.ifs.org.uk/election/index05.php>.

Programme Committee Chairs. The congress provided an opportunity to bring together leading academics with UK policymakers at a series of policy events (more detail is given in Section 3).

7. CAPACITY BUILDING AND RESEARCH ENVIRONMENT

IFS seeks to foster an open, collaborative research environment, where colleagues at all levels of seniority and from different specialisations discuss research questions formally and informally.

Junior staff are given the opportunity to work on all aspects of projects as part of a team with more senior researchers. From the start, researchers are expected to be involved in planning projects and writing up research findings, as well as taking responsibility for detailed data work. Rather than working as research assistants, as is often the case in universities and think tanks, young researchers are treated as equals and become co-authors in research projects in which they are involved. This promotes independent and innovative thinking and encourages researchers to articulate their ideas and findings to a diverse audience with confidence and clarity. Members of staff are also encouraged to develop their research and communication skills by teaching: junior staff take responsibility for delivering an annual series of Public Economics lectures at Oxford and Cambridge; many then go on to take on more regular teaching commitments.

Working together with senior staff allows young researchers to develop their expertise, but off-the-job training is also valuable. During the year, four members of staff completed PhDs and 13 were still studying for their doctorates. A number of staff took part in master classes and training courses run by the Centre for Microdata Methods and Practice at IFS.

Young researchers take an active part in the dissemination of findings, to academic and policy audiences, through informal meetings, presentations at conferences, briefings and direct contact with journalists. During 2005, junior staff were involved in presenting work at briefings at IFS as well as meeting with policy contacts. In 2004, we ran a media training event with Liam Halligan (Channel 4's economics correspondent), which we plan to repeat during 2006 for new staff.

It is important to address the strengths and weaknesses of every researcher individually, encouraging them to develop their skills to the best of their ability at all stages of their career. Staff receive detailed feedback from senior and junior colleagues (a 360-degree review), which helps individuals to take stock of their progress and discuss with their programme director their goals and any problems they are experiencing. Such feedback is valuable for senior staff too.

All members of staff are consulted about strategic research issues. This promotes a cross-fertilisation of ideas throughout the research process. One example of how this is achieved is through weekly internal seminars, where different research sectors present work in progress to their colleagues. We also foster a cooperative style of working through the open-plan layout of our offices; all staff are encouraged to work in the office as a rule, rather than from home, during core hours of the working day. Research Fellows and Associates, academic visitors and seconded practitioners work at desks alongside full-time staff when they are visiting. This enables young researchers to develop a wide network of contacts, which will enhance the quality and relevance of their work as they develop their research interests. During 2005, around 40 visitors, many of whom were leading overseas academics, spent time at IFS, giving seminars and discussing research with a range of Centre staff. These included William Greene (NYU), Whitney Newey (MIT), Charles Manski (Northwestern) and Daniel McFadden (Berkeley).

A commitment to equal opportunities is important in our recruitment and in sustaining an atmosphere in which all staff are happy to work and develop their careers. Compared with many university economics departments, the proportion of women recruited and promoted to senior posts at IFS is high. The gender split is 50:50 at Deputy Director and Programme Director level. Amongst the full-time staff, the proportion of men to women is currently 55:45. We help ensure a balance at all levels by continuing to promote a flexible family-friendly policy, allowing both men and women to adjust working hours according to the needs of their families. At the end of 2005, we increased the generosity of maternity leave for women with more than two years' tenure.

As well as those senior staff still contributing to Centre research, many IFS alumni are working as trained social scientists in a wide range of other institutions. During 2005, Alexander Klemm left to work at the IMF, Frank Windmeijer to become a professor of econometrics at Bristol University and Ian Crawford a professor of economics at Surrey University.

8. KEY PERFORMANCE INDICATORS

As well as providing a commentary on the Key Performance Indicators listed in Appendices 2 and 4, this section comments on progress made towards the milestones set out in the timetable for Year 1 in our application for ESRC Centre funding. We aim to publish appropriate discussions of our findings for academic and policy audiences. During 2005, Research Fellow Jean-Marc Robin (University Paris 1 and UCL) was awarded the prestigious Frisch Medal by the Econometric Society for his paper on wage dispersion.

Substantial research has been completed on joint labour supply responses to the new tax credits (Blundell, Brewer and Francesconi, IFS Working Paper no. W05/21). Related work has already been published (e.g. Blundell, Chiappori and Meghir, *Journal of Political Economy*, 2005).

Research on retirement transitions has focused on using data from the first two waves of ELSA to characterise the relevant financial incentives for individuals and couples (see Section 5A).

Linked pupil-level (NPD and PLASC), school-level and neighbourhood data-sets have been set up and are being used, for example, to investigate the effects of starting school at different ages. Further work is planned to incorporate administrative data on further education from Individual Learner Records.

Research using the first two waves of data collected to evaluate the *Familias en Acción* programme in Colombia has been completed (see Section 5B). A third wave of data is now being collected.

Substantial research has been done in the area of education choice, career progression and wages. Published papers include Blundell, Dearden and Sianesi, *Journal of the Royal Statistical Society Series A* (2005) and Dustmann and Meghir, *Review of Economic Studies* (2005).

We have also completed a lot of work on the effects of competition and entry on innovation and firm performance, and we are extending this research to cover service sector firms (see Section 5C). Publications include Aghion, Bloom, Blundell, Griffith and Howitt, *Quarterly Journal of Economics* (2005) and the book *Competition and Growth* by Research Fellow Philippe Aghion and Deputy Director Rachel Griffith.

Rich consumer panel data-sets have been purchased and developed. These are being used to analyse the effects of temporary price changes on consumer behaviour, as well as to describe variation across households in prices paid for the same goods and services (see Section 5D).

Much research has been done on the effects of house prices on household wealth and consumption (see Section 5D) – for example, Attanasio, Blow, Hamilton and Leicester, IFS Working Paper no. W05/24 and Banks, Blundell, Oldfield and Smith, UCL Discussion Paper no. 04-09.

Finally, our research on the effects of recent dividend tax reforms in the UK has been completed. One paper (Bond, Devereux and Klemm, IFS Working Paper no. W05/17) is forthcoming in A. Auerbach, J. Hines and J. Slemrod (eds), *Taxing Corporate Income in the 21st Century* and was presented at a special session on tax policy at the Royal Economic Society annual conference in April 2005.

Members of Centre staff gave around 67 presentations to non-academic or policy audiences during the year. These included presentations to groups of MPs about the public finances and about pensions, as well as presentations at the BBC to a cross-section of news journalists to help them deal with economic issues. In addition, there were a significant number of presentations to mixed audiences of academics and policymakers, many during briefings, seminars and conferences held in-house at IFS. A good example was the IFS residential conference at New Hall, Cambridge, at which a group of academics and policymakers from the UK and abroad gave and discussed presentations

about tax and the family. Centre researchers contributed to the debate and organised a follow-up conference at IFS later in the year, at which the topic of tax credits was discussed in more detail by a number of internal and external speakers.

A number of Centre staff and Research Fellows and Associates serve on government and NGO advisory committees, where their expertise can be applied to policy issues. For instance, James Banks is a member of the Advisory Group to the UK government Pension Statistics Task Force and the Advisory Group for the Office for National Statistics (ONS) Wealth and Assets Survey; Richard Blundell is a member of the advisory group for the Economic and Social Data Service (ESDS) and the National Longitudinal Data Strategy Committee; Lorraine Dearden is a member of the Sector Skills Development Agency's (SSDA) Expert Advisory Panel on Skills for Business; Richard Disney is a member of the Nurses and Other Health Professionals Review Body; Carl Emmerson is a specialist advisor to the House of Commons Work and Pensions Select Committee; and Rachel Griffith is an Academic Panellist for the Competition Commission and the Treasury's Productivity Team.

Press coverage was particularly high in 2005 because of the election activity, with over 690 print and broadcast appearances during the year. Television interviews included appearances on BBC and ITV lunchtime, early evening and evening news programmes as well as on BBC2's *Newsnight*. Researchers also appeared on the news on Channel 4, Channel 5, BBC News 24, Sky, Bloomberg and a number of local and international channels. Radio appearances included Radio 4's *Today Programme*, *The World at One*, *The World Tonight* and *The World This Weekend*, as well as interviews on Radio 5 Live, the World Service and local radio. Articles and comments written by Centre researchers or citing their work appeared regularly in all of the national daily and Sunday broadsheets, as well as more occasionally in other national newspapers. There were also numerous citations in local newspapers and in magazines such as *The Economist* and the *New Statesman* and in trade journals such as *Public Finance Magazine*. The website received around 440,000 visits during 2005, peaking in March and April, but with significant interest later in the year around the time of the Pre-Budget Report and the beginning of the university terms.

