

DATE: December 7, 2018
TO: Executive Committee, American Economic Association
FROM: John Haltiwanger, Chair
American Economic Association Committee on Economic Statistics
RE: Annual Report for 2018

The current members of the Committee on Economic Statistics (AEASat) are: John C. Haltiwanger, University of Maryland, Chair; John M. Abowd, U.S. Census Bureau; John Cawley, Cornell University; Carol Corrado, The Conference Board; Janice Eberly, Northwestern University; Martin Gaynor, Carnegie-Mellon University; Steve Landefeld, BLS (retired); Josh Lerner, Harvard Business School; Edward Montgomery, Western Michigan University; Emi Nakamura, University of California – Berkeley. Kitty Smith Evans staffs the Committee. Andrew Reamer, George Washington University, assists Evans.

The Committee met 10 times by telephone this year to discuss recent developments in economic statistics and the activities it was undertaking, and to plan new activities.

This report first describes sessions on economic statistics that the Committee solicited, selected and organized for the 2019 AEA Meetings. It then describes its educational activities in support of economic statistics, and activities that advance methodology or technical aspects of economic statistics for the economics profession. There are no action items in this memorandum.

Sessions for the 2019 AEA Meeting

As it has in the past, the AEA Stat committee issued a call for papers for the 2019 AEA meetings on topics related to economic statistics. The call went out in March 2018 along with the general call for submissions and stated that up to three sessions would be selected, and one could be recommended for inclusion in the May 2018 Papers and Proceedings.

The Committee received 4 session submissions and 5 individual paper submissions, many of which were high quality.

The Committee selected the first two of the following three sessions from those submitted, and organized the Panel Session that is its third session (complete details of each are in the AEA January 2019 program):

1. Studying Facets of the U.S. Labor Market with National Longitudinal Survey of Youth Data (Chair: Lowell Taylor, Carnegie Mellon University)
2. New Data and New Facts for the Global Economy (Chair: Natalia Ramondo, University of California–San Diego)

3. The Future of Economic Research Under Rising Risks and Costs of Information Disclosure (Chair: Ben Casselman, New York Times) – the P&P session

Educational Activities in Support of Economic Statistics

The AEASat also undertakes educational functions, mostly in Washington, DC, through formal and informal activities that provide information about specific economic data sets as well as issues arising that concern economic statistics and statistical agencies in general. It focuses on 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, budgets, or on any partisan matter.

The Committee issued the following statements and letters during calendar 2018.

1. **AEA Statement on Principles of Economic Measurement:** Based upon feedback of the draft reviewed at the ASSA January 2018 meeting, AEA Stat edited and then received approval of its statement by the AEA Executive Committee in Spring 2018. This statement has been posted, and widely distributed and (See: <https://www.aeaweb.org/content/file?id=6847>)

The Statement, meant for use in communicating standards that any economic measurement should meet, is useful in generically addressing new measures proposed by government officials or public interest groups. It is also a useful educational tool, highlighting the AEA's scientific principles and giving examples that demonstrate the challenges of assuring accurate economic measures. Over 80 hard copies of the Statement have been distributed to Executive Branch officials, Congressional staff, and attendees of meetings on related topics.

2. **Statement on Plans for the 2020 Decennial Census:** Responding to the Federal Register Notice requesting comments on the plans for the 2020 Decennial Census, AEA Stat in conjunction with the AEA Committee on Government Relations posted a letter (See: <https://www.aeaweb.org/content/file?id=7684>).

This letter included discussion of the importance of the Decennial Census for economics measurement and research. The letter discussed a number of issues including concerns about the relatively recent planned addition of a question on citizenship. The planned additional question did not follow usual steps of development and testing. There are associated concerns with the impact on response rates and the implied costs of the Non-Response Follow Up (NRFU). It is the NRFU that underlies a large fraction of the very high costs of a Decennial Census. A decline in initial response rates from this new question could have a very large impact on costs. In addition, administrative and other survey data are available on citizenship.

