

DATE: December 2, 2015

TO: Executive Committee, American Economic Association

FROM: Robert Moffitt, Chair
American Economic Association Committee on Economic Statistics

RE: Annual Report for 2015

The current members of the American Economic Association Committee on Economic Statistics (AEASStat) are Robert Moffitt, Johns Hopkins University, Chair; John M. Abowd, Cornell University; Carol Corrado, The Conference Board; John C. Haltiwanger, University of Maryland; Randall Kroszner, University of Chicago; Josh Lerner, Harvard Business School; and Edward Montgomery, Georgetown University. Ana Aizcorbe, Virginia Tech, and Michael Palumbo, Board of Governors of the Federal Reserve System, stepped down during 2015, and Randall Kroszner's second term on the committee ends on December 31 of this year. I would like to take this opportunity to thank them for their outstanding service. The Committee's work is enabled by the excellent work of its Washington Representative, Daniel Newlon.

The AEASStat has three general activities:

- 1) The first is to set up several sessions on economic statistics for the AEA Meetings and to recommend them to the President-Elect.
- 2) The second is to undertake educational activities in support of economic statistics in Washington, D.C. and elsewhere, focused most heavily on support of federal statistical agencies such as the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Bureau of the Census. The Committee is assisted in this second activity by the Committee on Government Relations (CGR), and the AEASStat Committee, in turn, assists the CGR in its educational activities in support of federal research agencies.
- 3) The third is to undertake other activities that the Committee regards as improving economic statistics for the economics profession. This 2015 report has no activities to discuss in this third category, although it has been working on a recommendation to the Executive Committee concerning private data use by economists and will report to the Executive Committee on that topic either in a separate memo for its January meeting or in a memo for its Spring meeting.

The Committee conducts its work by conference calls every 3 or 4 weeks and by email in between its calls. The Executive Committee is invited to visit the website of the AEASat to learn more about the committee's work,
<https://www.aeaweb.org/committees/AEASat/index.php>

This report has no action items for the Executive Committee.

I. Sessions for the January 2016 AEA Meetings

The AEASat is allowed to recommend to the President-Elect up to three sessions on economic statistics for inclusion in the program the following January, with one of those sessions recommended to be included in the Papers and Proceedings. Following its customary procedure each year, the AEASat committee issued a call for papers for the 2016 AEA meetings on topics related to economic statistics in March 2015. The Committee received 9 session submissions and 16 individual paper submissions, many of which were high in quality. The Committee recommended the following three sessions to the President-Elect, with the first one recommended for inclusion in the Papers and Proceedings (complete details are in the AEA January 2016 program):

Session 1: *Private Data*

Organizer: Josh Lerner, Harvard University

Session 2: *Productivity Dispersion and Wage Inequality*

Organizer: Cheryl Grim, U.S. Census Bureau

Session 3: *Evaluating Survey Data Using Administrative Records*

Organizer: Mark Klee, U.S. Census Bureau

In addition, the Committee found a fourth proposal to be highly meritorious and recommended to the President-Elect that it be considered in the general pool of sessions for the Meetings (*New Perspectives on Consumption Measures*, organized by Camille Landais, London School of Economics).

II. Educational Activities in Support of Economic Statistics

The AEASat committee's educational functions, mostly in Washington, consist of formal and informal activities which describe the value of specific economics data sets to policy-makers and which address issues concerning those data sets which periodically arise in policy discussions. The committee concerns itself with those data sets and statistical agencies that are relevant to the scientific interests of the members of the AEA, and its activities are kept consistent with the charter of the AEA by not taking positions on questions of economic policy or on any partisan matter.

The Committee works both on its own in these activities but also in collaboration with other social science organizations in Washington, including the Consortium of Social Science Associations (COSSA), the Council of Professional Associations on Federal Statistics (COPAFS), the Census Project, and the Friends of the Bureau of Labor Statistics. The AEA is a member of COSSA and COPAFS. Dan Newlon attends the meetings of these organizations and works with them on joint activities under the guidance of the Committee. Newlon also meets with key Congressional staff and members of Congress and staffs at federal statistical agencies, again under the guidance of the Committee.

The Committee engaged in the following activities during calendar 2015.