9. SCIENTIFIC REPRESENTATION

Centre researchers at all levels participate in a wide range of scholarly activities. In May 2005, the Centre hosted the UK leg of the *Review of Economic Studies* tour, where outstanding PhD students from around the world presented their research. Rachel Griffith served on the Programme Committee for this tour.

In addition to the Centre's contribution to the organisation of the 2005 Econometric Society World Congress, Centre researchers Orazio Attanasio, Steve Bond, Alex Klemm, Costas Meghir, Barbara Sianesi and Helen Simpson presented research papers at this meeting. Centre staff also participated in a number of other prestigious national and international scientific conferences during the year. Research Fellow Richard Disney chaired the Programme Committee for the Royal Economic Society annual conference held in Nottingham in March 2005. Papers were presented by Steve Bond and Matt Wakefield. Orazio Attanasio organised a workshop on consumption behaviour at the NBER Summer Institute in July 2005. Rachel Griffith was an invited speaker at the European Economic Association's annual congress in Amsterdam in August 2005. Richard Blundell presented the Adam Smith lecture at the joint world meeting of the Society of Labor Economists and European Association of Labour Economists in San Francisco in June 2005. Centre researchers also participated in a number of ESRC Research Seminars, including those on international trade and labour markets, trade in services, and econometrics.

We also participate in a number of major international research networks. Richard Blundell chairs the EU Network for the Evaluation of Labour Market Policies (COST). Barbara Sianesi presented papers during 2005 at Network meetings in Uppsala (May) and in Paris (December). James Banks, Richard Blundell and Carl Emmerson are members of the EU RTN Network on Ageing. Richard

Blundell and Carl Emmerson participate in the International Social Security project run by the NBER.

10. FORWARD LOOK

One exciting development over the next year will be the contribution of Centre researchers to the Mirrlees Report on the structure and reform of the UK tax system. The plan is to produce a major book to be published in 2008, the 30th anniversary of the publication of the influential Meade Committee report. Richard Blundell and Research Fellow Tim Besley (LSE) are part of the main editorial team working with Nobel laureate James Mirrlees (Cambridge) on this project. Centre researchers at all levels will be contributing to chapters, together with a distinguished group of invited external co-authors. Drafts of chapters will be discussed at a conference in September 2006, with complete versions presented at a conference in April 2007.

The Centre will continue to develop cutting-edge research in all areas of its activities. This will include further work on the general equilibrium analysis of income tax and tax credits, and new work on modelling retirement decisions; new research on estimating the returns to education, incorporating recent methodological developments on the implications of measurement error in qualifications attained; new research on schooling policies and pupil achievement, and the extension of matched pupil-school data-sets to include administrative records on further education; development of cross-country firm-level panel data-sets to investigate international productivity differences using micro data, in collaboration with researchers in France, Germany, Belgium, Spain and the Netherlands; further work on the role of ICT in facilitating the restructuring of economic activities; use of new consumer panel data to provide evidence on shopping patterns, with a focus on understanding the nature of competition between supermarkets and smaller convenience stores; new research on changes in consumption around key events such as retirement, and comparing intertemporal consumption behaviour with axioms of rational choice; an assessment of the effect of the new pension regime from April 2006 on retirement saving incentives; and analysis of the key trade-offs in the run-up to the 2007 Comprehensive Spending Review, notably in relation to ageing and pensions and to public service performance and provision.

Targets for 2006 by which the Centre would like its performance to be measured include:

- informing and influencing public debate on important areas of public policy, including the Budget and Pre-Budget Report, and analysis of poverty statistics;
- scientific publications in leading journals across the range of research areas covered by the Centre;
- completion of first drafts of chapters for the Mirrlees Report on the UK tax system.

Our Forward Plan for 2006 includes the following events and activities:

- January: Centre contributions to IFS Green Budget analysis and presentations
- March: analysis of latest Households Below Average Income statistics; Centre contributions to IFS Budget analysis
- April: joint conference on corporate income taxation with European Tax Policy Forum; Centre researchers participate in NBER meeting on international social security reform and in the annual conference of the Royal Economic Society
- May: Centre hosts meeting of the EU COST network on labour market policy evaluation
- June: Centre hosts British Academy conference on institutions and economic policy
- July: Centre researchers participate in the NBER Summer Institute
- August: Centre researchers participate in the Econometric Society European Meeting and the annual congress of the European Economic Association

- September: first conference to discuss contributions to the Mirrlees Report
- December: Centre contributions to IFS analysis of Pre-Budget Report

11. BUDGET ISSUES

There are no budget issues of any significance.

APPENDIX 1: STAFF EMPLOYED DURING THE YEAR

Name	Time spent on Centre work (%)	Grade (December 2005)
Richard Blundell	80%	Research Director
Orazio Attanasio	35%	Programme Director
Steve Bond	35%	Programme Director
Robert Chote	40%	IFS Director
Rachel Griffith	10%	Programme Director
Costas Meghir	70%	Deputy Research Director
James Banks	30%	Programme Director
Laura Blow	30%	Programme Director
Mike Brewer	30%	Programme Director
Ian Crawford	20%	Programme Director
Lorraine Dearden	30%	Programme Director
Carl Emmerson	30%	Programme Director
Alissa Goodman	30%	Programme Director
Stuart Adam	40%	Senior Research Economist
Alice Mesnard	30%	Senior Research Economist
Zoë Oldfield	40%	Senior Research Economist
Barbara Sianesi	50%	Senior Research Economist
Laura Abramovsky	50%	Research Economist
James Browne	25%	Research Economist
Haroon Chowdry	25%	Research Economist
Claire Crawford	50%	Research Economist
Rupert Harrison	50%	Research Economist
Jonathan Shaw	50%	Research Economist
Andrew Shephard	50%	Research Economist
Luke Sibieta	25%	Research Economist
Gemma Tetlow	50%	Research Economist

APPENDIX 2: PUBLICATIONS

Books

- Aghion, P. and Griffith, R. (2005), *Competition and Growth: Reconciling Theory and Evidence*, Cambridge, MA: MIT Press, 128 pp., August, <http://mitpress.mit.edu/0262012189>, ISBN 0-262-01218-9
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Other reports

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- Emmerson, C., Frayne, C., McNally, S. and Silva, O. (2005), *Evaluation of Aimhigher: Excellence Challenge: Economic Evaluation of Opportunity Bursaries*, London: Department for Education and Skills, DfES Research Report no. RR647, 23 pp., July, <http://www.dfes.gov.uk/research/data/uploadfiles/RR647.pdf>, ISBN 1-84478-500-9
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- Battistin, E. and Sianesi, B. (2005), 'Misreported schooling and returns to educational qualifications in the UK', London: IFS, 43 pp., March

- Bernard, A., Redding, S., Simpson, H. and Schott, P. (2005), 'Relative wage variation and industry location in the United Kingdom', London: IFS, 33 pp., July
- Bingley, P., Christensen, K. and Walker, I. (2005), 'Twin-based estimates of the returns to education: evidence from the population of Danish twins'
- Bingley, P., Jensen, V. and Walker, I. (2005), 'The effects of school resources on participation in post-compulsory education in Denmark', London: IFS, 36 pp., August, http://www.ifs.org.uk/docs/school_resources.pdf
- Blow, L., Goodman, A., Kaplan, G., Walker, I. and Windmeijer, F. (2005), 'How important is income in determining children's outcomes? A methodology review of econometric approaches', London: IFS, 62 pp., August, <http://www.ifs.org.uk/docs/methodology.pdf>
- Blow, L. and Leicester, A. (2005), 'Do the poor pay more?', London: IFS
- Blow, L., Walker, I. and Zhu, Y. (2005), 'Who benefits from Child Benefit?', London: IFS, 30 pp., February, <http://www.ifs.org.uk/docs/cb.pdf>
- Blundell, R. and Costa Dias, M. (2005), 'Empirical evaluation methods', London: IFS, 78 pp., June
- Bond, S., Moessner, R., Mumtaz, H. and Syed, M. (2005), 'Microeconomic evidence on uncertainty and investment', London: IFS, 31 pp., February, <http://www.ifs.org.uk/docs/wpinvunc.pdf>
- Dearden, L., Mesnard, A. and Shaw, J. (2005), 'Ethnic differences in birth outcomes in England', London: IFS, 18 pp., April, http://www.ifs.org.uk/docs/ethnic_birth.pdf
- Devereux, M., Griffith, R. and Simpson, H. (2005), 'Firm location decisions, regional grants and agglomeration externalities', London: IFS, 40 pp., December
- Goodman, A. and Myck, M. (2005), 'Parental income and child outcomes: what can we learn from material deprivation?', London: IFS, 18 pp., March, http://www.ifs.org.uk/docs/material_dep.pdf
- Goodman, A. and Sianesi, B. (2005), 'Early education and children's outcomes: how long do the impacts last?', London: IFS, 25 pp., July, http://www.ifs.org.uk/docs/ee_impact.pdf
- Griffith, R., Redding, S. and Simpson, H. (2005), 'Within industry productivity dynamics: technology convergence and persistent dispersion', London: IFS, 47 pp., November
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Software and data

