
She will be addressing the issue in a commission meeting on February 26th and she needs an **economic** analysis of the situation completed by the 24th for review.

In your analysis you must address the following:

- What is the general state of organ donation in the US, according to the article?
- Consider what would happen if the US did allow payment in exchange for kidney donation. When answering this question use the supply/demand diagram to help illustrate and discuss the current state of the market and what the market would look like in the case of a free market economy (deregulation).
- Who gains and who loses when deregulation occurs? Discuss the efficiency and equity of the market before and after the proposed deregulation.
- Explore the policies that are currently implemented across the globe (i.e. those discussed in the article - routine removal, presumed consent, organ donor points, "no give, no take", etc.). How do these policies fair in terms of the efficiency vs. equity debate? (you do not need to critique them all, select 2 or 3 that you find interesting/appealing)
- If you had to pick from one of the policies mentioned in the article (payment for organs, routine removal, presumed consent, "no give, no take", or one of the others) which would you recommend for the US? Why?
- Come up with a policy proposal of your own that might help deal with the vast shortage of kidneys in the US. Use the supply/demand diagram to show how the policy will decrease the current shortage of kidneys. (If you feel strongly that our current policy is the best policy this is a valid argument, however you must defend your "no new policy" recommendation).

Keep in mind, Senator Hagan is not one for 1,000 page policy briefs. She prefers her analysis to be professional, clear, complete, correct, and most importantly concise. For example, when she asked you to develop a policy proposal that could reduce drug usage, you wrote the following:

To reduce drug usage, I recommend a policy of extensive education, specifically focused on accurately engaging youth as to the real risks of specific drugs. Note that this policy will not reduce drug usage immediately, in that children are not the primary consumers of drugs. However, in a few years, these individuals will be. Through an effective education program today, this policy has the potential of shifting the future demand for drugs inward (see Figure 1). This will lead to lower equilibrium drug levels if we maintain the nation’s drug supply at existing levels. (see Figure 2)

You then included Figures 1 and 2 to demonstrate these effects.