



## **Studies in the News**

California Research Bureau, California State Library

March 8, 2017

Contents this week:

### **CULTURE & DEMOGRAPHY**

Survey: American Latinos weigh in on the Trump Administration

### **ECONOMY**

H-1B immigrants increase IT profits, lower wages for native workers

### **EDUCATION**

'Boomeranging': young adults with financial aid debt returning home

### **EMPLOYMENT**

Older workers who voluntarily change jobs tend to postpone retirement

### **ENERGY & ENVIRONMENT**

Renewable energy power plants may augment CA's electricity grid

### **GENERAL GOVERNMENT**

Replacing income tax on Social Security with payroll tax increase

### **HEALTH**

5-state study of ACA marketplace competition: CA ranks first

### **HUMAN SERVICES**

Regional trends of child poverty in CA

### **SCIENCE & TECHNOLOGY**

U.S. House working group recommends against encryption backdoors

## **CULTURE & DEMOGRAPHY**

***Latinos and the New Trump Administration.* Pew Research Center. Feb. 23, 2017. 42 p.**

<http://www.pewhispanic.org/2017/02/23/latinos-and-the-new-trump-administration/>

"The survey, which was conducted before Donald Trump's inauguration, explored how Latinos viewed their status in the U.S. and expectations they had about the Trump presidency. Despite the contentious debate over illegal immigration during and after the presidential election, the Pew Research Center study found improving the education system, defending the country from future terrorist attacks and strengthening the nation's economy were the top concerns for Latinos in America.... Although this and other findings in the survey correlate with what researchers have said in previous years, one finding did

stand out: Latinos in America were split about what President Trump's presidency means for their place in the U.S." (*Los Angeles Times*, Feb. 23, 2017).

## ECONOMY

***Understanding the Economic Impact of the H-1B Program on the U.S.* By John Bound, et al. NBER. Feb. 2017. 67 p.**

<https://www.nber.org/papers/w23153>

"Over the 1990s, the share of foreigners entering the US high-skill workforce grew rapidly. This migration potentially had a significant effect on US workers, consumers and firms.... In the absence of immigration, wages for US computer scientists would have been 2.6% to 5.1% higher and employment in computer science for US workers would have been 6.1% to 10.8% higher in 2001. On the other hand, complements in production benefited substantially from immigration, and immigration also lowered prices and raised the output of IT goods by between 1.9% and 2.5%, thus benefiting consumers. Finally, firms in the IT sector also earned substantially higher profits due to immigration."

## EDUCATION

**"Into the Red and Back to the Nest? Student Debt, College Completion, and Returning to the Parental Home Among Young Adults." By Jason N. Houle, et al. *Sociology of Education* (Jan. 2017) vol. 90, no. 1, pp. 89-108.**

<http://static1.1.sqspcdn.com/static/f/1212067/27400941/1483635612740/HouleWarner2017.pdf>

"In this paper, we examine the claim that student debt is leading to a rise in 'boomeranging,' or returning home, using data from the *National Longitudinal Survey of Youth* 1997 Cohort and discrete time-event history models. We have four findings. First, student loan debt is not associated with boomeranging in the complete sample. However, we find that the association differs by race, such that the link between student debt and returning home is stronger for black than for white youth. Third, degree completion is a strong predictor of returning home, whereby those who fail to attain a degree have an increased risk of boomeranging. Fourth, young adult role transitions and socioeconomic well-being are associated with boomeranging. Findings suggest that rising debt has created new risks and may reproduce social inequalities in the transition to adulthood."

## EMPLOYMENT

***The Effect of Job Mobility on Retirement Timing by Education.* By Geoffrey T. Sanzenbacher, et al. Center for Retirement Research at Boston College. Feb. 2017. 26 p.**

[http://crr.bc.edu/wp-content/uploads/2017/02/wp\\_2017-1-1.pdf](http://crr.bc.edu/wp-content/uploads/2017/02/wp_2017-1-1.pdf)

"[W]orkers switching jobs late in their careers might retire later than they otherwise would have.... Changing jobs, however, sheds the protection that tenure provides against involuntary job loss, which often leads to earlier retirements for older workers. This study seeks to understand which effect dominates, while dealing with the fact that job changing could be endogenous to retirement—that workers willing to bear the cost of a job search could intend to remain in the workforce longer. The analysis does so by controlling for each individual's planned retirement age." This report finds workers who voluntarily switch jobs later in their careers are likely to postpone retirement and remain in the workforce longer than employees who stay in their long-term jobs. This holds true for men and women, and for better- as well as less-educated workers.