- Leuven, E. and Sianesi, B. (2005), psmatch2 for Stata 9, 'psmatch2: Stata module to perform full Mahalanobis and propensity score matching, common support graphing, and covariate imbalance testing', version 3.0.2, December
- Leuven, E. and Sianesi, B. (2005), film (updated), 'film: Stata module to perform "fully interacted linear matching", a fully interacted linear regression model in which the treatment dummy is interacted with each one of the other regressors', version 1.1.2, January

APPENDIX 3: TRAINING AND CAREER DEVELOPMENT

Off-the-job training for contract research staff in research skills

PhD, Economics, University College London	Ongoing	Laura Abramovsky Chiara Binelli Laura Blow Maria Casanova Christine Frayne Heike Harngart Rupert Harrison Gareth Macartney Matthias Parey Ximena Quintanilla Andrew Shephard Matthew Wakefield
	Completed	Renata Bottazzi Giovanni Gallipoli Alexander Klemm Elena Martinez Sanchis
DPhil, Economics, University of Oxford	Ongoing	Helen Simpson
Policy Evaluation Methods (cemmap course), tutor: Barbara Sianesi, IFS, 7–9 December		Chiara Binelli James Browne Haroon Chowdry Claire Crawford Luke Sibieta
Microsimulation (cemmap course), tutor: Alan Duncan, University of Nottingham, 1–2 December		Chiara Binelli
Testing Stochastic Dominance Restrictions (cemmap workshop), organisers: Thierry Post and Oliver Linton, 4 November		Monica Costa Dias João Montalvão Machado Matthias Parey
Understanding Consumer Behaviour (cemmap master class), tutor: Richard Blundell, UCL/IFS, 16–17 May		Mette Christensen
Empirical Likelihood and Related Methods (cemmap master class), tutor: Richard Smith, University of Cambridge, 15–16 February		Maria Casanova Matthias Parey Marcos Vera-Hernández
Empirical Likelihood (cemmap workshop), organiser: Richard Smith, University of Cambridge, 14 February		Monica Costa Dias Matthias Parey Marcos Vera-Hernández Frank Windmeijer

Next known employment destination of leavers

Research

Elena-Martinez Sanchis, post-doctoral researcher, University of Valencia
Andrew Shephard, full-time PhD, University College London

University teaching (and research)

Ian Crawford, Professor of Economics, University of Surrey
Frank Windmeijer, Professor of Econometrics, University of Bristol

Other public sector

Alexander Klemm, International Monetary Fund

Number of research students

There were five scholars during this period:

Chiara Binelli
Maria Casanova
Matthias Parey
Ximena Quintanilla
Andrew Shephard

APPENDIX 4: KEY PERFORMANCE INDICATORS

Presentations and conference papers

- Abramovsky, L. (2005), 'Outsourcing and offshoring of business services: how important is ICT?', ONS BDL/CAED conference, Cardiff, September; ESRC Research Seminar Series: International Trade and Labour Markets / ESRC Research Seminar: RES-451-26-0322, Trade in Services, December
- Abramovsky, L. (2005), 'Outsourcing and productivity in business services', IFS-AIM workshop, 8 March; Said-AIM workshop, 13 July
- Banks, J. (2005), 'Ageing and health', International Institute for Society and Health launch conference, UCL, London, 14 December
- Banks, J. (2005), 'Data linkages in ELSA: respondent consents and survey procedures', Royal Statistical Society conference on Linking Survey and Administrative Data and Statistical Disclosure Control, RSS, London, 19 May
- Banks, J. (2005), 'Health and retirement: new evidence from the English Longitudinal Study of Ageing', IZA conference on Labour Market Participation and Time Use of Older Worker, Lisbon, 16 May; Tilburg University Workshop on Labour Economics, Tilburg, 20 May; International Institute for Society and Health launch conference, UCL, London, 15 December
- Banks, J. (2005), 'House price volatility and housing ownership over the lifecycle', Economics Department seminar, Universitat Pompeu Fabra, Barcelona, 18 April
- Banks, J. (2005), 'House price volatility, downsizing and asset portfolios', Centre for Applied Microeconomics (CAM) conference on Consumption, Housing and Portfolios, University of Copenhagen, 10 June
- Banks, J. (2005), 'New evidence on the economics of ageing in England', Institute of Actuaries conference on Empirical Pension Economics and Finance, London, 15 June
- Banks, J. (2005), 'Recent research in housing: an economist's perspective', second conference of Luxembourg Wealth Study, Luxembourg, 28 January
- Banks, J. (2005), 'The adequacy and distribution of retirement resources in England', International Longevity Centre seminar series, Staples Inn Hall, London, 13 October
- Banks, J. (2005), 'The changing balance between DB, DC and state pension provision: effects on individual risk and incentives', European Pensions 2005: The Pursuit of Risk-Free Pensions, Chatham House, London, 11 April
- Banks, J. (2005), 'The economics of ageing: income, savings, inequality and poverty at older ages', Institute of Health Ageing seminar series, UCL, London, 7 December
- Banks, J. (2005), 'The financial wellbeing of pensioners in England', Goodenough College annual conference 'Age and Ageing, Not Just the Concern of the Old?', Goodenough College, London, 3 November
- Banks, J. (2005), Chair, policy session on well-being, Econometric Society World Congress, London, 22 August
- Blow, L. (2005), IFS conference on Parental Background and Child Outcomes, 'How Much Does Money Matter, and What Else Matters?', 30 September
- Blundell, R. W. (2005), Adam Smith Lecture, Society of Labor Economists and European Association of Labour Economists, San Francisco, June
- Blundell, R. W. (2005), Chair, Frisch Lecture, Econometric Society World Congress, August
- Blundell, R. W. (2005), Economics of Revealed Preference, conference in honour of Dan McFadden, Berkeley, May
- Blundell, R. W. (2005), 'Economics of the over 50s', HM Treasury Productivity Roundtable, April
- Blundell, R. W. (2005), Invited Address, Evaluation of Public Policies: Methods and Applications, conference, CREST, Paris, December

- Blundell, R. W. (2005), Invited Presentation, Extending Working Lives, HM Treasury, October
- Blundell, R. W. (2005), Keynote Address, Evaluation of Labour Market Policies, ZEW, Mannheim, February
- Blundell, R. W. (2005), 'Optimality of tax credits', Chicago Federal Reserve, Chicago, April
- Bond, S. (2005), 'Dissecting dividend decisions: some clues about the effects of dividend taxation from recent UK reforms', conference on Taxing Corporate Income in the 21st Century, Office of Tax Policy Research, University of Michigan, May
- Bond, S. (2005), 'Dividend taxation', Special Session on Strategic Tax Analysis, Royal Economic Society Annual Conference, April
- Bond, S. (2005), 'Uncertainty and investment dynamics', Econometric Society World Congress, University College London, August
- Brewer, M. (2005), 'Did the working families' tax credit work? Analysing the impact of in-work support on labour supply and programme participation', conference on Changing Social Policies for Low-Income Families and Less-Skilled Workers in the EU and the US, National Poverty Center, Gerald R. Ford School of Public Policy, University of Michigan, April
- Brewer, M. (2005), 'New tax credits: what was the government trying to achieve?', IFS Residential Conference, Give and Take: Family, Policy and the Law, New Hall, Cambridge, 14–16 April
- Brewer, M. (2005), 'Tax and benefits: the role of tax policy in reducing child poverty in the UK', study delegation organised by CLASP, November
- Brewer, M. (2005), 'Tax credits and the government's child poverty strategy', seminar on Tax Credits, Nuffield Foundation, June
- Brewer, M. (2005), 'Tax credits: options for reform', Liberal Democrats Tax Reform Commission, November
- Chote, R. (2005), 'Economic policy in the UK', Hansard Society, November
- Chote, R. (2005), 'Fiscal challenges for the UK', conference on G7, Woodrow Wilson Centre, 3 June
- Chote, R. (2005), 'The public finances', Engineering Employers Federation, Economic Policy Committee, 1 June
- Chote, R. (2005), 'Fiscal challenges before the election', Exeter College, Oxford, 30 January
- Chote, R. (2005), 'Gordon Brown and the public finances: sticking to the golden rule?', presentation at ESRC-funded event, David Hume Institute, Edinburgh, 2 November
- Chote, R. (2005), 'The public finances', St. Catherine's College, Cambridge, 10 February
- Costa Dias, M. (2005), 'Evaluating dynamic treatment: the Swedish active labour market programmes', IZA, November
- Dearden, L. (2005), 'At what age should children start school?', seminars at Educational Studies Department, University of Oxford, May; Centre for the Economics of Education (CEE) Seminar at Institute for Education, October
- Dearden, L. (2005), 'HE funding in the UK', World Bank, June
- Disney, R. (2005), 'Ill-health and retirement in the UK', IZA conference, Bonn, 27 September
- Disney, R. (2005), 'Rotating saving and credit associations', University of Addis Ababa, Ethiopia, 14 April; Brendan Walsh *Festschrift* conference, Dublin, 7 October
- Disney, R. (2005), 'Stakeholder pensions', Financial Markets Group conference on Pensions, 11 March
- Disney, R. (2005), 'The impact of pension programme design on saving and employment', IZA conference on Older Workers and the Labour market, Lisbon, 17 May; CEBR/CESifo conference, Copenhagen, 10 June; CSEF conference, Salerno, 27 June; Brendan Walsh *Festschrift* conference, Dublin, 7 October
- Disney, R. (2005), Saving Workshop session, Department for Work and Pensions conference on Pensions, 26 January

