Thinking about Funding Federal Retirement Plans
Toni Hustead

in The Future of Public Employee Retirement Systems

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Item type: chapter

Most US federal retirement plans are now fully funded, but since plan assets must legally be invested in federal securities, fund surpluses are used to reduce overall federal budget deficits. As a result, current taxpayers are not charged with the cost of future federal retirement obligations. Nevertheless, federal rules do require the employing federal agency to budget for current personnel’s accruing liability of retirement promises. Therefore, policy decisions regarding the number of federal civilian and military personnel and the design of their retirement benefits may be made with a better understanding of the costs.

The Digital Hand, Vol 3
James W. Cortada

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This book, the third of three volumes, completes the sweeping survey of the effect of computers on American industry began in the first volume and continued in the second volume. It turns finally to the public sector, examining how computers have fundamentally changed the nature of work in government and education. This book goes far beyond generalizations about the Information Age to the specifics of how industries have functioned, now function, and will function in the years to come. The book provides a broad overview of computing's and telecommunications' role in the entire public sector, including federal, state, and local governments, and in K-12 and higher education. Beginning in 1950, when commercial applications of digital technology began to appear, the book examines the unique ways different public
sector industries adopted new technologies, showcasing the manner in which their innovative applications influenced other industries, as well as the US economy as a whole. The book builds on the surveys presented in the first volume, which examined sixteen manufacturing, process, transportation, wholesale and retail industries, and the second volume, which examined over a dozen financial, telecommunications, media, and entertainment industries. This book completes the trilogy and provides a picture of what the infrastructure of the Information Age really looks like and how we got there.

**Role, Presence, and Trends in the Use of Information Technology by the Federal Government**

James W. Cortada


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This chapter discusses the use and deployment of information technology by the federal government from 1950 to 2007. By looking at the government as a whole, several patterns of use, deployment, and effects become evident. The federal government have demonstrated a continuous appetite for information technologies for over a half century. The motivations for relying on the digital hand came largely out of desires to lower operating costs and the amount of labor required to perform work. Agencies and departments, however, also proved quite reluctant to alter fundamental aspects of operating as a consequence of using IT, such as their missions, work processes, and measures of accountability for results. Over time, their increased use of IT ultimately did cause incremental changes in how work was done. These changes encouraged Congress to change missions and work, because of the availability of digital tools that made it possible either to do things more cheaply, faster, or better, or to do simply something new.

**Digital Applications in State, County, and Local Governments**

James W. Cortada


Published in print: 2007 Published Online: January 2008
This chapter discusses the deployment and use of information technology in state, county, and local governments. Public sector managers and users enjoyed the same benefits and similar challenges in using the digital hand as those in many industries. They also avoided many of the difficulties faced by very large users of IT in the federal government, particularly during the 1970s and 1980s. Unlike their federal colleagues, local government officials had either newer systems that were not in need of replacement too soon or they were small enough for them to find the necessary wherewithal and technical staff to keep systems up to date. In the case of small state, county, and municipal governments, the reason lay elsewhere — they just had not yet integrated computers into the core work of their departments. When these smaller agencies computerized their work systems, they did it on more modern systems, often using software designed by vendors for specific applications in public administration, or shared services put together by local governments more experienced in these matters, such as by state agencies or very large counties and cities.

Administrative Costs of State Defined Benefit and Defined Contribution Systems
Edwin C. Hustead
in The Future of Public Employee Retirement Systems
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This chapter compares the administrative costs of public sector defined benefit and defined contribution systems offered by the federal government and many states. Administrative expenses are presented as percentages of both income and assets, and the author discusses how administrative expenses might enter into the decision by a public sector employer as to whether to establish a defined contribution plan.

The Next Crash
Amy L. Fraher
Published in print: 2014 Published Online: August 2016
DOI: 10.7591/cornell/9780801452857.001.0001
This book offers a shocking perspective on the American aviation industry by a former United Airlines pilot. Weaving insider knowledge with hundreds of employee interviews, the book uncovers the story airline executives and government regulators would rather not tell. While the Federal Aviation Administration (FAA) claims that this is the “Golden Age of Safety,” and other aviation researchers assure us the chance of dying in an airline accident is infinitesimal, this book reports that seventy percent of commercial pilots believe a major airline accident will happen soon. Who should we believe? As one captain explained, “Everybody wants their $99 ticket,” but “you don't get [Captain] Sully for ninety-nine bucks.” Drawing parallels between the 2008 financial industry implosion and the post-9/11 airline industry, the book explains how aviation industry risk management processes have not kept pace with a rapidly changing environment. To stay safe the system increasingly relies on the experience and professionalism of airline employees who are already stressed, fatigued, and working more while earning less. For reasons discussed in the book, employees’ issues do not concern the right people—namely airline executives, aviation industry regulators, politicians, watchdog groups, or even the flying public—in the right way often enough. In contrast to popular notions that airline accidents are a thing of the past, the book makes clear that America is entering a period of unprecedented aviation risk.

