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CENTRE/GROUP/
NETWORK DIRECTOR'S
ANNUAL REPORT FORM

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CENTRE DIRECTOR'S ANNUAL REPORT 2011/12

Reporting period	from 1 April 2011 to 31 March 2012
Name of Centre/Group/Network	ESRC Centre for the Microeconomic Analysis of Public Policy
Director's name	Richard Blundell
Co-directors' names	Orazio Attanasio, James Banks, Rachel Griffith, Imran Rasul
Start and End Dates	1 October 2010 to 30 September 2015
Year of Operation	2
Cash limit	£7,048,719

The Director's Annual Report should be completed in accordance with the attached guidelines. It should be **emailed** to your ESRC Case Officer by **30 March 2012**.

Introduction

The last 12 months have been an exciting period for ESRC centre research at IFS. Over the course of the year we have made extensive research progress and engaged in numerous activities delivering both scientific and policy impact. We have produced important new scientific results across the broad range of areas covered by the research centre and we have secured new co-funding and laid the ground work for much more that we hope to develop over the course of the next four years. With the publication of the final volume of the *Mirrlees Review* and the continued interest in the reform of the tax and welfare system in the light of the financial crisis, there has been a huge demand for our expertise in the policy debate. There has also been a growing international dimension to our work with scientific research and policy analysis extending to Europe, Asia and North America as well as many developing country regions. In this report we do not have space to detail the extensive impact we had on the day-to-day debate on the design, reform and operation of policy, which this year spanned all areas of government economic policy including direct taxes and benefits, indirect taxes, corporate taxes and government spending. Full details are well-documented in the outputs and KPI sections of this report.

Impact and highlights

Research pProgress

Microfinance

It remains unclear whether, and how, microcredit can help the poor to improve their lives. We have new evidence from two microfinance evaluation studies using randomised controlled trials. A study in Mongolia gives new evidence on group versus individual liability. At a time of change in the microcredit industry, increased scale and professionalisation have led many MFIs to move from group or joint-liability lending. We find group loans to have positive effects on borrowers, whereas individual liability loans do not seem to make much difference. Importantly, we find no significant difference in repayment rates between the two lending programmes. In Bosnia and Herzegovina, we evaluated the extension of microfinance to a poorer part of the population, analysing the effect on the households and the institution. We are planning a follow-up survey to analyse long-run welfare effects. Ongoing microfinance evaluation studies include one providing loans to construct toilets in India, where two-thirds of the population has no access to safe sanitation facilities.

Food purchases and nutritional outcomes in the US, UK and France

Obesity rates and health outcomes differ across France, the UK and the US, in part due to differences in food consumption. We use detailed household-level data to document substantial differences in purchases of food for consumption at home in these three countries. We want to distinguish the importance of the economic environment (as opposed to preferences) in driving these differences. A substantial methodological challenge is how to estimate flexible demand. We develop and estimate a new model of demand based on Gorman's characteristics model of demand. We use this to simulate choices if consumers face prices and nutritional characteristics from other countries. We find that changes in prices and characteristics would lead to substantial differences in nutritional outcomes. This work is carried out in collaboration with researchers at Toulouse and Northwestern.

Scientific impact

Behavioural economics and consumer choice

The Centre organised a week-long workshop and conference on consumer behaviour bringing Centre researchers together with over 60 other top international researchers on behavioural economics and consumer choice. Centre researchers have made key contributions to consumer behaviour analysis: the event targeted a wider academic community and developed links between research on bounded rationality, revealed preference and consumer demand. Organised by Richard Blundell, Nobel Laureate Dan McFadden (Berkeley) and behavioural economist Ran Spiegler (UCL), we focused on the interplay between research on bounded rationality, choice behaviour and empirical consumer demand. As the first international conference to bring together such researchers, we aimed to maximise the impact of this cross-fertilisation of ideas on the research community.

Insurance and risk

Centre research, published in *Econometrica*, has considered testable implications for the dynamics of consumption and income of models in which perfect risk sharing is not achieved because of a moral hazard problem. We show that in this environment, consumers typically achieve more insurance than that obtained under self-insurance with a single asset. Consumption allocations exhibit 'excess smoothness'. We argue that excess smoothness, in this context, is equivalent to a violation of the intertemporal budget constraint. We present tests of excess smoothness, applied to UK microdata. Our theoretical model leads us to interpret them as tests of the market structure faced by economic agents. We also construct a test based on the dynamics of the cross-sectional variances of consumption and income. The results of this research are shown to be consistent with the theoretical implications of newly developed models and are internally coherent.

Economic and societal impact

The Patent Box and incentives for innovation

Tax treatment of intellectual property (IP) income is an increasing challenge for governments. IP represents a rising share of inputs and is highly mobile. The UK government plans to reduce the tax rate on patents income, the Patent Box, to 10%. This is one of few policies that represent a spending increase in a time of fiscal austerity. Centre researchers, with co-funding from an ESRC small grant, investigated the likely impact of this policy. We estimated a model of firms' decision over the location of IP, incorporating important aspects of the corporate income tax system, controlling for potential confounding factors and allowing for rich variation in firms' responses. Findings were presented at HMT, HMRC and BIS, to Brussels and Washington policymakers, and at academic conferences in, for example, Michigan, Oxford and Stockholm. We held a workshop at IFS with speakers from HMT, GlaxoSmithKline, ICAEW, Oxford and IFS.

