

Welfare Analysis of Government Policy Changes

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Résumé :

This seminar will discuss recent work measuring the welfare impact of government policy changes using the marginal value of public funds (MVPF) framework. For any tax or spending policy where researchers have identified the causal effect of the policy change, the MVPF measures the net benefits a policy provides to beneficiaries divided by its net cost to the government. Crucially, this net cost includes any fiscal externalities generated by the policy, such as distortionary effects of taxation or positive effects on tax revenue of expanded education. In contrast to other welfare frameworks, the MVPF relies on the causal as opposed to compensated effects of the policy change. We will cover applications of this framework that study the [welfare impact of policies addressing climate change](#), [social spending policies](#) (education, social insurance, cash and in-kind transfers), and [expanded tax enforcement](#).