U.S. Bureau of Labor Statistics. Congressional Appropriations committees voted in the summer of 2015 to not provide sufficient support to the BLS to allow it to continue to collect data from several of its surveys. The surveys on the list for possible elimination included the Job Openings and Labor Turnover Survey (JOLTS), the National Longitudinal Study of Youth (NLSY), and the American Time Use Survey (ATUS), all data sets heavily used by economists. The AEASat contacted a large number of economists who use one or more of these data sets in their research to notify them of these threats to BLS data and to invite them to write letters to their Representatives and Senators if they so wished, or to undertake any other action they might wish to support these data sets. The Committee also sponsored an op-ed in support of BLS data written by Katharine Abraham, Steve Davis, and John Haltiwanger that was picked up by several media outlets and which was given to the Congressional staff responsible for oversight of BLS. The Committee also helped publicize the 50th Anniversary Celebration of the NLSY which took place in Washington.

U.S. Bureau of the Census. Congressional Appropriations committees declined to provide sufficient support for the Census Bureau to prepare adequately for the 2020 Decennial Census and the 2017 Economic Census, and reduced funding for the American Community Survey (ACS). The Committee identified economists who use these data sets in their research or who are active in Census Bureau affairs, and Newlon contacted them to notify them of these threats to Census data and to invite them to write letters to their Representatives and Senators if they so wished, or to undertake any other action they might wish to support these data sets. Jointly with the CGR, the Committee also issued a public statement on the value of ACS to economic research and wrote a letter to Congress describing the value of Census data sets to economists and their research. One economist contacted by the CGR wrote an op-ed in support of Census data for research.

In October 2014, the Census Bureau announced that it would eliminate the college Field of Degree (FOD) question on the ACS. The FOD data are used extensively by labor economists to study differences in college majors by gender and race-ethnicity and to study the economic returns to different majors. The data are also used by the National Science Foundation to survey college graduates in science and engineering. The AEASat submitted comments to the Bureau emphasizing the importance of these data to economic research, as did many other social science organizations. In April, the Bureau announced that FOD questions would be retained.

Congress failed to reauthorize the Census Bureau to conduct its Quarterly Financial Report (QFR), a Census survey of businesses which provides critical input to the Bureau of Economic Analysis (BEA), the Federal Reserve Board, and other federal statistical agencies for their quarterly

calculations of GDP and other measures of economic activity. Authorization expired on September 30 and the Census Bureau ceased work on the QFR on October 1 and began transferring its staff to other activities. Joint with the CGR, the AEASat worked with the Census Project and the National Association for Business Economics (NABE) to urge Congress to reauthorize the QFR. The QFR was reauthorized later in October, and the Census Bureau began to reassemble its staff and resume work.

Other Activities . (a) The AEASat continues to give changes in the IRS code that would permit Census, BLS and BEA to synchronize their business data a high priority (“data synchronization”). This long-term effort has been described in detail in past AEASat and CGR reports. Legislation authorizing these changes continues to be stalled. (b) Joint with the CGR, the AEA also worked with economists advising Representative Paul Ryan to pass legislation establishing a bipartisan Evidence-Based Policymaking Commission, which would establish a 15 member commission tasked with studying how best to expand the use of and/or coordinate federal administrative data for use in evaluation of federal programs. The commission would also explore whether to establish a federal clearinghouse for program and survey data, which would be accessible to "qualified researchers" from the public and private sectors. The bill passed the House in July and is expected to pass the Senate. (c) The Committee discussed with NIH a new NIH data collection effort called the Precision Medicine Initiative, urging that economics and other social and behavioral science content be included. (d) Joint with the CGR, the AEASat recommended to the President that Julia Lane be appointed as the replacement for Barbara Fraumeni on the COPAFS Board. (e) Finally, the AEASat assisted the CGR in its activities in support of the economics program at the National Science Foundation.

Activities that the Committee declined to conduct. The Committee receives many requests to sign letters sponsored by other groups and organizations in support of particular positions on economic statistics. Most of these letters either request specific budgetary funding levels or advocate particular partisan positions, and the Committee declines to sign all letters of this type (it could not sign in the name of the AEA, in any case, without the permission of the Executive Committee). The Committee does not take positions on funding levels—only on the value of specific data sets for economic research—and the Committee does not take partisan positions.