VAT

Centre researchers Stuart Adam, David Phillips and Stephen Smith led an international consortium of 12 research organisations in an evaluation of the effectiveness and efficiency of the current EU VAT system, published in late 2011. The evaluation was wide-ranging, covering everything from how VAT impedes households' welfare to the macroeconomic effects of VAT on growth and competitiveness. This evaluation was central to the formulation of the European Commission's proposals, set out in a Communication of 6 December 2011, to take forward wide-ranging reform of the EU VAT regime. The researchers also presented the results of the evaluation to the 'Structures of Taxation Systems' working group (a high-level meeting of officials from member states' ministries of finance) in Brussels.

Progress against objectives

Wages, skills and education

- Co-funding from Nuffield to extend work on month-of-birth effects on schooling. Updated distributional analysis of new HE funding regime and produced first empirical analysis of proposed school funding reforms. Co-funded by Esmée Fairbairn, research included options for reform. Explored data on student ratings of teacher performance (ratemyteacher.com), relating it to school performance measures. Collaborating with NatCen, we evaluated the Free School Meals pilot.
- Extended analysis of consequences and determinants of early cognitive and non-cognitive social skills to take into account evolution of economic and non-economic outcomes across the life cycle using NCDS data. Related to this is an early childhood development intervention we have conducted in Colombia from early 2010 to late 2011. Designed a study to validate shorter psychometric tests to measure early child development outcomes against the Bayley test. Assessed and compared long-term impacts of childhood psychological and physical health problems on adult socio-economic status.
- Secured co-funding from DfE to document the prevalence of engagement in different types of risky behaviours using a variety of new or under-used datasets. We have also done some work to link engagement in risky behaviours at age 14 to educational attainment at age 16. Obtained clearance from MoJ to access the Police National Computer, and will describe offending patterns using this novel data source.
- Secured co-funding from the LPC to document the education and labour market choices of young people over the course of the recent recession. This analysis was used as evidence for the 2012 minimum wage report. With co-funding from the DfE, our research has also focused on the education and work transitions of young people aged 16–19. This evidence is relevant for the planned Raising of the Participation Age requiring all young people in England to continue in education or training until age 18 from 2015. Further, we examined how insights from behavioural economics could explain particular features of these choices.

Labour supply, health and retirement

- Work on labour supply at the extensive and intensive margin has documented the key facts underlying the evolution of labour supply at the extensive and intensive margins in the last 40 years in three countries: US, UK and France. Initial analysis published in AER; now undertaking detailed study of impact of tax changes. Also modelled the dynamics of female labour supply/education choices to evaluate the life-cycle impact of tax credit reforms and redistribution and incentive effects of tax system. We have developed a matching model of the marriage market to assess how marriage conditions impact on education take-up, labour supply and intra-household allocation of resources particularly towards children.
- Estimated effects of the financial crisis on wealth, life-cycle expectations and mental and psychosocial health in older adults. A dataset of derived variables for pension wealth of respondents to the second, third and fourth waves of ELSA to be deposited in the Data Archive for public access. Analysed the extent to which biological data on health risks can predict subsequent health and disability when controlling for individual socio-economic factors and subjective health assessments and health expectations. Developed our models of retirement behaviour among those in different states of health. Linked our tax and benefit model to ELSA data to estimate the incentives older individuals face to remain in the labour market and gain a richer understanding of their labour supply behaviour.
- We have run two well-attended events post Budget and post Autumn Statement, assessing announcements and revisions to forecasts. Published public finances

analysis including a briefing note on trends in public spending and a chapter in an EC book assessing the impact of the financial crisis on UK public finances.

Savings, housing and consumer behaviour

- Preliminary results estimating the effects of the financial crisis on wealth, life-cycle expectations and mental and psychosocial health in older adults presented at several conferences and seminars including at the ECB. Updated previous analysis of the distribution of retirement wealth and pension savings in the 50+ population and compared this with 2002 distribution. A working paper analysing how household consumption evolved through the recent recession and how this compared to previous recessions was published in October 2011. Press released and results were also presented at a meeting of the IFS Retirement Saving Consortium in July 2011.
- We have developed new techniques for the estimation of consumer demand models. An empirical application illustrates the usefulness of the methods by deriving bounds and confidence sets for estimated quantile demand functions. We ran a major four-day international workshop on bounded rationality, consumer choice and revealed preference, jointly run by the Centre. Related to this we co-organised a conference on Improving the Measurement of Consumer Expenditures in December in Washington. We contributed five papers. We have also begun work on income uncertainty and the demand for consumer durables by setting up a large dataset of all car purchases linked to administrative data on incomes and household characteristics.
- Examined household responses to information on child nutrition on margins such as household consumption, in the context of a cluster randomised trial in Malawi. This intervention generated sizeable increases in consumption – for both the child and the household. This research focuses on improvements in risk sharing that may arise as a result of design features of the intervention, using a two-year panel dataset.
- Developed tax microsimulation model for Mexico to analyse consumer tax reforms in Mexico as part of a World Bank project. First step towards longer-term goals to understand how tax policy affects households in middle-income countries.
- Estimated impact on propensity to save in private pensions of the up-front tax relief available on pension contributions. Presented to and discussed with the IFS Retirement Saving Consortium and presented at an HMRC/HMT conference. Final paper presented at RES annual conference and submitted to conference volume.

Firms and corporate behaviour

- Work on understanding the impact of corporate income taxes on income from Intellectual Property proceeded well; submitted a paper to the *Journal of Public Economics*, which we presented at a large number of academic and policy events (including at HM Treasury and in Washington to US Congressional workers and multinationals).
- Good progress in research on the impact of past policy interventions targeted at improving nutritional outcomes. Preliminary findings presented at academic conferences and the Associate Parliamentary Food and Health Forum. We have more detailed data on policy interventions: work will focus on exploiting this new data.
- Research comparing nutrition and food purchasing behaviours between US, UK and France, with colleagues from Northwestern and Toulouse, has identified some of the reasons for the large differences across countries. Presented at a number of major academic conferences, and will soon be submitted to a top international journal.
- New area of research supported by CPP is microfinance in developing countries. Currently involved in four studies – two in India, one in Mongolia and one in Bosnia and Herzegovina. All four studies originate around the evaluation of the impact of these projects and use data that have been collected for these evaluations.