- Emmerson, C. (2005), 'Issues in UK pensions policy', presentation to Work and Pensions House of Commons Select Committee, University of York, 17 November
- Emmerson, C. (2005), 'Outlook for the public finances after the 2005 election', National Council of Voluntary Organisations, March
- Emmerson, C. (2005), 'Pension credit and the financial well-being of future pensioners', Pension Crisis Resolved, CityForum, February
- Emmerson, C. (2005), 'Pensions policy and the fiscal rules', All Party Parliamentary Groups on Pensioner Incomes and Occupational Pensions, Houses of Parliament, London, February
- Emmerson, C. (2005), 'Preparing for retirement: the distribution of retirement resources of those aged 50–SPA in England', part of Watson Wyatt seminar series, 20 July
- Emmerson, C. (2005), 'Revenues and spending', IFS press briefing, Pre-Budget Report, 2 December
- Emmerson, C. (2005), 'Social security and the well-being of the elderly in the UK', National Bureau of Economic Research conference on International Social Security, Bellagio, Italy, May
- Emmerson, C. (2005), 'Taxes, benefits and retirement income incentives', conference on How Does the Interaction of State and Private Pensions Affect Incentives to Work and Save?, Pensions Policy Institute, May
- Emmerson, C. (2005), 'The adequacy and distribution of retirement resources in England', Pensions Reform Steering Group, Department for Work and Pensions, 27 October; presentation to Stephen Timms MP (Pensions Minister), 24 November
- Emmerson, C. (2005), 'The public finances and Budget 2005', Foreign Press Association, London, March
- Emmerson, C. (2005), 'The public finances and the 2005 Pre-Budget Report', presentation to journalists at the BBC in advance of the PBR, BBC TV Centre, White City, London, 23 November
- Emmerson, C. (2005), 'The public finances', IFS Green Budget briefing, 26 January
- Emmerson, C. (2005), 'The public finances', IFS press briefing, run-up to the 2005 general election, 21 April
- Emmerson, C. (2005), 'UK public pension reform: what effect on the finances of pensioners?', Ageing Society, NETSPAR conference, Tilburg University, Netherlands, January; Public Policy Perspectives on Pensions Reform, London School of Economics, March
- Emmerson, C. (2005), 'Prepared for retirement?', IFS, London, October, <http://www.ifs.org.uk/docs/adequacy.ppt>
- Fitzsimons, E. and Simpson, H. (2005), 'The impact of the Employer Training Pilots on the take-up of training among employers and employees', IFS seminar series, January
- Goodman, A. (2005), 'Higher education funding policy: who wins and who loses?', IFS briefing, 18 March
- Goodman, A. (2005), Department for Education and Skills, Economists Away Day, 12 August
- Goodman, A. (2005), ESRC Public Policy Seminar on Income Distribution and Poverty, Belfast, Northern Ireland, February
- Goodman, A. (2005), Help the Aged, Pensioner Poverty, 22 September
- Goodman, A. (2005), IFS launch of report on Parental Background and Child Outcomes, 30 September
- Goodman, A. (2005), Oxford University Business Economics Programme, 18 July
- Griffith, R. (2005), Invited Speaker, European Economic Association Annual Meeting, Amsterdam, August
- Griffith, R. (2005), Keynote Speaker, European Area Business Cycle Network, Helsinki, November
- Griffith, R. (2005), Keynote Speaker, ZEW conference on the Economics of Innovation and Patenting, Mannheim, September

- Harrison, R. (2005), 'Background facts and comments on "Supporting growth in innovation: enhancing the R&D tax credit"', joint workshop with HM Treasury, ICA, October
- Harrison, R. (2005), 'Product market reform, innovation and EU productivity growth', DG EcFin conference on Product Market Reform, European Commission, Brussels, November
- Klemm, A. (2005), 'The effects of dividend taxes on equity prices: a re-examination of the 1997 UK tax reform', Econometric Society World Congress, University College London, August
- Meghir, C. (2005), 'Dynamic models for policy evaluation', invited lecture, World Congress of the Econometric Society, August; Cowles Foundation Seminar, October
- Meghir, C. (2005), 'Changes in the distribution of male and female wages accounting for employment composition using bounds', invited paper, Hong Kong Economic Association, January
- Oldfield, Z. (2005), 'Prepared for retirement?', IFS, London, October, <http://www.ifs.org.uk/docs/adequacy.ppt>
- Sianesi, B. (2005), 'Differential effects of active labour market programmes for the unemployed', HM Treasury, 14 July
- Sianesi, B. (2005), 'Early education and children's outcomes: how long do the impacts last?', Bristol University, 18 October
- Sianesi, B. (2005), 'Misreported schooling and returns to educational qualifications in the UK', Second Joint World Meeting of SOLE/EALE, San Francisco, 2–5 June; Policy Studies Institute, London, 30 September; conference on Econometric Evaluation of Public Policies: Methods and Applications, ADRES, Paris, 14–16 December
- Sianesi, B. (2005), 'The empirical evaluation of labour market programmes', Congress Centre of Bundesagentur für Arbeit (Federal Employment Agency), Nuremberg, 16–17 June
- Sianesi, B. (2005), 'The role of credit constraints in educational choices: evidence from the NCDS and BCS70', IFS conference on Parental Background and Child Outcomes: Does Money Matter and What Else Matters?, 30 September
- Simpson, H. (2005), 'Firm location decisions, regional grants and agglomeration externalities', CEPR/CPPR conference on Regional Development at the Periphery: Theory, Policy and Measurement, Glasgow, February; HM Treasury, June; Econometric Society World Congress, London, August
- Simpson, H. (2005), 'Foreign direct investment in Great Britain', UK Trade and Investment workshop, Department of Trade and Industry, March
- Simpson, H. (2005), 'Service sector productivity', Sector Skills Development Agency research conference on Foreign Direct Investment and Productivity, Manchester, March
- Simpson, H. (2005), 'University research and the location of business R&D', Innovation, Productivity and Growth seminar, University of Oxford, November
- Simpson, H. (2005), 'Within industry productivity dynamics: technology convergence and persistent dispersion', Katholieke Universiteit Leuven, Belgium, April; European Trade Study Group conference, Dublin, September
- Söderbom, M. (2005), 'Adjustment costs and the estimation of Cobb Douglas production functions', Econometric Society World Congress, University College London, August
- Tetlow, G. (2005), 'Methodology for calculating pension wealth from the English Longitudinal Study of Ageing (ELSA)', Department for Work and Pensions, 11 February
- Tetlow, G. (2005), 'Prepared for retirement?', IFS, London, October, <http://www.ifs.org.uk/docs/adequacy.ppt>
- Wakefield, M. (2005), 'Public policy and saving for retirement: evidence from the introduction of stakeholder pensions in the UK', Royal Economic Society annual conference, 22 March; Centre for Applied Microeconomics (CAM), University of Copenhagen, 2 June
- Walker, R. (2005), Invited Discussant, IFS Residential Conference, Give and Take: Family, Policy and the Law, New Hall, Cambridge, 14–16 April