Public Finance: The Fiscal Crisis of the Postwar State
Wolfgang Streeck
in Re-Forming Capitalism: Institutional Change in the German Political Economy
Published in print: 2010 Published Online: October 2011
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Item type: chapter

During the postwar era, para-public institutions were used to loosen the ties that binded the state to organized interests, and to create disharmony in the social policy field by making it subject to economic and political competition. These changes were driven by tightening resource constraints, with a larger share of the federal budget being consumed by subsidies to social security when increases in the contribution rates become no longer productive for the economy and no longer politically viable. Corporatist sharing and the delegation of control over the postwar welfare state in Germany ended when governing bodies and other political parties could not control social policy and how this crowded out other political concerns. This chapter discusses what happened to public finance, specifically the fiscal crisis, in Germany during the postwar era.
This chapter is about the publicly held companies in the USA. Ever since independence the states have fought to limit the role of the Federal government. Wherever a company operates it may choose any state in which to incorporate, and the states compete for its business. The recent reforms led by the Sarbanes-Oxley Act (SOX) apply directly only to them and their audit firms. The chief, but not all-powerful, machine for exerting Federal pressure is the Securities and Exchange Commission (SEC) that regulates many of the processes affecting companies, shareholders, and the market, and the traffic between them. The New York Stock Exchange is the dominant institution in the stock market. Meanwhile, control of a US company can pass by replacing enough of the board through the proxy process, but the usual route is by acquiring a majority of the votes through a tender offer.

This chapter examines the economic history of Baden-Württemberg. Baden-Württemberg has a well-earned reputation as one of Europe's most successful regional economies. This reputation has been built on technical excellence and quality products in key engineering such as printing machinery. The first area of focus is on the regional governance of the Land, principally its relationship with the federal level of government. This chapter also explores the changes in corporate organization, consequent upon the discovery by German business of the need for serious restructuring. The role of intermediary organizations in the animation of the regional production system is also examined as a prelude to considering the implications, both objectively and in terms expressed by official commissions and the like, regarding the future of Baden-Württemberg's historically dominant regional engineering economy, in the face of global competitive pressures.
The chapter describes Paul Warburg’s role in the creation of the Federal Reserve System.

Riding the Jet Stream
Amy L. Fraher
in The Next Crash: How Short-Term Profit Seeking Trumps Airline Safety
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DOI: 10.7591/cornell/9780801452857.003.0004
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This chapter examines safety issues, centered on inefficient air traffic control systems, and antiquated regulations that continue to plague the U.S. airline industry. It first provides a historical background on commercial jet service in the United States that dramatically altered the aviation industry. It then considers the establishment of three federal agencies with aviation regulatory oversight: the Federal Aviation Administration, whose duty is to promote and regulate aviation while monitoring airline safety; the National Transportation Safety Board, in charge of investigating airline accidents; and the Civil Aeronautics Board, which supervises all aspects of airline operations from flight scheduling to fiscal management. It also explains how the U.S. government got so deeply intertwined in the day-to-day business of airline operations in the post–World War II period. It suggests that the cutthroat competition between airlines in the early days of industry development was largely instigated by the character and personalities of airline executives of the time.

Preferences of the Very Rich
Peter Temin
in The Vanishing Middle Class: Prejudice and Power in a Dual Economy
Published in print: 2017 Published Online: January 2018
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DOI: 10.7551/mitpress/9780262036160.003.0007

This chapter surveys the political views of the top one percent of the population, the top one percent of the top one percent, and the top one percent of the top one percent of the top one percent. The higher people are in the income distribution, the more they want taxes to be low and the federal debt to be reduced. The richer they are, the less they favor income redistribution, education, infrastructure investment and universal health care. They may like some policies in the abstract, but they do not support these policies if they require increased taxes or deficit. The Koch brothers formed a secret organization, the Kochtopus, after the Powell Memo to support the political aims of the very rich.

**Mission**

August Turak

in Business Secrets of the Trappist Monks: One CEO's Quest for Meaning and Authenticity

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columbia/9780231160629.003.0005

This chapter describes how we can apply service and selflessness to our secular organizations and even our personal lives with equally explosive results by making sure we have a high, overarching mission worthy of being served. It begins by focusing on the Winston-Salem, North Carolina-based Truliant Federal Credit Union and how its mission has dramatically enhanced the company's bottom line. The chapter shows that service and selflessness works not only for the Trappist monks of Mepkin Abbey but also for secular organizations like Truliant. It explains why so many corporate mission statements seem vague and irrelevant and fail to inspire, and how a radical reorientation of priorities contributes to monastic business success. The chapter also looks at the Trappist monastery of Gethsemani in Kentucky and examines Mepkin Abbey's overall mission through the concept of a membrane. Finally, the chapter considers entrepreneurship as a way to create goat-rodeo opportunities for personal growth in real time under the pressure of real-life challenges.
This chapter first explains how federal government bailouts during the subprime crisis increased the risk for more severe financial crises in the future. The government sent businesses the wrong message that they can pursue senseless strategies in search of higher yields because Uncle Sam will absorb any losses if firms are too big to fail. In other words, the result of the bailouts was moral hazard. The chapter then discusses three ways to rein in too-big-to-fail firms and evaluates the capacity of the Dodd-Frank Act to perform these tasks. First, the law should require federal regulators to put failing financial giants into receivership before stabilizing them with federal aid. Second, the nation needs a systemic risk regulator to track and address looming systemic risks. Finally, swaps need to be moved onto exchanges as much as possible, while swaps that bet on the performance of assets owned by others should be banned.