Capacity building

The team-based nature of research at CPP provides a continuous environment for advanced training for PhD students and young researchers. In addition to these generic and ongoing activities, we:

- recruited three new research economists;
- held internships for five summer students;
- supervised four PhD students;
- held one in-house broadcast training day;
- held a Public Economics day in London with travel expenses paid to those students coming from further afield; the day included a panel session on careers in Economics;
- gave lectures on Public Economics in London and at Oxford and Cambridge;
- contributed four articles to the *Economic Review*, an economics magazine aimed at sixth-form students;
- gave seminars before the Budget to BBC journalists to prepare them to cover economic issues;
- hosted 13 visiting scholars, young researchers who benefited from the opportunity to discuss research and work together with Centre staff;
- held 26 seminars at which internal and external speakers presented work in progress, including 11 Public Economics seminars organised jointly with STICERD.

Summary of performance against Key Performance Indicators (KPIs)

During the year, 64 journal articles were published or forthcoming and 32 working papers were produced. Centre staff presented 229 papers at conferences or seminars. We wrote 30 non-academic reports and briefings, as well as 12 monthly public finance bulletins. Centre researchers wrote 22 web ‘Observations’, and eight Impact vignettes which were published online illustrating the impact of Centre-funded research on society.

Centre researchers gave around 150 broadcast interviews during the period. Researchers were cited around 1500 times in the printed media. We have not collected figures for online citations, but we note that IFS is generally very well represented in the media reports gathered by the ESRC. IFS has increased its following on Twitter from fewer than 2000, soon after we opened a Twitter account, to just over 5800. We sent out 74 tweets during the period. See <http://twitter.com/theifs>

We have met or surpassed the targets indicated in all dimensions. KPI targets related to Literature, Capacity Building, Collaborations, Financials and Public Lectures/Seminars were all broadly met.

ESRC General Indicators for reporting to Government

Name of investment:	
Indicator	Please complete this column
Indicator A: Number of activities and events involving the general public	13
Indicator B: Number of grants attracted by the investment (involving leveraged funding and/ or in-kind contributions)	102

Indicator C: Number of public policy/business/third sector orientated seminars and workshops	17
Indicator D: (i) How many non-academic users have worked within the investment on a formal basis to complete a specific programme of work? (ii) How many researchers have the investment placed in user organisations on a formal basis to complete a specific programme of work? NB – placements funded through ESRC placement schemes should not be included.	(i) Number of non-academic users hosted: 0 (ii) Number of researchers placed in user organisations: 0
Indicator E: Number of non-academic users on the investment's Advisory Committee	(i) Total number of Advisory Committee members: 7 (ii) Total number of non-academic user members: 1 Including: Number of private sector members: 1 Number of public sector members: 5 Number of third sector members: 1

Indicator A: Activities and events involving the general public
For each activity/event please complete the table below:

Title:	Date:	Format:	Total number of participants:	Number of general public participants
Joint TLRC / OTS Conference on Tax Simplification	06/04/2011	Conference or briefing	124	14
Poverty and Inequality in the UK: 2011	13/05/2011	Conference or briefing	78	6
Cash by any other name? Evidence on labelling from the UK Winter Fuel Payment	08/06/2011	Conference or briefing	44	3
Mirrlees Review book launch	13/09/2011	Conference or briefing	100	1
IFS Annual Lecture by Esther Duflo: Rethinking policy towards global poverty	26/09/2011	Conference or briefing	446	45

UK launch of the IMF Fiscal Monitor: 'Addressing fiscal challenges to reduce economic risks'	05/10/2011	Conference or briefing	51	8
IFS Briefing: Child and working-age poverty from 2010 to 2020	11/10/2011	Conference or briefing	76	4
Does when you are born matter?	01/11/2011	Conference or briefing	60	5
School funding reform: an empirical analysis of options for a national funding formula	18/11/2011	Conference or briefing	53	6
IFS public economics lectures	13/12/2011	Conference or briefing	119	115
IFS Green Budget 2012	01/02/2012	Conference or briefing	393	11
How can policymakers raise household saving?	22/02/2012	Conference or briefing	76	5
Post-Budget Briefing 2012	22/03/2012	Conference or briefing	200	6

Indicator B: Number of grants attracted by the investment (involving leveraged funding and/ or in-kind contributions)

For each grant please complete a separate row of the following table:

Name of grant	Name of organisation providing funding	Start date	End date	Total value of grant	Amount of funding in 2011	Specify whether private, public or third sector funding / in-kind contribution
Alternative models of early child education	3ie	01-Jun-10	30-Sep-13	£682,882	£367,916	Third sector
Health risks and migration	AFD-Hewlett	01-Nov-09	31-Mar-13	£121,863	£42,043	Third sector
Green Budget 2011	Barclays	01-Nov-10	01-Feb-11	£100,000	£70,212	Private
BBC consultancy: Your money and how they spend it	BBC	27-Jul-11	27-Sep-11	£2,000	£2,000	Public
BIS Expert Panel on social mobility	BIS	01-Jan-11	31-Mar-11	£18,000	£18,000	Public
Matched data: further analysis	BIS	15-Oct-10	31-Mar-11	£17,425	£17,425	Public