DATE: December 23, 2015
TO: Executive Committee, American Economic Association
FROM: Robert Moffitt, Chair
AEA Committee on Economic Statistics
RE: Report Addendum: Request for Discussion of a Private Data Initiative for the
AEA journals

Background

At the January 2015 meeting of the Executive Committee, I presented a proposal from the AEASat committee for an initiative on private data and for the formation of a new committee to take initial steps in that direction. As I described in January, the AEASat has recognized that data from private, for-profit sources such as Nielsen, Gallup, Experion, stock exchanges, Google, and many other individual firms have been increasingly used by economists for economic research, and that this is a new, emerging, and exciting area of research for many economists. Yet the AEASat committee listed several barriers to the use of such data by economists, with three being the most obvious. One is gaining initial access to the data, which is often difficult. A second is allowing for the option of access by other researchers for the purpose of replication. A third is allowing for more or less permanent archiving which would allow future researchers to continue to use the data. The memo I provided to the Executive Committee last January went into more detail on each of these barriers.

The AEASat committee concluded that there is a potential role for the AEA in reducing these barriers. For example, the AEA could set standards and recommend best practices for scholars crafting legal agreements for data access. Such recommendations would delineate how to protect the researcher and the corporation, how to structure future access to satisfy AEA journal policies, to promote future research goals more generally. They would discuss how to archive and promote archiving. The best-practice guidelines could also deal with ethical issues, as much of this type of research lies beyond the boundaries of human subjects review boards. The benefits of such guidelines would be to facilitate access, expand replicability and preserve data for future research.

The January 2015 discussion ended with the Executive Committee asking the AEASat to form a subcommittee to consider the matter further and to come back to it with recommendations. As I reported to the Executive Committee at its April, 2015 meeting, a subcommittee was formed composed of John Abowd (Subcommittee Chair), Carol Corrado, John Haltiwanger, Thomas Lemieux, Josh Lerner, Edward Montgomery, Jonathan Parker, and Hal Varian. The charge to the subcommittee was simple: “To prepare recommendations for the American Economic Association regarding its policies towards the research use, publication, archiving, and curation of data from private sources.”

Subcommittee Report and Memo to AEA Journal Editors

In November of this year, the subcommittee submitted recommendations to the full AEASat committee for the use of private data. The most important recommendation is that the most obvious place to start for any AEA involvement in the promotion of the use of private data for research is with the AEA journals. The AEA has a direct interest in encouraging the publication in its journals of high-quality papers that use new private data, and therefore also a direct interest in reducing the barriers that researchers face in conducting high-quality research with such data. The AEA journals also have a direct interest in encouraging the dissemination of data used in their published papers for both replicability and robustness checking, and for additional research in general, and the journals currently post the data and programs used in their published papers on their websites wherever possible (but this is generally not possible for private data). The AEA also has an interest in making such data available in the future to other researchers, for the benefit of progress in the discipline.

Accordingly, in late November, I and Subcommittee Chair John Abowd sent a memo to the AEA journal editors, specifically directed to the AEA and the four AEJ journals where the issue typically arises, asking for their reactions to the following recommendations:

1. The adoption of a set of Best Practices which outline the ideal procedures for the handling of private use data. Best Practices are a set of principles to which users should aspire, even if not all users attain them.
2. That authors submitting papers to AEA journals using restricted-access private data, and who will therefore be requesting an exemption from the data availability rules, be encouraged to have developed what is commonly termed a formal data-use agreement (DUA) with the private data provider prior to submission. A DUA is a written contract between a university or other research organization and a private company governing the terms of access and use of the company's private data. A typical DUA describes the parties to the agreement, a description of the data covered, the protocol for the release of the data to other users, ownership of intellectual property, publication restrictions, custody of the resulting data products and their archiving, and plans for curation of the data and metadata (that is, who will monitor, maintain, and supervise their use) during and after the agreement.
3. That it be recognized that having a DUA with all these features constitutes a step beyond what many private-data users currently do. Many current users have informal agreements with the provider, sometimes even only verbal agreements. Such informal agreements do not allow the user or the AEA journal to certify how likely access to the data will be granted to others in the future, nor how the data will be stored and archived and who will supervise their storage and use in the future. Informal agreements often leave the features of DUA described above implicit rather than explicit.
4. That it also be recognized that, in most cases, negotiating a DUA with a private firm is, at minimum, a moderately complex process and typically requires the involvement of legal representatives of the user's university or organization. To assist users in negotiating

those agreements, the AEASat offers to establish a webpage where sample agreements are posted and general principles for such agreements are described. A link to that page could be posted on the journals' webpages describing submissions. Another possible set of items to post would be authors of past AEA journal published articles who have established DUAs and who are willing to be contacted for advice.