Although structural financial reform for the USA came in the guise of the Federal Reserve Act of 1913, it had not been implemented by the summer of 1914. Thus the outbreak of the First World War offered a window on the history of the US securities markets, exposing the limits of their development until then. On 31 July 1914, the governors of the NYSE were concerned about these markets’ capacity to withstand the crisis and decided to close the exchange. However, they need not have worried so much given what the future had in store. When normal peacetime conditions returned after the crisis of 1920–1, it was clear that the war had opened the door to a new future for US securities markets. From that point on, for good or for ill, broad and deep securities markets
constituted an integral part of the institutional framework that sustained US capitalism.

The Subprime Virus
Kathleen C. Engel and Patricia A. McCoy

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DOI: 10.1093/acprof:osobl/9780195388824.001.0001
Item type: book

The subprime crisis shook the American economy to its core. How did it happen? Where was the government? Did anyone see the crisis coming? Will the new financial reforms avoid a repeat performance? This book answers these questions as it tells the story behind the subprime crisis. The book offers a reasoned account of the actions that produced the greatest economic collapse since the Great Depression. The book reveals how consumer abuses in a once obscure corner of the home mortgage market led to the near meltdown of the world's financial system. The book also delves into the roles of federal banking and securities regulators, who knew of lenders' hazardous mortgages and of Wall Street's addiction to high stakes financing, but did nothing until the crisis erupted.

Politics, Independence, and Retirees
Peter Conti-Brown

in How Persistent Low Returns Will Shape Saving and Retirement

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DOI: 10.1093/oso/9780198827443.003.0002
Item type: chapter

Until recently, it was widely believed that central banks must protect people from their own worst instincts: the populace demands easy money and low interest rates, and a politically sensitive representative class will give it to them. Central banks have the responsibility of resolving this time inconsistency problem by protecting the long-term value of the currency even against the short term demands of politics. Yet the financial crisis of 2008 and the 2016 election have changed this narrative. This chapter explores how this new political economy of central banking, in the face of long-term low interest rates, changes the posture of central banks against the rest of the polity. It discusses some history of political pressures against central banks in other climates and makes predictions about how the ‘new normal’ of lower interest rates will
challenge the Fed’s ability to stay above the political fray, despite its best intentions.

The Decline of Journalism since 1945
James L. Baughman

in Making News: The Political Economy of Journalism in Britain and America from the Glorious Revolution to the Internet

Journalism in both Britain and America after 1945 attained a greater measure of independence toward government than it had before the Second World War. Even the state-controlled British Broadcasting Corporation became less deferential toward government leaders. Editors and broadcast news producers enjoyed considerable control over what they presented; for several decades, they enjoyed relatively captive markets. Newspaper reading remained widespread. A finite number of broadcast services in each nation meant that news programs did not have to overattent to viewer preferences. This model began to break down in 1980s. Public policy in both countries encouraged competition from cable and satellite relay services, as well as the diffusion of personal computers and, in the 1990s, the World Wide Web. Audiences began to divide by interest and generation. Newspaper circulation plummeted while broadcast news producers labored to make their programs more engaging.

Liquidity
Paul Langley

in Liquidity Lost: The Governance of the Global Financial Crisis

This chapter analyses how the global financial crisis was governed as a problem of money and capital market liquidity from 2007 to 2009. It covers the unprecedented liquidity injections of the Federal Reserve and the Bank of England, including their open market operations (OMOs), discount window lending, and programmes of quantitative easing (QE). It shows how the crisis was rendered as a problem of liquidity through the relational arrangement of orthodox and heterodox
economic discourses and particular devices of economy, most notably the heterodox economics of Walter Bagehot and the LIBOR-OIS spread. The chapter explains how the liquidity injections of the Federal Reserve and Bank of England entailed not merely the minting of fiat, base money in the form of bank reserves, but also the mobilization of the central bank’s balance sheets and attempts to elicit an affective atmosphere of market confidence.

**Blind Spot**

Kathleen C. Engel and Patricia A. McCoy

in *The Subprime Virus: Reckless Credit, Regulatory Failure, and Next Steps*


This chapter discusses the Federal Reserve Board's enforcement actions during the housing bubble. It describes Fed chairman Alan Greenspan's aversion to regulation and the distinct ideological imprint he put on the Fed, which was most evident in mortgage lending. It also covers the Fed's power to regulate reckless mortgages; the Truth in Lending Act disclosures, the main form of mortgage regulation at the Fed; supervision of lending institutions by the Fed; and other Fed enforcement actions affecting mortgage lending.