Public Economics lectures

- Adam, S. (2005), 'Children in the tax and benefit system', IFS, London, February,
http://www.ifs.org.uk/lectures/stuarta_2005.ppt
- Fitzsimons, E. (2005), 'Funding higher education', IFS, London, February,
http://www.ifs.org.uk/lectures/emlaf_2005.ppt
- Harrison, R. (2005), 'Productivity and government policy towards R&D', IFS, London,
 February, http://www.ifs.org.uk/lectures/rupeith_2005.ppt
- Mesnard, A. (2005), 'The evaluation of the Familias en Acción programme in Colombia: do
 conditional subsidies improve education, health and nutrition outcomes?', IFS, London,
 January, http://www.ifs.org.uk/lectures/alicem_2005.ppt
- Shaw, J. (2005), 'Inequality and poverty', IFS, London, January,
http://www.ifs.org.uk/lectures/jonathans_2005.ppt
- Wakefield, M. (2005), 'Pensions and savings in the UK', IFS, London, March,
http://www.ifs.org.uk/lectures/mattw_2005.pdf

Events organised by IFS

Nutrition and Development Seminar: Familias en Acción	12/01/05
Discrete Choice Modelling	12/01/05 – 14/01/05
Microsimulation	20/01/05 – 21/01/05
IFS Green Budget 2005	26/01/05
Panel/Longitudinal Data Analysis	10/02/05 – 11/02/05
Empirical Likelihood	14/02/05
Empirical Likelihood and Related Methods	15/02/05 – 16/02/005
Post-Budget Briefing 2005	17/03/05
Higher Education Funding Policies	18/03/05
HBAI 2005	30/03/05
Non-Linear Panel/Longitudinal Data Analysis	07/04/05 – 08/04/05
Modelling Consumer Demand	14/04/05 – 15/04/05
IFS Residential Conference 2005	14/04/05 – 16/04/05
Election Briefing: 20 April 2005	20/04/05
Election Briefing: Winners and Losers	28/04/05
EDePO Master Class	03/05/05
Panel Time Series	04/05/05 – 06/05/05
Understanding Consumer Behaviour	16/05/05 – 17/05/05
Public Economics UK Spring Conference	19/05/05 – 20/05/05
IFS Summer Drinks Reception	28/06/05
Econometric Study Group Annual Conference 2005	19/07/05 – 22/07/05
ESWC policy session: education policy	
ESWC policy session: monetary policy in Europe	
ESWC policy session: well-being and policy evaluation	
ESWC policy session: development policy	
Where Now for Tax Credits Policy?	15/09/05
IFS Annual Lecture 2005: Taxation and Big Brother	26/09/05
Parental Backgrounds and Child Outcomes	30/09/05
Prepared for Retirement?	11/10/05
Introductory Microeconometrics	12/10/05 – 14/10/05

Cemmap Workshop: Stochastic Dominance	04/11/05
Panel/Longitudinal Data Analysis	10/11/05 – 11/11/05
Microsimulation	01/12/05 – 02/12/05
Pre-Budget Report 2005	06/12/05
Policy Evaluation Methods	07/12/05 – 09/12/05

Membership of committees, editorships and honours

- Abramovsky, L., Referee, *Economic Journal Conference Volumes*
- Adda, J., Editor, *Fiscal Studies*
- Attanasio, O., Organiser, NBER Summer Institute
- Banks, J., Member, British Household Panel Survey Advisory Group
- Banks, J., Member, UK National Strategy Committee for Longitudinal Data
- Banks, J., Member, Korean Longitudinal Study of Ageing Advisory Group
- Banks, J., Member, International Institute for Society and Health, UCL, London
- Banks, J., Member, Research Committee of International Network of Pension Supervisors and Regulators
- Banks, J., Member, Advisory Group, ESRC UK Longitudinal Studies Centre, University of Essex
- Banks, J., Member, Advisory Group, UK government Pension Statistics Task Force
- Banks, J., Member, Advisory Group, Office for National Statistics Wealth and Assets Survey
- Banks, J., Member, Econometric Society World Congress, Local Organising Committee, London 2005
- Banks, J., Member, Programme Committee, Royal Economic Society Annual Conference
- Berlinski, S., Editor, *Fiscal Studies*
- Blundell, R., Chair, Econometric Society World Congress, Local Organising Committee, London 2005
- Blundell, R., Member, Editorial Board, *Journal of Economic Literature*
- Blundell, R., President, Econometric Society
- Blundell, R., Programme Chair, Econometric Society World Congress, London 2005
- Blundell, R., Member, Advisory Committee, Economic and Social Data Service
- Blundell, R., Member, Scientific Advisory Committee, CEPR, London
- Blundell, R., Member, Scientific Advisory Committee, CERGE, Prague
- Blundell, R., Member, Scientific Advisory Group, NETSPAR, Tilburg, Netherlands
- Blundell, R., Chair, EU Network for the Evaluation of Labour Market Policies, COST A23
- Blundell, R., Member, UK National Strategy Committee for Longitudinal Data, London
- Blundell, R., Member, Academic Advisory Group, IMF, Washington
- Blundell, R., Chair, Econometric Society European Standing Committee
- Blundell, R., Member, Editorial Board, *Fiscal Studies*
- Bond, S., Member, Steering Committee, Centre for Business Taxation, Saïd Business School, University of Oxford
- Bond, S., Member, Editorial Board, *Fiscal Studies*
- Brugiavini, A., Member, Editorial Board, *Fiscal Studies*
- Dearden, L., Member, ESRC Teaching and Learning Research Programme Steering Committee
- Dearden, L., Member, Sector Skills Development Agency (SSDA) Expert Advisory Panel on Skills for Business
- Dearden, L., Elected Member, Royal Economic Society Committee on Women
- Disney, R., Programme Chair, Royal Economic Society Annual Conference, University of Nottingham
- Disney, R., Member, Council, Royal Economic Society

- Disney, R., Member, Nurses and Other Health Professionals Review Body
- Disney, R., Member, Editorial Board, *Fiscal Studies*
- Emmerson, C., Specialist Advisor, House of Commons Work and Pensions Select Committee, in particular providing assistance on report into the Pension Credit (published by the Committee in March 2005)
- Freedman, J., Member, Editorial Board, *Fiscal Studies*
- Griffith, R., Academic Panellist, Competition Commission
- Griffith, R., Academic Panellist, HM Treasury Productivity Team
- Griffith, R., Director and Board Member, *Review of Economic Studies*
- Griffith, R., Elected Council Member, European Economic Association
- Hyman, E., Member, Econometric Society World Congress, Local Organising Committee, London 2005
- Leicester, A., Member, Steering Group for DWP-commissioned research on Understanding Pensioner Poverty
- Meghir, C., Member, Econometric Society World Congress, Local Organising Committee, London 2005
- Meghir, C., Co-Editor, *Econometrica*
- Myles, G., Editor, *Fiscal Studies*
- Paull, G., Editorial Consultant, *Nursery and Childcare Market News*
- Paull, G., Member, Steering Group, Survey of Parental Demand for Childcare and Early Year Services
- Preston, I., Member, Econometric Society World Congress, Local Organising Committee, London 2005
- Robin, J-M., Frisch Prize, Econometric Society, best empirical paper published in *Econometrica* over the past five years, 'Equilibrium wage dispersion with worker and employer heterogeneity' (with F. Postel-Vinay), *Econometrica*, vol. 70, no. 6, pp. 2295–2350
- Bond, S., Member, Editorial Board, *Fiscal Studies*
- Scharf, K., Member, Programme Committee for ADRES conference on Econometric Evaluation of Public Policies: Methods and Applications, Paris, 14–16 December 2005
- Simpson, H., Editor, *Fiscal Studies*
- Walker, I., Council Member, Royal Economic Society
- Walker, I., Secretary, European Economic Association
- Walker, I., Member, Editorial Board, *Fiscal Studies*
- Walker, R., Chair, Scientific Steering Committee, ESRC British Household Panel Survey
- Walker, R., Member, Joseph Rowntree Foundation, Poverty and Disadvantage Programme Committee
- Walker, R., Member, Policy Council, US Association of Public Policy Analysis and Management
- Walker, R., Member, President's Special Conference Committee, US Association of Public Policy Analysis and Management
- Walker, R., Member, UK Statutory Social Security Advisory Committee (2002–08)
- Weber, G., Member, Editorial Board, *Fiscal Studies*