John and I noted that a move in this direction will also help users negotiate with firms. If the firm is informed that the American Economic Association has put its imprimatur on DUAs and their features, and if the journals were to establish a track record of publishing articles with private data and with subsequent access to others, firms could be reassured that such agreements and features have a history of successful completion, and that no breaches of confidentiality have occurred. This would help the economist users in their discussions with the firms.

We also noted that a second service which the AEASat could perform is to provide a list of data archives where private data used in AEA journal publications could be safely stored. There are several such archives available, two prominent ones being the ICPSR at the University of Michigan and the NORC data enclave at the University of Chicago (the AEA itself might be able to fulfill this function). Submitters to AEA journals could be given the names and contact numbers of staff at these archiving organizations who have knowledge and experience with the archiving and curation of private data used in published AEA journal articles. And, again, a history of successful archiving with reputable organizations would also likely be helpful when users negotiate DUAs with firms.

Finally, we noted that moving AEA journal submitters toward the more formal agreements and process the subcommittee recommended should be seen as a gradual process. The Association should acknowledge that having a DUA, even one with the Best Practice features, is a recommendation to submitters, not a mandate, at least in the beginning. However, we did suggest that submitters without a formal DUA still be asked to establish the features of a DUA (see above), including provision for replication, archiving, and curation prior to submission if possible.

AEA Journal Editors Responses

The Editor of the AER and the editors of all four AEJs responded and had a number of comments.

All editors were generally supportive of some kind of move in this direction, given the increase in submissions using private data and the fact that exemptions are routinely given without any discussion (although not all AEJs experience submissions of this type equally).

One editor emphasized that a DUA should not be required, since some firms will not agree to them, and submissions should still be allowed without them. Also, many firms will not allow access by others or placement of the data in a public archive, even with confidentiality protections.

Another editor emphasized the complexity of the different types of private data, which require almost individual treatment.

Another editor suggested some specific modifications in the subcommittee's recommendations, even suggesting wording changes, to Recommendation #2 above. A well-implemented agreement with an entity that is providing data for research typically will have multiple elements, and topics relating to the DUA will only be part of it. Consequently, a formal, stand-alone DUA, especially as contracts are being initiated, could be a substantial barrier to ever getting started. It would not be feasible in many cases to specify in advance what is to be released and how it is to be released because these things only become apparent in the course of the research.

The same editor noted that some contracts and DUAs are subject to non-disclosure agreements and could not be posted on an AEA or other webpage. Also, the names of authors who have published papers using private-use data could simply be provided on the same webpages where agreements or archiving information is described.

More than one editor emphasized that any move in this direction would require much more time of the editor than is possible. Editors have their hands full dealing with the judgment of individual papers. Someone else would have to deal with discussions with submitters on what kinds of agreements they have, the prospects for access and archiving, and related topics. One idea that was suggested was that the journals consider having a new Managing Editor who considered these submission for all AEA journals and who therefore specialized in the issues. One editor also suggested that such a new Managing Editor could handle disclosure and IRB requirements for submitters as well, which represent another current burden on the editorial staff, and let the new Managing Editor handle all administrative matters related to submission; and this editor made some suggestions on the qualifications that such a person should have.

The discussion with the Editors revealed that the Sloan Foundation is very interested in the promotion of private-data research in economics and would be willing to provide some financial support for any endeavor the AEA might undertake, if the AEA saw a need for such support.

One editor mentioned other restricted-data issues that are coming up, especially with regard to submitters using non-U.S. data.

Discussion Question

Should the AEAStat and its subcommittee proceed on this topic and work with the AEA journal editors toward a concrete recommendation to the Executive Committee for presentation at one of its future meetings?