

DATE: December 10, 2019

TO: Executive Committee, American Economic Association
FROM: John Haltiwanger, Chair American Economic Association Committee on Economic Statistics
RE: Annual Report for 2019

The current members of the Committee on Economic Statistics (AEASat) are: John C. Haltiwanger, University of Maryland, Chair; Erik Brynjolfsson, MIT; Carol Corrado, The Conference Board; Janice Eberly, Northwestern University; Martin Gaynor, Carnegie-Mellon University; Erica Groshen, Cornell 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.

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 2020 AEA Meetings. It then describes its educational activities in support of economic statistics, activities that advance methodology or technical aspects of economic statistics for the economics profession, and outreach activities. 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 2020 AEA meetings on topics related to economic statistics. The call went out in March 2019 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 2020 Papers and Proceedings (P&P).

The Committee received 9 session submissions and 8 individual paper submissions, many of which were high quality. From these, the Committee selected 2 submitted sessions, as is, and worked with submitters of a third session to add one of the submitted papers to the session. The 2020 sessions are:

Economic Measurement Challenges in the Digital Economy. (This is the AEASat designated P&P session)

<https://www.aeaweb.org/conference/2020/preliminary/1986?q=eNqrVipOLS7OzM8LqSxIVbKqh nGVrJQMIWp1IBKLi OTgRwzUyUdpZLUolxcIBvISkmshDBKMnNTIayyzNRykAFFBQVAAVMDpdpaX DBjahvD>

New Approaches to Measuring Technology and Innovation.

<https://www.aeaweb.org/conference/2020/preliminary/1987?q=eNqrVipOLS7OzM8LqSxIVbKqh>

[nGVrJQMIWp1IBKLi OTgRwzUyUdpZLUolxcIBvISkmshDBKMnNTIayyzNRyKAFFBQVAAVMDkO6Cx HSQJANXDCKDx5-](https://www.aeaweb.org/conference/2020/preliminary/1988?q=eNqrVipOLS7OzM8LqSxIVbKqh nGVrJQMIWp1IBKLi OTgRwzUyUdpZLUolxcIBvISkmshDBKMnNTIayyzNRyKAFFBQVAAVMDkO6Cx HSQJANXDCKDx5-)

Improving Economic Price Statistics through the Use of Alternative Data.

<https://www.aeaweb.org/conference/2020/preliminary/1988?q=eNqrVipOLS7OzM8LqSxIVbKqh nGVrJQMIWp1IBKLi OTgRwzUyUdpZLUolxcIBvISkmshDBKMnNTIayyzNRyKAFFBQVAAVMDkO6Cx HSQJANXDCKDx5->

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, formal comments, and letters during calendar year 2019:

1. **AEA Committee Statement of Support for Maintaining Statistical and Scientific Integrity of the USDA's Economic Research Service** <https://www.aeaweb.org/content/file?id=9909>
2. **The AEASat Committee wrote a letter to leaders/members of the House and Senate Appropriations Committees** thanking them for including in the FY2019 omnibus appropriations bill, language that would have postponed or precluded the relocation and realignment of USDA's Economic Research Service (ERS).
<https://www.aeaweb.org/content/file?id=11109>
3. **Formal Response to a White House Office of Management and Budget (OMB) Call for Comment on guidance for Statistical Policy Directive #3**
<https://www.aeaweb.org/content/file?id=9981>
Statistical Policy Directive #3 requires a 60-minute delay between release of Principal Federal Economic Indicators and Executive Branch comments on the release. The Committee's Comment uses economic logic and up-to-date economic literature to suggest why it is increasingly important to retain mechanisms that clearly separate any distorted information from objective indicators, and maintain a time delay.
4. **Formal Response to a Federal Register Notice** requesting comments on the use of consumer price based measures of inflation
<https://www.aeaweb.org/content/file?id=10352>
5. **In conjunction with the AEA Committee on Government Relations, the AEASat filed a formal response to a request for comments on the Office of Management and Budget's (OMB) Phase 3 Strategic Data Plan.** <https://www.aeaweb.org/content/file?id=10351>. The Comment supports the idea of strategic data planning but notes that Phase 3 of the Strategic Data Plan fails to address several important elements of the Foundations for

Evidence Based Policymaking Act of 2018, and needs improved clarity on the responsibilities and minimum qualifications of Chief Data Officers and other newly designated Executive Branch data strategy leaders.

