

Faculty Profile

Jeffrey M. Perloff is the chair of and a professor in the Department of Agricultural and Resource Economics, University of California at Berkeley. He received his Ph.D. in economics from the Massachusetts Institute of Technology in 1976. Jeff conducts research on agriculture economics, labor, trade, marketing, industrial organization, econometrics, and (with his wife) psychology.

Lien Tran and he studied migration by agricultural workers between types of jobs. Their work explains why predictions made when the 1986 Immigration Reform and Control Act was passed that granting people amnesty would induce most of them to leave agriculture were incorrect. Enrico Moretti and he studied how farmers use a variety of payment systems to encourage employees to work hard with relatively little supervision (*ARE Update* "Promoting Productivity," Jan/Feb 2004).

Recently, Ximing Wu, Amos Golan and Jeff have completed a study of how major federal and state redistribution and insurance policies and federal taxes affect wage inequality in urban and rural areas. Although government tax and transfer programs have similar qualitative effects in rural and urban areas, some policies are relatively more effective in reducing inequality in rural areas. Whereas adjusting the marginal tax rate on the lowest bracket or Earned Income Tax Credits has as an effect on equalizing income at least as large as in urban areas, the minimum wage only affects urban inequality, and government policies that increase GDP have larger effects in urban than in rural areas.

With Michael Ward, Jay Shimshack and J. Michael Harris, Jeff has examined how the introduction of private-label products in grocery stores affects pricing and promotion of national brands (*ARE Update*, "Price, Promotion and Differentiation Effects of the Private-Label Invasion," Jul/Aug 2002). Their findings reject the conventional wisdom that when private labels enter processed food and beverage industries, name-brand firms defend their brands by lowering prices, engaging in additional promotional activities, and increasingly differentiating their products.

Hayley Chouinard and Jeff have examined the effect of federal and state taxes on gasoline prices. They find that the federal gasoline tax falls equally



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on consumers and wholesalers, whereas state taxes fall almost entirely on consumers. The amount by which state taxes raise the price that consumers pay is greater in states that use relatively little gasoline.

Most of Jeff's current research concerns retail pricing and consumer behavior at grocery stores. He is engaged in a series of studies on the effect of milk marketing orders (and other milk related laws), sales, and private labels. Working with Hayley Chouinard, Jeff LaFrance (Berkeley) and others, he is studying the effects of fat or sugar taxes on consumption—a hot policy issue.

In addition, he has consulted with state and federal government agencies on topics ranging from dumping cases, antitrust cases (including some related to the California energy crisis), employment and welfare issues, to taxes. He is a fellow of the American Agricultural Economics Association and is a member of the National Bureau of Economic Research Board of Directors.

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