Conditional cash transfer programme in Kazakhstan	BOTA	01-Oct-10	31-Dec-12	£6,000	£3,389	Public
How to raise household saving	British Academy	01-Jan-11	22-Feb-12	£24,980	£24,429	Public
Retirement Savings Consortium	Consortium	01-Jul-10	30-Nov-12	£197,500	£84,033	Public/Private/Third sector
Real inflation and low-income consumers	Consumer Focus	01-Jan-11	31-Mar-11	£18,840	£18,840	Third sector
Sustainable Lifestyles Research Group: price responsiveness of demand in energy and transport	Defra/ESRC	01-Mar-10	30-Sep-12	£177,338	£36,360	Public
CUBeC: Centre for Understanding Behaviour Change	DfE	01-Mar-10	31-Mar-14	£528,000	£105,763	Public
CAYT: Centre for the Analysis of Youth Transitions	DfE	01-Jan-10	31-Mar-14	£2,000,000	£365,247	Public
Evaluation of free school meals	DfE	01-Mar-09	31-Mar-12	£75,676	£15,632	Public
Every child a reader	DfE	01-Aug-09	31-Mar-11	£114,800	£84,200	Public
Specialist economics modelling	DoH	01-Mar-11	01-Apr-11	£2,045	£2,045	Public
HBAI checking 10/11	DWP	01-Jul-11	30-Jun-12	£54,860	£5,876	Public
Housing benefit evaluation	DWP	01-Apr-11	30-Apr-13	£147,570	£4,000	Public
HBAI checking 09/10	DWP	01-Jul-10	30-Jun-11	£53,265	£44,552	Public
ERA Phase 2 evaluation	DWP	01-Mar-08	31-Mar-11	£140,586	£61,225	Public
Analysis of Bosnia Microfinance Impact Assessment	EBRD	16-Jun-08	30-Jun-11	£30,377	£9,510	Public
Long-term impacts of Familias en Acción	Econometria	01-Aug-11	30-Apr-12	£48,000	£33,826	Third sector
National funding formula for schools	Esmée Fairbairn	01-Jul-11	30-Nov-11	£35,020	£35,020	Third sector
Annuitisation: complexity, decision-making and outcomes	ESRC	19-Dec-11	19-Sep-12	£24,552	£581	Public
Green Budget 2012	ESRC	01-Nov-11	28-Feb-12	£63,634	£38,701	Public
**Festival of Social Science 2011	ESRC	29-Oct-11	05-Nov-11	£1,200	£1,200	Public
Programme Evaluation for Policy Analysis (PEPA) node	ESRC	01-Oct-11	30-Sep-14	£1,789,935	£73,864	Public
Public finances analysis 2011-13	ESRC	01-Aug-11	31-Jul-13	£23,256	£2,865	Public
Pathfinder UK-China: CHARLS via Oxford	ESRC	01-May-11	30-Apr-12	£4,000	£2,500	Public
Developing robust methods for evaluating	ESRC	01-Apr-11	31-Mar-14	£750,295	£97,800	Public

policies in the markets for food and nutrition						
A lifetime perspective on the distributional and incentive effects of the tax system	ESRC	01-Feb-11	31-Jul-12	£101,523	£43,305	Public
Household responses to complex tax incentives	ESRC	01-Jan-11	31-Dec-11	£99,513	£68,134	Public
Measurement of risk and time preferences in the English Longitudinal Study of Ageing	ESRC	01-Dec-10	31-Mar-12	£100,616	£76,523	Public
A new approach to the 'Age-Period-Cohort' identification problem	ESRC	01-Nov-10	31-Jan-12	£49,414	£41,777	Public
**Robert Monies	ESRC	01-Oct-10	31-Mar-11	£7,231	£3,125	Public
Taxes, firm heterogeneity and the location of intellectual property	ESRC	01-Oct-10	30-Sep-11	£84,860	£65,071	Public
The effects of the financial crisis on older adults in England	ESRC	01-Oct-10	31-Jan-12	£98,572	£54,480	Public
**Integrating novel measurement into economics	ESRC	01-Apr-10	31-Mar-11	£18,360	£12,034	Public
**Public finance analysis	ESRC	01-Aug-09	31-Jul-11	£20,000	£10,771	Public
Early childhood development: identifying successful interventions and the mechanisms behind them	ESRC	02-Feb-09	30-Apr-12	£832,538	£79,174	Public
Dynamic models and policy evaluation	ESRC	01-Apr-08	09-Jul-11	£662,748	£69,610	Public
Effects of reproductive health on poverty in Malawi	ESRC	01-Apr-08	31-Mar-11	£442,703	£88,735	Public
*Understanding external determinants of the effectiveness of cash conditional transfers: a benchmarking investigation	ESRC	01-Jun-10	31-May-13	£124,830	£28,449	Public
Media training/public economics day	ESRC	01-Nov-11	31-Dec-11	£1,000	£1,000	Public
TAXUD VAT evaluation	European Commission	01-Jan-11	30-Sep-11	£132,000	£115,831	Public
Food consumption and obesity: public policy measures	European Commission	01-Sep-10	31-Aug-11	£55,820	£37,328	Public
NORFACE	European Commission	01-Nov-09	31-Jan-11	£17,268	£2,268	Public
Analysis of costs and	European	02-Oct-10	01-Oct-11	£11,970	£11,529	Public

