PS2

```
execomp <- read.csv("C:\\Users\\Eli\\Dropbox\\ERG\\Spring19\\PublicEcon\\HW2\\execucomp.csv")
sum(execomp$TOTAL_SEC==0, na.rm = 1)
```

[1] 36

1. CEO Pay response to the 2013 US tax increase The goal of this exercise is to repeat the Goolsbee (2000) analysis of CEO pay around the 2013 top tax rate increase (instead of the 1993 top tax rate increase as Goolsbee did).

a) First stage: Using online sources, calculate the change in the top marginal tax rate for labor income compensation generated by the 2013 tax increase including both the change in the Federal tax rate, and the Affordable Care Act surtax. How does the size of the change compare with the 1993 tax increase from Goolsbee (2000) study?

Warning: Removed 92 rows containing missing values (geom_point).
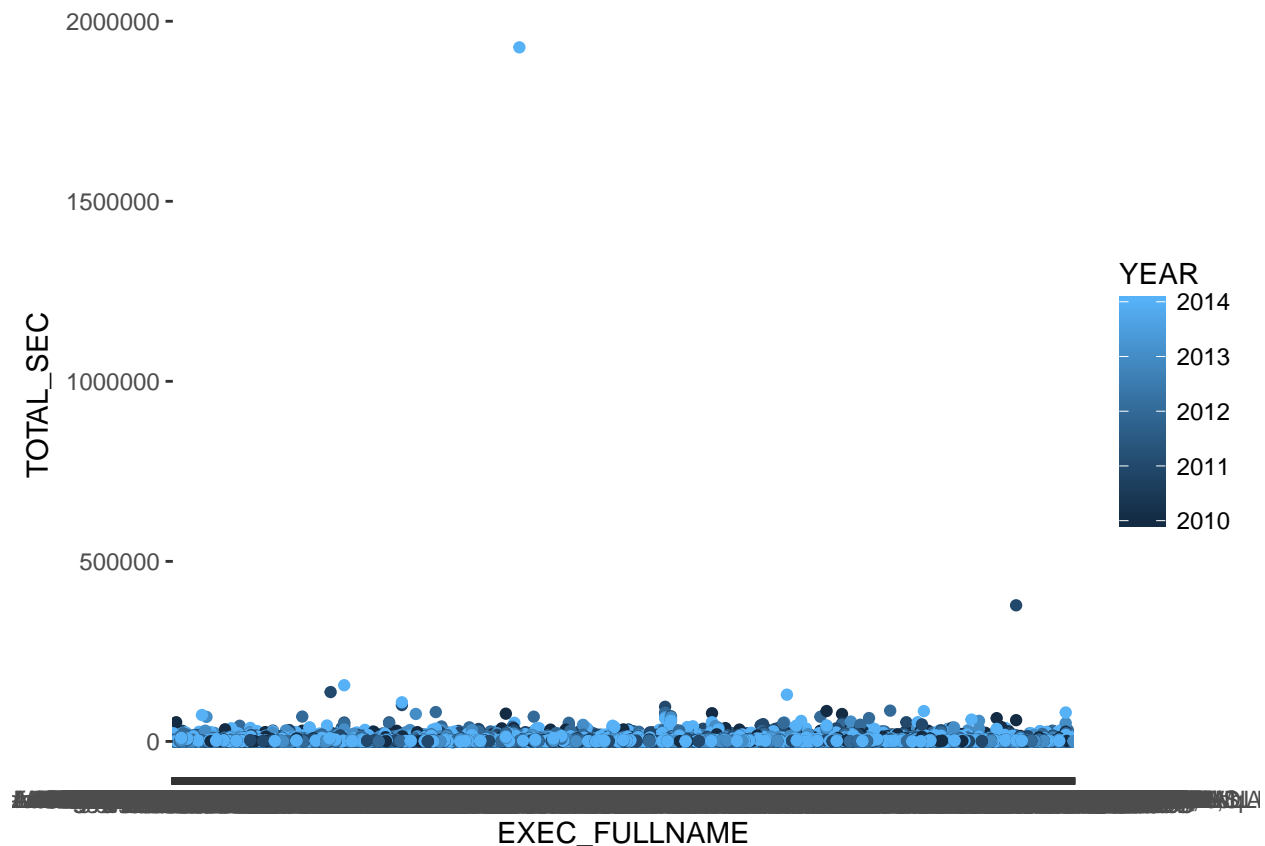
b) Timing of the reform: search online to figure out whether people knew in advance that the 2013 tax increase would take place? Is it reasonable to think that executives could respond to the tax change as they did with the 1993 tax change?

Warning: package 'bindrcpp' was built under R version 3.4.4

```
##                          [,1]       [,2]       [,3]       [,4]       [,5]
## YEAR                2010.0000  2011.0000  2012.0000  2013.0000  2014.0000
## Taxable Income      2643.3558  2795.0388  2869.2032  3008.0320  3303.1420
## SALARY               477.4275   489.9179   501.3290   517.4889   537.3085
```

```
## Bonus              135.8246  124.9208  126.7948  119.5551  119.3872
## LTIP                    NaN       NaN       NaN       NaN       NaN
## Options            472.7014  488.2045  426.3211  447.4664  436.6163
## Other Compensation 153.3626  148.7925  167.7227  170.9054  180.3140
```

```
## [1] "https://en.wikipedia.org/wiki/Income_tax_in_the_United_States#Marginal_tax_rates_since_2008"
```

asdlfakjsdflkj

Taxable income 911 1,153 974 965 1,173 Salary 347 336 336 351 373 Bonus 198 207 241 284 330 LTIP payout 57 72 57 64 89 Options exercised 268 496 293 235 381 Other income (nontaxed) 36 37 66 54 78