Membership of networks

- Attanasio, O., Member, EU RTN Ageing Network, Brussels
- Banks, J., Member, EU RTN Ageing Network, Brussels
- Banks, J., Member, NBER Network on International Social Security
- Blundell, R., Chair, EU Network for the Evaluation of Labour Market Policies, COST A23
- Blundell, R., Member, NBER Network on International Social Security
- Blundell, R., Member, EU RTN Ageing Network, Brussels

Bottazzi, R., Member, EU RTN Ageing Network, Brussels
 Brewer, M., Research Affiliate, National Poverty Center, Gerald R. Ford School of Public Policy, University of Michigan
 Disney, R., Member, EU RTN Ageing Network, Brussels
 Emmerson, C., Member, EU RTN Ageing Network, Brussels
 Emmerson, C., Member, NBER Network on International Social Security
 Oldfield, Z., Member, NBER Network on International Social Security
 Rasul, I., Research Affiliate, Bureau for Research and Economic Analysis of Development
 Rasul, I., Research Affiliate, Centre for Economic Policy Research
 Rasul, I., Research Fellow, Centre for Research and Analysis of Migration
 Rasul, I., Research Fellow, ESRC Centre for Economic Learning and Social Evolution
 Sianesi, B., Member, Intervention Study Team, European Social Fund (ESF) programme in Quantitative Methods in Social Sciences (QMSS)
 Tetlow, G., Member, NBER Network on International Social Security
 Walker, I., Research Fellow, Forschungsinstitut zur Zukunft der Arbeit (IZA)
 Walker, I., Research Fellow, Geary Institute

Media coverage

Newspaper and magazine citations

National dailies

Daily Mail	27/01/05, 27/01/05, 29/01/05, 01/02/05, 19/02/05, 05/03/05, 17/03/05, 17/03/05, 18/03/05, 18/03/05, 19/03/05, 31/03/05, 31/03/05, 01/04/05, 01/04/05, 06/04/05, 13/04/05, 14/04/05, 14/04/05, 15/04/05, 19/04/05, 21/04/05, 21/04/05, 21/04/05, 22/04/05, 22/04/05, 23/04/05, 26/04/05, 27/04/05, 29/04/05, 10/06/05, 13/07/05, 20/07/05, 20/07/05, 16/09/05, 12/10/05, 13/10/05, 07/11/05, 17/11/05
Daily Telegraph	18/01/05, 26/01/05, 27/01/05, 27/01/05, 31/01/05, 31/01/05, 12/02/05, 19/02/05, 22/02/05, 01/03/05, 18/03/05, 21/03/05, 31/03/05, 07/04/05, 13/04/05, 13/04/05, 14/04/05, 18/04/05, 19/04/05, 22/04/05, 24/04/05, 29/04/05, 29/04/05, 13/07/05, 16/07/05, 20/07/05, 20/07/05, 21/10/05, 21/10/05
Financial Times	19/01/05, 21/01/05, 21/01/05, 27/01/05, 27/01/05, 27/01/05, 28/01/05, 02/02/05, 11/02/05, 12/02/05, 14/02/05, 24/02/05, 09/03/05, 10/03/05, 14/03/05, 17/03/05, 17/03/05, 17/03/05, 18/03/05, 18/03/05, 18/03/05, 19/03/05, 19/03/05, 28/03/05, 30/03/05, 31/03/05, 01/04/05, 02/04/05, 04/04/05, 06/04/05, 08/04/05, 11/04/05, 12/04/05, 13/04/05, 13/04/05, 15/04/05, 16/04/05, 16/04/05, 19/04/05, 20/04/05, 21/04/05, 21/04/05, 22/04/05, 22/04/05, 22/04/05, 23/04/05, 26/04/05, 26/04/05, 28/04/05, 29/04/05, 30/04/05, 04/05/05, 07/05/05, 09/05/05, 28/05/05, 01/06/05, 21/06/05, 24/06/05, 20/07/05, 20/07/05, 21/07/05, 29/07/05, 04/09/05, 16/09/05, 21/09/05, 23/09/05, 30/09/05, 03/11/05, 18/11/05, 27/11/05
Guardian	18/01/05, 21/01/05, 24/01/05, 27/01/05, 27/01/05, 29/01/05, 29/01/05, 21/02/05, 23/02/05, 01/03/05, 14/03/05, 14/03/05, 17/03/05, 18/03/05, 19/03/05, 19/03/05, 21/03/05, 24/03/05, 24/03/05, 30/03/05, 31/03/05, 31/03/05, 31/03/05, 01/04/05, 01/04/05, 02/04/05, 04/04/05, 04/04/05, 11/04/05, 14/04/05, 18/04/05, 18/04/05, 18/04/05, 21/04/05, 21/04/05, 22/04/05,

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Independent	05/01/05, 27/01/05, 27/01/05, 27/01/05, 30/01/05, 31/01/05, 01/02/05, 19/02/05, 24/02/05, 08/03/05, 10/03/05, 17/03/05, 17/03/05, 18/03/05, 19/03/05, 31/03/05, 02/04/05, 07/04/05, 07/04/05, 13/04/05, 15/04/05, 18/04/05, 20/04/05, 21/04/05, 22/04/05, 24/04/05, 25/04/05, 27/04/05, 29/04/05, 18/05/05, 20/07/05, 15/08/05, 01/09/05
Times	19/01/05, 27/01/05, 27/01/05, 01/03/05, 17/03/05, 17/03/05, 18/03/05, 19/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 01/04/05, 02/04/05, 02/04/05, 05/04/05, 18/04/05, 21/04/05, 21/04/05, 23/04/05, 27/04/05, 29/04/05, 03/05/05, 20/07/05, 04/08/05, 12/09/05, 20/09/05, 22/09/05, 12/10/05, 17/10/05, 24/11/05, 29/11/05
Other dailies	27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 22/02/05, 14/03/05, 17/03/05, 31/03/05, 31/03/05, 01/04/05, 01/04/05, 01/04/05, 04/04/05, 10/04/05, 14/04/05, 15/04/05, 16/04/05, 22/04/05, 22/04/05, 22/04/05, 25/04/05, 26/04/05, 29/04/05, 20/07/05, 04/08/05, 12/10/05

National Sundays

Independent on Sunday	30/01/05, 20/03/05, 03/04/05, 17/04/05, 01/05/05, 19/06/05, 28/08/05, 28/08/05
Observer	27/02/05, 13/03/05, 20/03/05, 20/03/05, 20/03/05, 24/04/05, 24/04/05, 01/05/05, 17/05/05, 21/08/05, 28/08/05
Sunday Telegraph	06/03/05, 03/04/05, 17/04/05, 24/04/05, 24/04/05, 05/06/05, 16/10/05
Sunday Times	09/01/05, 23/01/05, 30/01/05, 13/03/05, 20/03/05, 20/03/05, 20/03/05, 20/03/05, 03/04/05, 03/04/05, 03/04/05, 17/04/05, 24/04/05, 24/04/05, 24/04/05, 13/11/05
Other Sundays	30/01/05, 23/03/05, 03/04/05, 03/04/05, 10/04/05, 24/04/05, 29/04/05, 01/05/05, 01/05/05

Regional dailies

Evening Standard	26/01/05, 26/01/05, 26/01/05, 31/03/05, 28/04/05, 28/04/05, 29/04/05, 26/08/05, 07/10/05, 07/11/05
Scotsman	17/03/05, 09/04/05, 14/04/05
Other regional dailies	14/01/05, 14/01/05, 14/01/05, 14/01/05, 14/01/05, 14/01/05, 15/01/05, 17/01/05, 19/01/05, 20/01/05, 21/01/05, 21/01/05, 21/01/05, 22/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 27/01/05, 28/01/05, 28/01/05, 31/01/05, 31/01/05, 31/01/05, 01/02/05, 01/02/05, 03/02/05, 03/02/05, 04/02/05, 08/02/05, 11/02/05, 13/02/05, 15/02/05, 16/02/05, 22/02/05, 22/02/05, 22/02/05, 25/02/05, 08/03/05, 10/03/05, 14/03/05, 14/03/05, 14/03/05, 14/03/05, 15/03/05, 15/03/05, 17/03/05, 17/03/05, 18/03/05, 19/03/05, 28/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 31/03/05, 01/04/05, 01/04/05, 01/04/05, 01/04/05, 06/04/05,

07/04/05, 08/04/05, 08/04/05, 12/04/05, 12/04/05, 12/04/05,
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 16/06/05, 30/06/05, 22/07/05, 04/08/05, 04/08/05, 04/08/05,
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 13/10/05, 17/10/05, 19/10/05, 22/10/05, 02/11/05, 03/11/05,
 07/11/05, 21/11/05