3. **Statement of support for the proposal to move the Bureau of Labor Statistics from the Department of Labor to the Department of Commerce:** Developed and issued

jointly with the AEA Committee on Government Relations, (See: <https://www.aeaweb.org/content/file?id=8362>)

This statement supports the proposal to move the BLS to the Commerce Department “because of the benefits to data users of closer integration between BLS and the other major economic statistics agencies.” It was noted as useful by the Labor Branch of the Office of Management and Budget.

4. **Letter on Economic Research Service:** Wrote and sent a letter, jointly with the AEA Committee on Government Relations, to Senate and House agricultural appropriators and authorizing committee leadership, outlining the expected consequences for statistical quality and integrity of the USDA Secretary’s announced decision to shift the Economic Research Service from under its Research and Education mission area to the Secretary’s Office, and to move the majority of the agency’s staff to outside the Washington, DC National Capitol Area. (See: <https://www.aeaweb.org/content/file?id=8484>).

The Committee also engaged in the following activities:

5. Chair, John Haltiwanger, and Kitty Smith Evans were part of a small group that met with Robert O’Quinn, Chief Economist of the Department of Labor, about the value of BLS and how AEA members use statistics BLS releases.
6. Kitty Smith Evans and Andrew Reamer were members of a small group that met with the Rebecca Stavins and Michael Branson of the White House Office of Management and Budget, in advance of that office’s determination of the Administration’s FY 2020 BLS appropriations proposal, about the value of BLS and how AEA members use statistics BLS releases.
7. In conjunction with the Consortium of Social Science Association’s (COSSA) annual advocacy day, AEA’s representation at the Coalition on National Science Funding (CNSF) Exhibition, through participation in Congressional staff meetings organized by the American Statistical Association and the Council on Food, Agricultural and Resource Economics, and through independent contacts, Kitty Smith Evans and others associated with the AEASat Committee made an estimated 20 visits to talk with Congressional staff about the value of social science, economics and federal statistics, generally, or the value of the BLS, Census Bureau, or Economic Research Service, specifically.
8. AEASat facilitated collaboration of member John Cawley with professional writer, Steve Kent, to develop an Opinion piece, published in *The Hill*, on the need to keep politics out of the 2020 Census. (<https://thehill.com/opinion/white-house/393891-the-census-is-not-a-tool-to-promote-partisan-policies>)

Activities Advancing the Employment of Data, Data Transparency, and Reproducibility for Economic Research

1. During the 2018 AEA meeting in Philadelphia, AEASat hosted a Working Lunch on the measurement of robotics, Artificial Intelligence, and implications for the labor force. A total of 25 economist experts on that subject attended the lunch. Through facilitated discussion, these experts described the state of the art in measuring automation and effects on the labor force, and responded to a Census Bureau request for feedback and ideas for collecting data for measurement. It was a lively and productive discussion. Meeting notes and flip chart recordings were subsequently sent to all participants. The Census Bureau has continued discussions with a number of the participants. For example, two of the participants have provided advice for a planned module for the 2018 Annual Business Survey questions regarding Automation, AI and Robotics.
2. AEASat has planned and issued invitations to experts for a 2019 Working Lunch on the measurement of the gig economy and alternative workforce trends. A total of 28-30 participants are expected.
3. The Census Bureau announced that new privacy protection practices would limit the number of 2020 Census data products it could release. The AEASat Committee identified AEA members who likely use Decennial Census data products, informed them of the Census Bureau's call for feedback on 2020 Census data products, and offered to receive and consolidate comments from AEA members on products of importance to their research. While most contacted AEA members opted to submit responses independently, AEASat can take credit for advertising the need for comments, and facilitating responses.
4. AEASat organized a Sub-committee on Private Data to be advisory to Lars Vilhuber, AEA Data Editor, to examine the feasibility of developing templates for data use agreements, and to facilitate interactions of economic researchers with private sector data providers. Sub-committee members are John Haltiwanger, Chair, Josh Lerner and Marty Gaynor of AEASat, Lars Vilhuber, and Maggie Levenstein, University of Michigan.

AEA Representation on Boards and Committees Related to Economic Statistics

1. John Haltiwanger represents AEA on the Board of Directors of the Council of Federal Associations on Federal Statistics (COPAFS).
2. Kitty Smith Evans represented AEASat on the Administrative Data Research Facility Networks' (ADRF) Conference Planning Committee