

Assessing Distribution and Equity SBCA Professional Development Workshop

November 19 & 21, 2024

For more information and to register: https://www.benefitcostanalysis.org/workshops

Description: Most benefit-cost analysis texts and guidance documents emphasize the need to supplement conventional benefit-cost analysis with information on how costs, benefits, and net benefits are distributed across members of advantaged and disadvantaged groups. Yet several reviews find that such analyses are rarely conducted, in part because of the difficulties inherent in determining who bears the costs and who receives the benefits. In addition, such analyses raise challenging normative questions about how to measure the equity of the impacts. Understanding approaches for conducting these analyses and interpreting the results has become increasingly important, given rising awareness of the difficulties of addressing existing inequities. This importance is exemplified, for example, by the increased emphasis on distributional analysis in recent updates to the U.S. guidance for assessing regulations and government investments.

This workshop brings together leading experts to discuss related topics. It begins with a general overview of current practices, including barriers to and opportunities for improving the conduct of distributional analysis. It then covers the theoretical and conceptual framework for these analyses in-depth, followed by discussion of multiple measures of relative disadvantage, adjustments for differences in the value of money to the wealthy and the poor (i.e., the marginal utility of income), and application of social welfare functions. These concepts and approaches are illustrated through presentations and substantial opportunities for questions and discussion, as well as case studies that address a variety of policy areas, ranging from climate change to healthcare.

The workshop is targeted to those interested in conducting these analyses as well as those interested in better understanding the strengths and limitations of analyses they review. Upon completion of the workshop, attendees will have a clearer understanding of the theory and practice of distributional analysis.

Instructors



<u>Lisa A. Robinson</u> (organizer) is Deputy Director, Center for Health Decision Science, and Senior Research Scientist, Harvard T.H. Chan School of Public Health. Her research and teaching focus on improving the conduct of benefit-cost analysis, including approaches for assessing distribution and equity. She has led numerous assessments of the costs, benefits, and other impacts of environmental, health, and safety policies and regulations, developed related methods, and drafted guidance documents. She is a past President and Fellow of the Society for Benefit-Cost Analysis.



<u>Daniel Acland</u> is on the faculty of the University of California-Berkeley Goldman School of Public Policy, where he teaches and studies behavioral economics and benefit-cost analysis. His research includes investigating the intersections of those two fields and related normative issues. Topics include determining what impacts to exclude from benefit-cost analysis and how to assess welfare given behavioral biases. His recent work focuses on distributional analysis, with a particular focus on the justification for, and practical application of, distributional weighting.



<u>Matthew D. Adler</u> is the Richard A. Horvitz Professor of Law and Professor of Economics, Philosophy and Public Policy at Duke University. His research focuses on "prioritarianism"—a refinement to utilitarianism that gives extra weight to the worse off. He is the author of numerous articles and books, including *New Foundations of Cost-Benefit Analysis*; *Well-Being and Fair Distribution: Beyond Cost-Benefit Analysis*; and *Measuring Social Welfare: An Introduction*. He co-edited the *Oxford Handbook of Well-Being and Public Policy* and *Prioritarianism in Practice*.



<u>Maddalena Ferranna</u> is Assistant Professor of Pharmaceutical and Health Economics at the University of Southern California Mann School of Pharmacy. Her main research interests are welfare economics, global health and climate change economics, particularly the development and application of methods to assess the equity implications of health and environmental interventions. Her recent work includes exploring the application of conventional benefit-cost analysis and social welfare functions across a range of policies. She is currently a member of the Society for Benefit-Cost Analysis Board of Directors.



James K. Hammitt is Professor of Economics and Decision Sciences at the Harvard T.H. Chan School of Public Health. His research concerns the development and application of quantitative methods—including benefit-cost, decision, and risk analysis—to health and environmental policy. Topics include management of long-term environmental issues with important scientific uncertainties, evaluation of ancillary benefits and countervailing risks, and characterization of social preferences over health and environmental risks. He received the Outstanding Achievement Award from the Society for Benefit-Cost Analysis.



<u>James E. Neumann</u> is a Principal at Industrial Economics, Incorporated and specializes in climate change impact and adaptation analysis, applied environmental economics, and policy analysis. His recent work includes support for the U.S. Environmental Protection Agency's Climate Change Division, that involves quantifying the risks of climate change on socially vulnerable populations through multi-sectoral routes of impact. He is also currently working with state governments to quantify climate change impacts and identify adaptation investment priorities to address disproportionately affected environmental justice populations.