Regional Sundays

Regional Sundays 30/01/05, 27/02/05, 20/03/05, 20/03/05, 20/03/05, 03/04/05,
 03/04/05, 03/04/05, 03/04/05, 10/04/05, 10/04/05, 17/04/05,
 24/04/05, 01/05/05, 15/05/05, 24/07/05, 14/08/05, 23/10/05,
 06/11/05, 07/11/05

Magazines

Economist 29/01/05, 19/03/05, 19/03/05, 09/04/05, 09/04/05, 09/04/05,
 16/04/05, 30/04/05, 09/05/05, 10/09/05

New Statesman 07/02/05, 07/03/05, 02/05/05, 12/09/05

Trade magazine 27/01/05, 28/01/05, 28/01/05, 28/01/05, 30/01/05, 01/02/05,
 01/02/05, 10/02/05, 24/02/05, 25/02/05, 25/02/05, 28/02/05,
 03/03/05, 04/03/05, 11/03/05, 11/03/05, 18/03/05, 20/03/05,
 20/03/05, 24/03/05, 25/03/05, 01/04/05, 08/04/05, 08/04/05,
 08/04/05, 08/04/05, 13/04/05, 14/04/05, 19/04/05, 29/04/05,
 29/04/05, 30/04/05, 05/05/05, 05/05/05, 13/05/05, 19/05/05,
 31/05/05, 06/07/05, 08/07/05, 11/07/05, 22/07/05, 22/07/05,
 29/07/05, 05/08/05, 05/08/05, 01/09/05, 02/09/05, 24/09/05,
 30/09/05, 30/09/05, 01/10/05, 13/10/05, 13/10/05, 13/10/05,
 14/10/05, 20/10/05, 20/10/05, 21/10/05, 10/11/05, 10/11/05

Other magazine 26/01/05, 26/02/05, 26/03/05, 03/04/05, 09/04/05, 16/04/05,
 18/04/05, 30/04/05, 30/04/05, 01/05/05, 14/05/05, 22/06/05,
 16/09/05

Newspaper and magazine articles

Abramovsky, L. and Harrison, R. (2005), 'Credit for research', *The Monitor Blue Skies*, vol. 1, no. 128, June

Adam, S. and Brewer, M. (2005), 'It all adds up for homebuyers, parents and pensioners', *Financial Times*, 17 March

Chote, R. (2005), 'Brown may have to weather a storm if his forecasts fail', *Guardian*, 27 September

Chote, R. (2005), 'Is Brown dropping the ball?', *Public Finance Magazine*, 11 November

Chote, R. (2005), 'Never mind the rule, decisiveness would be golden: the Chancellor should go for tax rises', *Independent on Sunday*, 30 January

Chote, R. (2005), 'Will the government have the means to make child poverty history in Britain?', *Independent on Sunday*, 19 June

Emmerson, C. (2005), 'Bending the rules?', *Public Finance Magazine*, 5 August

Emmerson, C. and Frayne, C. (2005), 'Analysis: cutting it fine', *Public Finance Magazine*, 9 December

Frayne, C. (2005), 'Taxing times for the "golden rule"', *Public Finance Magazine*, 25 March

Tetlow, G. and Oldfield, Z. (2005), 'Wealth of options to defuse the pensions crisis', *Yorkshire Post*, 17 October

Radio and TV appearances

National TV

BBC1	1 O'Clock News	Chote, R.	28.02.05, 17.03.05, 12.04.05, 13.04.05, 14.04.05, 21.04.05	
		Emmerson, C.	11.04.05, 28.10.05	
	6 O'Clock News	Adam, S.	11.10.05	
		Brewer, M.	31.03.05	
		Chote, R.	17.03.05, 12.04.05	
		Emmerson, C.	19.07.05, 28.10.05	
		Frayne, C.	17.03.05	
	10 O'Clock News	Brewer, M.	31.03.05	
		Breakfast News	Chote, R.	17.03.05, 22.03.05
			Frayne, C.	16.03.05
BBC2	Budget Special	Chote, R.	17.03.05	
	Newsnight	Brewer, M.	30.03.05	
		Chote, R.	28.02.05, 17.03.05, 11.04.05, 12.04.05, 14.04.05, 30.04.05	
BBC News 24	News	Chote, R.	17.03.05, 18.03.05, 12.04.05	
		Emmerson, C.	14.04.05, 19.07.05	
		Frayne, C.	05.12.05	
		Shephard, A.	30.03.05	
Bloomberg Channel 4	News	Chote, R.	26.01.05, 15.04.05	
	Evening News	Chote, R.	26.01.05, 17.03.05, 22.03.05, 11.04.05	
Emmerson, C.		10.01.05		
Shephard, A.		31.03.05		
Shephard, A.		31.03.05		
Channel 5	Lunchtime	Shephard, A.	31.03.05	
	News	Chote, R.	22.03.05, 20.04.05, 06.05.05	
ITV	Budget Special	Frayne, C.	17.03.05	
	Lunchtime News	Chote, R.	21.04.05	
		Adam, S.	28.04.05	
	6.30 News	Chote, R.	18.03.05, 12.04.05	
		Emmerson, C.	02.11.05	
		Frayne, C.	17.03.05	
Shephard, A.		31.03.05		
Wakefield, M.	17.11.05			

	Nightly News	Chote, R.	18.03.05, 12.04.05, 13.04.05, 14.04.05, 20.04.05
ITV News Channel	Alistair Stewart	Emmerson, C.	22.04.05
		Shephard, A.	31.03.05
	News	Adam, S.	28.04.05
		Chote, R.	17.03.05, 17.03.05, 18.03.05, 12.04.05
		Emmerson, C.	22.04.05
PA News Channel	News	Frayne, C.	21.04.05
Sky	News	Brewer, M.	31.03.05
		Chote, R.	21.04.05
		Emmerson, C.	11.04.05, 28.10.05
	The Boulton Factor	Chote, R.	12.04.05
International TV			
CNN	News	Emmerson, C.	29.04.05
Phoenix (China)	News	Frayne, C.	21.04.05
Local TV			
BBC London	News	Adam, S.	08.11.05
BBC Scotland	News	Emmerson, C.	14.04.05
National radio			
BBC Radio 4	6 O'Clock News	Shaw, J.	31.03.05
	Financial World Tonight	Emmerson, C.	14.11.05
	Moneybox	Chote, R.	19.03.05, 07.05.05
	More or Less	Frayne, C.	19.07.05
		Griffith, R.	27.01.05
	News	Adam, S.	28.04.05
		Emmerson, C.	24.04.05, 11.10.05
	PM	Adam, S.	07.04.05, 20.04.05
		Emmerson, C.	05.12.05
	Today	Chote, R.	28.02.05, 14.04.05, 23.06.05
		Emmerson, C.	12.04.05, 21.04.05, 24.04.05
		Goodman, A.	01.07.05
	Woman's Hour	Goodman, A.	05.06.05
	World at One	Adam, A.	21.02.05
		Chote, R.	26.01.05
		Emmerson, C.	16.03.05, 11.04.05
		Frayne, C.	10.05.05
	World This Weekend	Emmerson, C.	21.04.05
	World Tonight	Brewer, M.	31.03.05
		Chote, R.	26.01.05, 17.03.05,

			12.04.05, 14.04.05, 29.04.05
		Frayne, C.	10.04.05
		Goodman, A.	06.04.05
BBC Radio 5	Breakfast News	Emmerson, C.	12.04.05
	Budget Programme	Chote, R.	16.03.05
	Drive Time	Adam, S.	07.04.05, 20.04.05
	News	Adam, S.	11.10.05
		Brewer, M.	30.03.05, 31.03.05
		Frayne, C.	21.04.05
BBC World Service	News	Klemm, A.	06.01.05

Local radio

BBC Radio	Budget Programme	Frayne, C.	16.03.05
Scotland	Evening News	Frayne, C.	11.03.05
	News	Emmerson, C.	20.01.05, 11.10.05
		Frayne, C.	18.03.05

