



CLIMATE, PEOPLE, AND THE ENVIRONMENT PROGRAM SEMINAR SERIES



Corbett Grainger

*Assistant Professor, Agriculture and Applied Economics
UW – Madison*

Who Pays a Price on Carbon?

We use the Consumer Expenditure Survey and emissions estimates from an input-output model of the US economy to estimate the distributional impacts of a price on carbon induced by a cap-and-trade program or carbon tax. We present results on how much different income deciles pay for a carbon tax as well as which industries see the largest increase in costs due to a carbon tax. We illustrate the main determinant of the regressivity: consumption patterns for energy-intensive goods. Furthermore, on a per-capita basis a carbon price is much more regressive than calculations at the household level. We discuss policy options to offset the adverse distributional effects of a carbon emissions policy.

Tuesday, February 21, 2017 1:00 pm

AOSS Building, Room 1039

1225 W. Dayton St.

Please join us for coffee at 12:45 in Room 1039