**Some Things to Know for G406**

The OMB says that agencies should estimate the deadweight loss of $1.00 of spending to be $0.25.

Real returns on various assets 1926-2007 were:
S&P 500: 9.2%. Small-firm stocks: 14.0%. Long-term corporate bonds: 3.1%. Long-term Treasury bonds: 2.7%. 30-Day Treasury bills: 0.7%. Currency: -3.1%.

The present value of X received at the end of time $t$:

$$PDV = X \left( \frac{1}{1+r} \right)^t$$

The present value of X received at the end of each year forever: $\frac{X}{r}$.

OMB tells federal agencies to use a real discount rate of 7% in their cost-benefit analysis for projects and regulations.

In 2015, the Dept. of Transportation uses $9.1 million for the value of a statistical life in its cost-benefit analyses.