Press releases

- Adam, S. (2005), 'Analysis of the Conservatives' proposed age-related council tax discount', February, http://www.ifs.org.uk/pr/cons_council_tax.pdf
- Adam, S., Brewer, M., Chote, R., Emmerson, C. and Frayne, C. (2005), 'IFS Budget analysis 2005', March, <http://www.ifs.org.uk/pr/budget05.pdf>
- Adam, S., Emmerson, C. and Chote, R. (2005), 'Analysis of Liberal Democrat tax proposals', February, http://www.ifs.org.uk/pr/libdem_tax.pdf
- Banks, J., Emmerson, C., Oldfield, Z. and Tetlow, G. (2005), 'Are retirement resources adequate?', October, http://www.ifs.org.uk/pr/prepared_retirement.pdf
- Blow, L., Goodman, A., Walker, R. and Windmeijer, F. (2005), 'Parental background and child outcomes: how much does money matter, and what else matters?', September, http://www.ifs.org.uk/pr/child_outcomes.pdf
- Brewer, M., Goodman, A., Shaw, J. and Shephard, A. (2005), 'Tax rises and new tax credits cut average incomes, but reduce poverty and inequality', March, <http://www.ifs.org.uk/pr/hbai05pr.pdf>
- Brewer, M. and Shaw, J. (2005), 'Government surveys of parents disagree on how many working families use childcare', January, http://www.ifs.org.uk/pr/childcare_surveys.pdf
- Chote, R. (2005), 'Tax and spend: letter to the Telegraph', April, <http://www.ifs.org.uk/pr/telegraph1304.pdf>
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- Krueger, A. (2005), 'Well-being and policy evaluation', August, http://www.ifs.org.uk/pr/ps_krueger.pdf
- McCarthy, D. and Neuberger, A. (2005), 'Pricing pension insurance: the proposed levy structure for the Pension Protection Fund', December, http://www.ifs.org.uk/pr/dmanfs_dec05.pdf

Visits abroad

- Bond, S., Instituto Superior de Economia e Gestão, Lisbon, to teach a summer school course on panel data econometrics
- Bond, S., International Monetary Fund, Washington DC, to teach a course on panel data econometrics at the IMF Institute and to be a visiting scholar at the IMF Research Department
- Harrison, R., University of Sao Paulo, to work on the project 'ICT Adoption in Developing Countries'
- Harrison, R., five-week trip to Europe, India, China and the US as part of the Norfolk Fellows Study Tour 2005, with a group of civil servants from HM Treasury and DTI; funded by the independent Norfolk Trust, a UK charity, and partly funded by AIM
- Wakefield, M., Centre for Applied Microeconomics (CAM), University of Copenhagen

Visitors to IFS

11.01.05 – 15.01.05	William Greene	NYU, Stern Business School
17.01.05 – 20.01.05	Bernd Fitzenberger	Frankfurt University
17.01.05 – 31.01.05	Jeffrey Smith	University of Michigan
31.01.05 – 04.02.05	Emmanuel Guerre	Universite Pierre et Marie Curie
11.02.05 – 15.02.05	Whitney Newey	Massachusetts Institute of Technology
13.02.05 – 15.02.05	Francesco Bravo	University of York
13.02.05 – 15.02.05	Yuichi Kitamura	Yale University
13.02.05 – 17.02.05	Richard J. Smith	University of Cambridge
16.02.05 – 18.02.05	Geert Ridder	University of Southern California
21.02.05 – 26.02.05	Charles Manski	Northwestern University
28.02.05 – 06.03.05	Tom Stoker	Massachusetts Institute of Technology
06.03.05 – 11.03.05	Robert de Jong	Ohio State University
07.03.05 – 11.03.05	Rémi Piatek	University of Strasbourg
07.03.05 – 11.03.05	Jere Behrman	University of Pennsylvania
06.04.05 – 09.04.05	William Greene	NYU, Stern Business School
17.04.05 – 21.04.05	Edward Vytlačil	Stanford University
17.04.05 – 23.04.05	Whitney Newey	Massachusetts Institute of Technology
21.05.05 – 22.05.05	Peter Haan	Deutsches Institut für Wirtschaftsforschung
21.05.05 – 03.06.05	Guido Imbens	University of California, Berkeley

22.05.05 – 03.06.05	Susan Athey	Stanford University
25.05.05 – 29.05.05	Eric French	Federal Reserve Bank of Chicago
05.06.05 – 11.06.05	Rosa Matzkin	Northwestern University
05.06.05 – 26.06.05	Joel Horowitz	Northwestern University
13.06.05 – 24.06.05	Waltraut Peter	Institut der deutschen Wirtschaft, Köln
28.06.05 – 31.07.05	Manuela Angelucci	University of Arizona
01.07.05 – 31.07.05	Adam Szeidl	University of California, Berkeley
01.08.05 – 19.08.05	Guyonne Kalb	Melbourne Institute of Applied Economic and Social Research
01.08.05 – 26.08.05	Martin Browning	University of Copenhagen
01.08.05 – 31.08.05	Roger Koenker	University of Illinois
16.08.05 – 24.08.05	Daniel McFadden	University of California, Berkeley
17.08.05 – 26.08.05	Guido Imbens	University of California, Berkeley
18.08.05 – 23.08.05	Charles Manski	Northwestern University
18.08.05 – 25.08.05	Joel Horowitz	Northwestern University
03.10.05 – 31.11.05	Peter Haan	Deutsches Institut für Wirtschaftsforschung
21.10.05	David Figlio	University of Florida
24.10.05 – 28.10.05	Aviv Nevo	Northwestern University
03.11.05 – 07.11.05	Gordon Anderson	University of Toronto
03.11.05 – 07.11.05	Harry Markowitz	
03.11.05 – 09.11.05	Haim Levy	The Hebrew University of Jerusalem
20.11.05 – 26.11.05	Martin Browning	University of Copenhagen

Substantial advice and consultancy

- Chote, R., oral evidence to Treasury Select Committee, Budget, March
- Chote, R., oral evidence to Treasury Select Committee, Pre-Budget Report, November
- Dearden, L., Goodman, A. and Fitzsimons, E. (2005), oral evidence to Department for Education and Skills Select Committee on tuition fees, 6 April
- Dearden, L., Goodman, A. and Sibieta, L. (2005), written evidence to Department for Education and Skills Select Committee on education spending, September
- Goodman, A. and Shephard, A. (2005), report to United Nations Development Programme (UNDP) Human Development Report (HDR) on inequality and poverty in Britain, September
- Griffith, R., 'The link between product market reform and innovation' for DG EcFin, September

Collaborative research projects

- Abramovsky, L., Griffith, R., Harrison, R. and Simpson, H., Innovation and Employment in European Firms, <http://www.eco.uc3m.es/IEEF/>
- Banks, J., Blundell, R., Emmerson, C. and Oldfield, Z., International Social Security, National Bureau of Economic Research
- Brewer, M., project with DIW, part-funded by the Anglo-German Foundation

APPENDIX 5: BUDGET INFORMATION

Total ESRC budget

	Total income	Expenditure
Staff costs	655,139	646,115
Indirect costs	334,120	329,519
Travel	20,397	26,093
Consumables	9,308	12,005
Exceptional Items	21,257	26,052
Equipment	0	0
Total	1,040,221	1,039,784

Note: These figures include: £9,400 to cover additional costs to help develop a bid for FP6 Citizens and Governance call 2005; and £69,955 to cover additional costs to enable the Centre to produce an election brief.

Other research contracts

Whilst the Centre itself does not apply for additional grants, IFS received funding from a wide range of bodies, which can be categorised as follows:

Funding source	Number of grants	Value of grants (2005)	Comments
Other ESRC	22	£715k	
Charitable trusts	10	£647k	
Government	31	£620k	
Corporate	4	£103k	Each project has a range of supporters
EU	4	£431k	
Miscellaneous	20	£185k	

APPENDIX 6: EXTERNAL ENGAGEMENT AND EXPLOITATION

Level of usage of research resources generated

	<i>No. of users</i>	<i>No. of publications</i>	<i>Total uses</i>
<i>Hard-copy publications</i>			
Reports/Commentaries circulated to paying non-academic subscribers	575	4	2,300
Distributed to journalists and others		4	530
Additional copies sold		4	54
Non-academic subscribers receiving <i>Fiscal Studies</i> articles by IFS staff	728	6	4,368
<i>Online publications</i>			
Visitors to website			440,319
Publication downloads			132,200

Level of co-funding⁵	<i>No. of projects</i>	<i>Funding</i>
Government	31	£620k
Corporate	4	£103k

Public engagement

Number of presentations/papers	67
Number of public events	34
Number of broadcast interviews	130
Number of printed press mentions	560
Membership of networks	20

Number of researchers trained in media skills	1
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Number of collaborative ESRC research projects⁶	10
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Amount of external funding for joint research⁷	£1,283,587
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Number of users placed at the Centre	2
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Number of researchers placed in user organisations	0
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⁵ Shows co-funding for IFS projects as a whole.

⁶ This is the number of collaborative research projects involving the Centre directly, not all those for IFS as a whole.

⁷ The amount shown is the funding from other organisations, which co-funds research undertaken at the Centre only.