## ENERGY & ENVIRONMENT

***Using Renewables to Operate a Low-Carbon Grid.*** By Clyde Loutan, et al. California ISO, et al. Jan. 11, 2017. 66 p.

<http://www.caiso.com/Documents/UsingRenewablesToOperateLow-CarbonGrid.pdf>

The California Independent System Operator (CAISO) and partner agencies analyzed a large, utility-scale photovoltaic (PV) plant to test its ability to provide services to the state's electric power grid. The agencies concluded PV plants may enhance the grid—an important finding, since other sources, such as fossil thermal plants, are being displaced. “The findings of the new CAISO-First Solar-NREL study have significant implications for the integration of all renewables (not just solar) on California’s grid. California’s renewable portfolio standard mandates that at least 50% of electric generation be driven by renewables by 2030. Given their inherent variability, as more renewables come online, grid operators will need additional ancillary services to ensure grid stability.” (*EC: the Energy Collective*, Feb. 23, 2017).

## GENERAL GOVERNMENT

***The Effects of Collecting Income Taxes on Social Security Benefits.*** By John Bailey Jones, et al. Federal Reserve Bank of Richmond. Jan. 2017. 51 p.

[https://www.richmondfed.org/publications/research/working\\_papers/2017/wp\\_17-02](https://www.richmondfed.org/publications/research/working_papers/2017/wp_17-02)

This paper analyzes the effects of reforming or eliminating the benefit tax. “[Income tax on Social Security benefits] can significantly increase the marginal income tax rate for older individuals.... [R]eplacing the taxation of Social Security benefits with a revenue-equivalent increase in the payroll tax would significantly increase labor supply, consumption and welfare. From an ex-ante perspective an even more desirable reform would be to make a portion of benefits subject to income taxes completely independent of other income.”

## HEALTH

***Five-State Study of ACA Marketplace Competition.*** By Michael Morrissey, et al. The Brookings Institute, et al. Feb. 2017. 22 p.

<https://www.brookings.edu/wp-content/uploads/2017/02/summary-report-final.pdf>

***California ACA Competitiveness.*** 18 p.

<https://www.brookings.edu/wp-content/uploads/2017/02/ca-aca-competitiveness.pdf>

This report explores the five states (California, Florida, Michigan, North Carolina, and Texas) that established their own state-based health exchanges under the Affordable Care Act, and finds California has the most successful marketplace. It retains a relatively large number of insurers and structures its marketplace as an active purchaser. Researchers noted that health insurance markets are local (urban areas have better-priced plans than rural areas) and that claims costs exceeded insurers’ expectations due to underestimates of a sicker overall enrollee pool. A narrower network could help control costs and limit premium increases. Medicaid expansion and cancellation of transitional policies might have decreased the impact of adverse selection, and Medicaid-managed, care-type insurers may be the future of the marketplaces.

## HUMAN SERVICES

***Geography of Child Poverty in California.* By Sarah Bohn, et al. Public Policy Institute of California. Feb. 2017. 14 p.**

[http://ppic.org/content/pubs/report/R\\_0217SBR.pdf](http://ppic.org/content/pubs/report/R_0217SBR.pdf)

This report examines regional differences in the economic circumstances of poor young children across the state. “[C]hild poverty ranges from around 20% in the Bay Area, Sacramento area, and Northern region to nearly 30% in the Central Coast and Los Angeles County.” The report finds “1) One-quarter of young children in California live in poverty; 2) Most poor families with young children have at least one working adult; 3) Coping with housing costs while maintaining access to work is difficult in higher-cost regions; and 4) Safety net programs reduce child poverty, with more of an impact in lower-cost regions.”

## SCIENCE & TECHNOLOGY

***Encryption Working Group Year-End Report.* U.S. House Judiciary Committee & House Energy and Commerce Committee Encryption Working Group. Dec. 20, 2016. 13 p.**

<https://judiciary.house.gov/wp-content/uploads/2016/12/20161220EWGFINALReport.pdf>

Created after Apple, Inc.’s refusal to break iPhone encryption for the FBI’s investigation in the wake of the 2015 San Bernardino shooting, the Encryption Working Group recognized that the “widespread adoption of encryption poses a real challenge to the law enforcement community *and* strong encryption is essential to both individual privacy and national security.” Because encryption technology is widely available and global, Congress cannot stop anyone, domestic or foreign, from adopting encryption. “Any measure that weakens encryption works against the national interest” because it would damage cybersecurity, the U.S. tech economy and individual privacy. The Working Group encourages greater cooperation between companies and law enforcement and identifies points for future discussion.

### ***About the California Research Bureau***

The California Research Bureau at the California State Library develops independent, nonpartisan research and analysis for the executive and legislative branches. We provide policy research, 50-state reviews, academic and media summaries, data analysis and much more. To learn more about us or to make a request, or to subscribe to *Studies in the News*, contact [crb@library.ca.gov](mailto:crb@library.ca.gov) or call (916) 319-2691.

*Studies in the News* archived issues and RSS feed are available at <http://www.library.ca.gov/sitn/crb/>.