benefits of active compared to passive labour market policy measures	Commission					
Welfare state in a complex world	European Research Council	01-Apr-11	31-Mar-16	£1,957,487	£230,526	Public
ROMETA	European Research Council	01-Apr-11	30-Sep-14	£860,154	£52,043	Public
Microeconomic analysis of prices, food and nutrition (MAPFAN)	European Research Council	01-Oct-10	30-Sep-15	£1,301,010	£157,617	Public
Exiting long-run poverty: the determinants of asset accumulation in developing countries	European Research Council	01-Jul-10	30-Jun-13	£614,881	£199,417	Public
The age of austerity	Family and Parenting Institute	01-Dec-11	31-Dec-11	£9,585	£6,276	Third sector
Tax and benefit analysis	Fawcett Society	01-Mar-11	01-Apr-11	£3,845	£3,845	Third sector
Impact of recession on income distribution	FRDB	01-Oct-10	30-Nov-11	£3,000	£3,000	Third sector
Evaluation of Chilean pension reform	Government of Chile	01-Mar-10	29-Jul-11	£62,500	£2,652	Public
Evaluation of the impact of the Red Juntos social protection net for overcoming extreme poverty	Government of Colombia	24-Oct-08	31-Dec-11	£60,000	£21,309	Public
Improving opportunities for urban poor (Oportunidades 3)	Government of Mexico	01-Jun-10	31-Jul-11	£43,821	£4,757	Public
Competition in sectors of New Zealand economy and firm outcomes in innovation and productivity	Government of New Zealand	01-Dec-09	30-Sep-11	£51,170	£31,908	Public
Creation of dataset detailing the characteristics, networks and activities of civil servants of the Government of Nigeria	International Growth Centre	15-Jan-11	28-Feb-12	£7,257	£5,947	Public
Budgeting, implementation and evaluation of public expenditures from Federal Government of Nigeria 2006/7 budgets	International Growth Centre	01-Feb-10	01-Apr-11	£5,500	£3,838	Public
Early childhood development in Colombia	International Growth	21-Aug-09	30-Jun-12	£70,621	£55,000	Public

	Centre					
ITPF: taxation of intellectual property and government tax setting behaviour	ITPF	22-Jul-11	31-Dec-12	£9,375	£3,125	Private
Offshoring research activity	ITPF	05-Apr-11	31-Mar-12	£9,300	£3,373	Private
Poverty and inequality in the UK: 2011	Joseph Rowntree Foundation	01-Feb-11	31-May-11	£27,394	£27,394	Third sector
Modelling poverty in 2010 to 2015, and 2020	Joseph Rowntree Foundation	01-Aug-10	30-Sep-11	£27,984	£12,133	Third sector
Designing carbon taxation to protect low-income households	Joseph Rowntree Foundation	01-Apr-11	30-Jun-12	£13,720	£6,243	Third sector
Changing employment structure and implications for poverty and inequality	Joseph Rowntree Foundation	01-Jan-11	30-Apr-12	£27,600	£13,754	Third sector
VP Manski	Leverhulme Trust	01-Jan-11	30-Apr-11	£17,362	£17,362	Third sector
CCTs, Childcare and Child Development: Early Career Fellowship	Leverhulme Trust	01-Feb-09	31-Jan-12	£81,600	£26,627	Third sector
The impact of the minimum wage regime on the labour market outcomes of young people	Low Pay Commission	01-Mar-11	31-Dec-11	£39,285	£37,406	Public
Econometric modelling of alcohol demand	MRC	01-Nov-10	31-Mar-12	£45,000	£39,978	Public
Distributional impacts of public spending	NAO	31-Oct-11	31-Jan-12	£44,025	£23,058	Public
Annuitisation: complexity, decision-making and outcomes	NAPF	19-Dec-11	19-Sep-12	£25,000	£525	Private
ELSA 2010-14 (NIH)	National Institutes of Health	01-May-10	31-Mar-14	£50,443	£40,000	Public
ELSA pension sequence	National Institutes of Health	20-Jun-11	08-Jul-11	£9,300	£9,470	Public
International differences in health, longevity and SES	National Institutes of Health	01-Sep-11	31-Aug-16	£62,000	£8,794	Public
Housing price risk: merit award extension	National Institutes of Health	01-May-11	30-Apr-16	£47,766	£44,124	Public
Economic status, health and well-being over the life course and across generations	National Institutes of Health	15-Aug-09	28-Feb-11	£50,000	£34,243	Public

Design and evaluation of a social security programme for the oldest old (Yucatan)	National Institutes of Health	01-Apr-09	31-Mar-11	£18,923	£4,734	Public
Regional tax benefit analysis for NI	NI Law Centre	22-Oct-10	31-Jan-11	£2,260	£2,260	Third sector
Examination of how the tax and benefits system relates to ageing and care	Nuffield Foundation	01-Oct-11	29-Feb-12	£23,112	£8,111	Third sector
Behavioural economics and public policy: understanding the implications and an application to UK smoking data	Nuffield Foundation	01-May-11	31-Mar-13	£86,250	£8,148	Third sector
Measuring living standards: developing quick expenditure questions	Nuffield Foundation	01-May-11	31-May-12	£89,655	£19,948	Third sector
Extension to month of birth	Nuffield Foundation	01-Apr-11	30-Jun-12	£16,805	£4,433	Third sector
Impact of the month of birth on the development of cognitive and non-cognitive skills throughout childhood	Nuffield Foundation	01-Oct-09	31-Mar-11	£94,834	£58,131	Third sector
The role of informal childcare: a synthesis and critical review of the evidence	Nuffield Foundation	01-Jun-09	31-Jan-11	£23,878	£17,178	Third sector
Heat or eat? An empirical analysis of cold weather income support programmes	Nuffield Foundation	01-Apr-09	31-Jan-11	£44,100	£2,415	Third sector
Births out of wedlock and cognitive and social development throughout childhood: a quantitative analysis	Nuffield Foundation	01-Oct-09	30-Jun-12	£101,286	£19,508	Third sector
Higher education funding and access	Nuffield Foundation	01-Jul-11	31-Dec-12	£96,011	£18,391	Third sector
Healthcare markets programme	Nuffield Trust	01-Oct-11	30-Sep-14	£225,000	£15,483	Third sector
NHS and social care funding scenarios 2011-12 to 2021-22	Nuffield Trust	01-Aug-11	31-Mar-12	£13,230	£4,408	Third sector
Health spending, pay and workforce	Nuffield Trust	01-May-11	31-Mar-12	£51,625	£25,797	Third sector
ELSA 2010-2014 (ONS)	ONS	01-May-10	31-Mar-14	£261,400	£41,457	Public
Road taxation	RAC	01-Sep-11	23-Dec-11	£15,000	£11,196	Private
Decomposing UK	Resolution	25-Jul-11	30-Sep-11	£12,000	£12,000	Third sector

