

# Table of Contents

2 **Editors' Note**

## TRENDS

3 **Little Labor: How Union Decline Is Changing the American Landscape**  
Unions have been in decline for decades. JAKE ROSENFELD details the shocking extent of this decline and its inequality-increasing effects.

## RESEARCH IN BRIEF

7 CHRISTOPHER WIMER AND SAMRAWIT TESSEMA  
The surprisingly beneficial effects of teenage motherhood; an unlikely source for the increasingly positive views of gays and lesbians; the mental health of kids who “shoot for the stars”; and other cutting-edge research.

## FEATURE STORIES

9 **Tackling the Managerial Power Problem: The Key to Improving Executive Compensation**  
LUCIAN A. BEBCHUK and JESSE M. FRIED argue that executive pay exceeds its fair market level and that stockholders can rein it in only if their power is increased.

13 **What's Right, What's Wrong, and What's Fixable: A Dispassionate Look at Executive Compensation**  
ALEX EDMANS and XAVIER GABAIX suggest that increasing executive pay mainly reflects the real value of executives. But they also advocate for reforms that would induce executives to attend more to long-term profits and value.

17 **A Remedy Worse than the Disease: Why Higher Taxes are Better than Pay Caps**  
ROBERT H. FRANK concludes that even if the dramatic increase in pay can be explained by simple market dynamics, it is still corrosive to American society and should be addressed by taxing excessive pay.

## INTERVENTIONS

22 **Spotlight On ... Homeboy Industries**  
ERIN CUMBERWORTH talks with Father Gregory Boyle, head of Homeboy Industries, about his much lauded gang intervention program – and its recent troubles. Will this venerable program be another casualty of the recession?

24 **Crisis No More: The Success of Obama's Stimulus Program**  
Critics have recently argued that the U.S. stimulus failed to turn back the recession. GARY BURTLESS lays out what the stimulus has and has not accomplished.

29 **Paying for Good Behavior: Does New York City's Experiment with Conditional Cash Transfers Offer Lessons for the Safety Net in the United States?**  
It is unpopular to argue that the poor should be paid to engage in positive behaviors, but GORDON BERLIN and JAMES RICCIO show how this radical strategy just might be working in New York City.