Hi Erica,

My name is Casey and I am writing on behalf of group 2

Can you expand on the first section of your comments a bit more? I am not sure I understand your point exactly. The whole reason businesses locate their factories abroad is to take advantage of cheaper local labor force. Don’t you think sending Americans to work in those factories would be defeating the purpose?

Group 1: Employment and Immigration

Before reading this article, would you believe that immigration could help the unemployment rate and benefit U.S born worker wages? Why or why not?

To measure the effects of immigration a fundamental categorization is needed. Popular image used in the media shows people climbing fences and paddling across the river. This image does not pertain to those who want to bring capital (monetary and intellectually) into our economy. Rule of law (enforcement of contracts), vast geographical diversity, and our stable political system are very attractive to entrepreneurs and technologies across the world. We studied that these are among the fundamentals for a healthy open market economy. We also learned that additional capital (so long as it does not pass the threshold for diminishing return) will help with economic expansion. Immigration Policy Institute (MPI) reported as recently as December of 2012 that “The foreign born were more likely to hold a doctorate or professional degree than the native born”. Based on these facts immigration of people with money, talent, or knowledge is always helpful to our economy.

Another point to consider is the increasingly globalized nature of our economy. As this trend continues, large cooperation’s need for employees with knowledge of international norms increases. The insight of a foreign born individual with respect to his/her native culture will more often than not supersede that of an American. And this insight is free and organic. The individual did not have to study it. This knowledge is useful not only in the marketing and sales arenas but also in the public policy and law fields.

Group 3: The U.S. Debt & Deficit

Social Security, Medicare, Medicaid, and Welfare are programs that provide assistance. The qualifications to obtain these benefits vary but in essence the individuals have to prove that they cannot provide a sufficient standard of living on their own. What requirements would you put in-place for individuals to obtain these benefits? (i.e. higher retirement age, level of education, number of children, etc.)

For starters I think a distinction needs to be made regarding the Social Security program. Although one of the entitlement programs, Social Security program is based on a contract. Based on this contract, workers have been paying into the program from the first day of their employment. The contractual right to access those funds upon retirement is not adjustable pending the deficit level. This is to say that Social Security and Supplemental Security Income (SSI) are two different programs. SSI is a federal welfare program that does not require contributions to qualify for benefits. The Social Security Administration website clarifies the misinformation about placement of SS trust fund in the U.S. budget. So changing the retirement age or modifying the retirement benefits are factors in long-term solvency of SS trust fund and does not relate to the U.S. debt or deficit.

As to the rest of the entailment programs, I think a fundamental rethinking of the system is needed. The most fundamental, and in my view logical, argument for existence of entitlement programs is the concept of social safety net. A safety net protects the citizens in an unforeseen situation. Limits should be put in place to prevent the unforeseen situation from becoming a permanent situation. Debate.org is an interesting source of general information on this and many other subjects. The more rigor society places around the qualification criteria, the more likely to limit the number of permanent benefactors of such systems. Placing these limitations is always easier when the economy is on an upswing. But I fear that it may be at least another generation before we see a substantial decline in the underlying culture of dependency that currently plagues us. Abuse of welfare programs is a constant concern but the large size of retiring baby boomers is even a bigger concern.

<http://www.ssa.gov/history/InternetMyths2.html>

http://www.debate.org/debates/Welfare-and-other-public-entitlement-programs-should-be-abolished-in-the-US./1/

Group 4: Fiscal and Monetary Report

Have you noticed any personal effects over the last 5 years from the Feds actions using monetary or fiscal policy? Be specific and identify the particular policy.

The policy of quantitative easing is the most famous federal policy of our time. As we studied the link between money supply and inflation we learned that an increase in money supply cusses an increase in prices. We notice and lament this when we look at food prices (see seasonally-adjusted price index for meats, poultry, fish, and eggs for May, 2014 published by the Bureau of Labor Statistics). But it is not that cut and dry either. The same inflationary forces that push up the price of meats also push up the price of my house. Like millions of others the housing market collapse left me with a house that was worth less than what I owed the bank. Thankfully as of last month the phrase “under water” does not apply to my mortgage anymore. Thankfully most of the increase in the money supply caused by quantitative easing has gone to sure up the reserves that banks hold. How masterfully will chairwoman Yellen stops this program and how quickly real economic growth fills in the vacuum still remains to be seen. So far I have been happy to pay the higher prices knowing that the Fed is working to make the lending institutions sounder. But going forward, I am hoping that at some point real growth in the economy will translate to a higher salary for me to balance out the higher cost of everything else.

This is certainly a positive effect of quantitative easing as far as I am concerned.

Increase

http://www.bls.gov/news.release/pdf/cpi.pdf