household income growth between 1968 and 2009-10	Foundation					
RES conference grant	Royal Economics Society	17-Dec-11	18-Dec-11	£300	£300	Third sector
Early childhood development in villages near Sambalpur, Odisha, India (Rushton)	Rushton-Turner	01-Jun-11	31-May-13	£73,905	£11,163	Private
International evidence on work arrangements at older ages	Sloan Foundation	01-Nov-10	01-Nov-12	£62,500	£17,555	Third sector
FINISH evaluation	UNU-Merit	01-Apr-09	31-Mar-12	£104,695	£29,182	Public
Do participatory community interventions improve consumption smoothing? Evidence from Malawi	US Dept Labor	30-Sep-10	29-Sep-11	£49,000	£46,650	Public
The distributional impact of tax reforms in Mexico	World Bank	01-Oct-10	31-Jul-11	£71,350	£47,405	Public

When grant calculated on FEC basis please provide the 100% FEC figure and note what level it is funded at.

*ESRC direct awards funded at 86%

**ESRC indirect awards funded at 80%

*** ESRC non-FEC awards

Indicator C: Public policy/business/third sector orientated seminars and workshops

For each event please complete the table below:

Title:	Date:	Target audience: [private sector/public sector/practitioners/third sector]	Number of participants:
Joint TLRC / OTS Conference on Tax Simplification	06/04/2011	Public, private and third sectors, journalists and general public	124
Poverty and Inequality in the UK: 2011	13/05/2011	Public, private and third sectors, journalists and general public	78
Cash by any other name? evidence on labelling from the UK Winter Fuel Payment	08/06/2011	Public, private and third sectors, journalists and general public	44
Mirrlees Review book launch	13/09/2011	Public, private and third sectors, journalists and general public	100

IFS Annual Lecture by Esther Duflo: Rethinking policy towards global poverty	26/09/2011	Public, private and third sectors, journalists and general public	446
UK launch of the IMF Fiscal Monitor: 'Addressing fiscal challenges to reduce economic risks'	05/10/2011	Public, private and third sectors, journalists and general public	51
IFS Briefing: Child and working-age poverty from 2010 to 2020	11/10/2011	Public, private and third sectors, journalists and general public	76
Does when you are born matter?	01/11/2011	Public, private and third sectors, journalists and general public	60
School funding reform: an empirical analysis of options for a national funding formula	18/11/2011	Public, private and third sectors, journalists and general public	53
Policy Evaluation Methods	29/11/2011	Public, private and third sectors	20
Gorman Lectures by Jerry Hausman (MIT): 'Heterogeneity, consumer behaviour and welfare'	30/11/2011	Public, private and third sectors and academics	70
IFS Green Budget 2012	01/02/2012	Public, private and third sectors, journalists and general public	393
How can policy makers raise household saving?	22/02/2012	Public, private and third sectors, journalists and general public	76
An introduction to programme evaluation for decision makers	23/02/2012	Public, private and third sectors	31
Policy Evaluation Methods (held at York University)	20/03/2012	Public, private and third sectors	28
Post-Budget Briefing 2012	22/03/2012	Public, private and third sectors, journalists and general public	200
Resource allocation within households	30/03/2012	Public, private and third sectors, journalists and	50

		general public	
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Indicator D: Number of (i) non-academic users hosted 31 and (ii) number of researchers placed in user organisations 0 NB – *Placements funded through ESRC placement schemes should not be included.* For each placement please complete the table below:

Name:		Hosted:	Placed:	Dates:	Placement duration (days)	Purpose:
Anders	Akerman	Stockholm University	N/A	05/03/2012 to 30/03/2012	26	Collaboration
Manuel	Arellano	CEMFI	N/A	16/01/2012 to 15/06/2012	152	Collaboration
Eleni	Aristodemou	University College London	N/A	01/01/2012 to 01/01/2014	732	Collaboration
Olivier	Bargain	Aix-Marseille School of Economics	N/A	19/03/2012 to 20/03/2012	2	Collaboration
Raquel	Bernal	Universidad de los Andes	N/A	10/05/2011 to 04/06/2011	26	Collaboration
Olympia	Bover	Bank of Spain	N/A	16/01/2012 to 15/06/2012	152	Collaboration
Thomas	Breda	London School of Economics	N/A	21/02/2012 to 01/08/2013	528	Collaboration
Lisa	Cameron	Monash University	N/A	25/07/2011 to 30/12/2011	159	Collaboration
Xiaohong	Chen	Yale University	N/A	09/05/2012 to 26/05/2012	18	Collaboration
Dave	Donaldson	MIT	N/A	05/12/2011 to 09/12/2011	5	Collaboration
Bettina	Draper	University of Mannheim	N/A	20/05/2012 to 02/06/2012	14	Collaboration
Ivan	Fernandez-Val	Boston University	N/A	09/01/2012 to 16/01/2012	8	Collaboration
David	Green	University of British Columbia	N/A	05/03/2012 to 09/03/2012	5	Collaboration
William	Greene	NYU, Stern Business School	N/A	17/01/2012 to 25/01/2012	9	Collaboration
John	Ham	University of Maryland	N/A	03/06/2011 to 13/06/2011	11	Collaboration
Joel	Horowitz	Northwestern University	N/A	08/10/2011 to 16/10/2011	9	Collaboration
Arie	Kapteyn	RAND	N/A	07/03/2012 to 13/03/2012	7	Collaboration
Jon	Kesselman	Simon Fraser University	N/A	16/05/2011 to 05/10/2011	143	Collaboration
Michael	Lovenheim	Cornell University	N/A	02/11/2011 to 02/11/2011	1	Collaboration
Whitney	Newey	MIT	N/A	18/06/2011 to 23/06/2011	6	Collaboration
Peter	Nilsson	Institute for International Economic Studies	N/A	14/05/2012 to 27/05/2012	14	Collaboration
Andreas	Peichl	Institute for the Study of Labor	N/A	19/03/2012 to 20/03/2012	2	Collaboration
Luigi	Pistaferri	Stanford University	N/A	03/10/2011 to 05/10/2011	3	Collaboration
Jeffrey	Racine	McMaster University	N/A	29/02/2012 to 02/03/2012	3	Collaboration
Peter Birch	Sorensen	University of Copenhagen	N/A	17/10/2011 to 18/10/2011	2	Collaboration
Richard	Smith	University of Cambridge	N/A	09/05/2011 to 30/06/2011	53	Collaboration
James	Smith	RAND	N/A	27/02/2012 to 13/03/2012	16	Collaboration
Jinwook	Son	University of	N/A	04/04/2012 to 06/04/2012	3	Collaboration

		Bristol						
Irina A.	Telyukova	University of California	N/A	29/06/2011	to	06/07/2011	8	Collaboration
Daniel	Wilhelm	University of Chicago	N/A	19/04/2012	to	25/04/2012	7	Collaboration
Joachim	Winter	Ludwig-Maximilians-Universität München	N/A	07/03/2012	to	13/03/2012	7	Collaboration

Collaborative activities with other ESRC investments

Centre researchers work informally with members of other investments, particularly the Centre for Microdata Methods and Practice at IFS and those based at UCL and LSE. Some examples of collaborative activities with other ESRC investments during the period:

- A joint public economics seminar series was organised with STICERD.
- A conference on improving the measurement of consumer expenditures (see above) was co-sponsored by CeMMAP.
- As part of the Centre for Understanding Behaviour Change (a research centre funded by the Department for Education), we have developed close links with the Centre for Market and Public Organisation. We are currently discussing the potential for joint work in the future. We have also developed closer links with academics at the Institute of Education (e.g. Anna Vignoles, Ingrid Schoon, Kate Duckworth, John Jerrim) via the Centre for the Analysis of Youth Transitions, another DfE-funded research centre.
- As part of an international collaboration examining the effect of the Great Recession across countries, Robert Joyce and Luke Sibieta wrote a chapter examining the effects of the Great Recession in the UK. This international collaboration was funded by the Collaboration FRDB in Italy, and involved researchers from the US, Ireland, Italy, Sweden, Germany and the UK. Within the UK, this enabled us to establish closer links to academics at the Institute of Education (e.g. John Micklewright) and the Centre for the Analysis of Social Exclusion at LSE (e.g. Stephen Jenkins). The final output will be published during 2012.
- We organised a special session with CEP and CAGE at this year's Royal Economic Society Annual Meeting in Cambridge. The session, held on 26 March 2012, was entitled 'Can we restore UK growth?'. The organiser was John Van Reenen (Director of CEP) and the chair was Elhanan Helpman (Harvard University).
- Paper written with John Van Reenen at CEP: R. Griffith, S. Lee and J. Van Reenen, 'Is distance dying at last? Falling home bias in fixed effects models of patent citations', *Quantitative Economics* 2 (2011), 211–249.
- We authored a report for the British Academy Policy Centre, sponsored by the Economic and Social Research Council and the Arts & Humanities Council, into what the literature tells us about how policymakers can boost household saving.

Appendix A

Indicator	KPI	Impact within the Public, policy and practice world			Academic world and scientific quality			Total		
Targets		Target 2011/12	Actual 2011/12	Target 2012/13	Target 2011/12	Actual 2011/12	Target 2012/13	Target 2011/12	Actual 2011/12	Target 2012/13
Literature - Value placed upon incentives for generation of impact										
*L1	Conference papers				85	90	85			
	Please indicate how many conference papers your award has produced (directly attributable to your ESRC research grant)									
L2	Books	n/a	n/a	n/a	1	7	3	1	7	3
	Please indicate how many books your award has produced (directly attributable to your ESRC research grant)									
*L3	Book chapters	n/a	n/a	n/a	10	14	10	10	14	10
	Please indicate how many book chapters your award has produced (directly attributable to your ESRC research grant)									
*L4	Refereed journal papers				25	64	30	25	64	30
	Please indicate how many academic journal papers your award produced (directly attributable to your ESRC research grant)									
L5	Other publications (inc Working Papers, Research Briefings, Newsletters)							50	74	50
	Please count all <u>other</u> publications (directly attributable to your ESRC research grant)									
Capacity building										
*CA1	PhD students (ESRC funded/ other)				4	4	4			
	How many PhD students are attached to your grant (ESRC funded/ other)									
CA2	Post-Doc Fellows				n/a	n/a	n/a			
	How many Post-Doc fellows are attached to your grant									
CA3 Qual	Destination of staff	Please use this space to indicate where staff previously at centre/programme/group/network have moved too. Perhaps they moved to other academic positions or into the public or private sector. Did any Post-Doc fellows obtain lectureships etc.								

Indicator	KPI	Impact within the Public, policy and practice world	Academic world and scientific quality			Total				
Targets		Target 2011/12	Actual 2011/12	Target 2012/13	Target 2011/12	Actual 2011/12	Target 2012/13	Target 2011/12	Actual 2011/12	Target 2012/13
CA4 Qual	Staff development	Staff at all levels are encouraged to improve their skills through formal and informal systems. An individual annual review system provides a formal structure for staff to identify areas for development; just as importantly, researchers work in small teams in open-plan offices, where junior staff interact with senior staff and Research Fellows and are encouraged to put forward their own ideas and to take on increasingly responsible roles in projects. Tailored in-house media training is offered periodically to new (and more experienced) staff. Almost half of the IFS staff participate in the IFS Budget and Green Budget briefings, including the Director, programme directors, senior research economists and research economists at the start of their careers. The Budget analysis also gives an opportunity for Centre staff to work backstage at the BBC, briefing journalists on the potential impacts of the measures proposed.								
Collaborations - Two way interactions between researchers and users										
*CO1	Overseas / UK visitors (including visiting fellows)				20/5	28/3	20/3			
Please indicate how many visiting fellows you have hosted										
CO2	Knowledge Exchange engagement – staff members in placements							n/a	n/a	n/a
Please indicate how many staff members are involved in formal placement schemes, i.e. you may have staff members who spend a day a week working in the public / private / or third sector.										
CO3 Qual	Partner collaborations – industry, business, third sector	Please use this space to indicate any partner collaborations you may have with industry, business or the third sector. Perhaps you have collaborated on a piece of work, or spoken at stakeholder events etc.								
Financials - Injections of financial support, dedicated staff infrastructure										

*F1	Funding from ESRC other than your core funding (£)							930,000	859,699	700,000
	Grants were awarded to support a presentation at the Festival of Social Science (£1,200), media training and Public Economics day (£1,000), and the Public Finances Bulletin (£13,636). The level of additional funding sought from the ESRC was reduced owing to a higher than expected success rate in attracting funding from external sources (see below).									
*F2	External funding (£) – from outside ESRC and Host institution							2.5m	3.17m	2.7m
	The IFS was more successful in leveraging funding from external sources than projected, thus reducing the level of additional funding sought directly from the ESRC. A proportion of the funding already secured is for mid to long-term projects and it is expected that funding will flow through into the next period.									
*F3	Funding applications made / funding applications secured							80/30	86/39	80/30
	During the period 86 applications were submitted and 39 have been approved. Given that the funding environment remains challenging, we expect to continue to submit applications at a similar rate next year, though we predict a slightly lower success rate. The IFS will seek to build relationships with potential new funders wherever possible in order to co-fund the work of the Centre, and ensure that it has the resources to deliver the research programme to its customary high standard.									

Indicator	KPI	Impact within the Public, policy and practice world			Academic world and scientific quality			Total		
Targets		Target 2011/12	Actual 2011/12	Target 2012/13	Target 2011/12	Actual 2011/12	Target 2012/13	Target 2011/12	Actual 2011/12	Target 2012/13
Knowledge Facilitation - Facilitating role(s) of knowledge intermediaries										
K1 Qual	Membership of significant committees	Please indicate which significant committees your staff are members of in the public, private and third sectors. Please do not count ESRC, RCUK or internal university committees.								
*K2	Substantial advice and consultancy	n/a	44	n/a						
	Please indicate how many times your grant has provided advice and consultancy. This could include: government enquiries, government consultation submissions, ministerial briefing meetings etc.									
*K3	International collaborative research projects participated in				10	10	10			
	Highlights included: <ul style="list-style-type: none"> • Gemma Tetlow spent 3 weeks at ISR (University of Michigan) advising on redesign of pension questions in Health and Retirement Study. • James Banks visited New Zealand Treasury for 3 months. • NBER International Social Security project looking at pensions and retirement in a number of EU countries and the US. • We collaborated with researchers from Northwestern and Toulouse to look at differences in the nutritional composition of household expenditures in the UK, the US and France and to estimate how much of the difference is due to differences in supply relative to differences in preferences. 									
K4	Written policy briefings	25	30	25						
	Please indicate the number of policy briefs that you have produced									
Communications - Communications/ increasing accessibility of research										
*CS1	Media coverage – newspapers	1500	1500	1500						
	Press coverage included mention of IFS research and comment in a range of national and local newspapers. Mentions logged here are only for the printed media; coverage in online publications and blogs was also widespread but we do not have the capacity to count all the instances.									

CS2	Media coverage – radio and TV	150	150	150						
	Researchers responded wherever possible to requests for broadcast interviews. Interviews included 65 appearances on BBC main news programmes, as well as numerous other appearances on national (and some international) television and national and local radio stations.									
CS3	Internet visits (unique visitors)							1.1m	1.2m	1.3m
	Please indicate how many unique internet visitors your grant's website has received									
*CS4	Public lectures / seminars	20	36	25						
	Please indicate how many public lectures / seminars you have organised. This could include for example, applicable Festival of Social Science events									
CS5	Blog subscribers	2500	5800	7500	n/a	n/a	n/a	2500	5800	7500
	This is not a blog, but indicates the number of followers IFS has on Twitter. We sent out 74 tweets during the period.									

Annex 2 (optional) - Confidential report on concerns and difficulties (no maximum length)

N/A

Annex 3 – Risk management (no maximum length)

No extensive comments necessary. The Centre's risk register has been reviewed and was an agenda item for the meeting of the Centre Advisory Board in March 2012. No risks have been escalated, nor have any mitigating actions to address existing risks been necessary. The main success with regard to risk management in the current reporting period has been the sustained success in raising the extensive co-funding required to finance the full scale of Centre research.