- 6. AEA Committee Statement of Principles and Prerequisites for a Bureau of Labor Statistics (BLS) Move to the Department of Commerce.** In recognition that simply moving the BLS from the Department of Labor to the Department of Commerce would fail to capitalize on interagency data sharing, administrative consistency, and other actions that would benefit AEA users of federal statistics, the Committee outlined a series of actions that would make the move meaningful: <https://www.aeaweb.org/content/file?id=11108>. The statement has been sent to the Labor Branch of OMB, The Chief Economist, Chief Data Officer, and Statistical Officer for the Labor Department, Karen Dun Kelly, the Deputy Under Secretary for Commerce, the Chief Data Officer and Statistical Officer for the Labor Department, and staff of Congressional Committees concerned with labor statistics. It will also be available as a handout in future meetings with policymakers.

It should be noted that, although asked frequently, the Committee has NOT signed on to other associations' entreaties to federal policymakers to increase budgets for statistical agencies or weigh into policy matters.

Committee staff also engaged in the following activities:

- Kitty Smith Evans met periodically with the Chief Statistician of the U.S. as well as current and former leadership of the Census Bureau, Bureau of Labor Statistics, and Bureau of Economic Analysis.
- Kitty Smith Evans and Andrew Reamer were members of a small group that met with Rebecca Stavins, Budget Examiner for BLS, and Michael Branson, Chief, Labor Branch of the White House Office of Management and Budget, about the value of BLS and how AEA members use statistics BLS releases, to inform that office's determination of the Administration's FY 2021 BLS appropriations proposal.
- In the course of working with Friends of the Bureau of Labor Statistics, the Census Project, Consortium of Social Science Associations, American Statistical Association, and other affiliated groups, Kitty Smith Evans visited with staff of over 25 Republican and Democratic Senators/Representatives about the value and uses of BLS, Census Bureau, ERS, and other federal agencies' data, and statistics-related aspects of the Foundations for Evidence Based Policymaking Act of 2018.

Outreach and Representation

1. Kitty Smith Evans represented AEA at a July 8, 2019 Data Coalition Forum on the Strategic Data Plan, where her presentation summarized the AEA Committees Comment on the OMB Phase 3 Strategic Data Plan.

2. Kitty Smith Evans was a panelist in a session on “The Future of Institutional Organization and Support of Applied Economics” at the 2019 annual meeting of the Agricultural and Applied Economics Association.
3. On behalf of the AEASat Committee, Andrew Reamer has actively posted dozens of information items of value to AEA members on EconSpark.

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

1. During the 2019 AEA meeting in Atlanta, AEASat hosted a Working Lunch on Measuring the Gig Economy and Alternative Workforce. A total of 28 economist experts on that subject attended the lunch. Through facilitated discussion, these experts described what we do and do not know that we *don't* know about the measurement of the gig economy, alternative workforce trends, and possible impacts, what we might learn from administrative and private data sources, and what kind of data infrastructure and/or collaborative institutional framework could capture what it is we need to know to better understand the issue. A lively and productive roundtable was captured in flip chart and full discussion notes. The Working Lunch informed Bureau of Labor Statistics and Census Bureau plans for future labor force data collections.
2. AEASat has planned and issued invitations to experts for a 2020 Working Lunch on Successful Private Firm-Academic Researcher Agreements for Access to and Replicable Use of Private Data.
3. AEASat has been in regular communication with Lars Vilhuber’s activities as AEA Data Editor. Lars will make some remarks about his activities at the AEASat working lunch on the use of private data.
4. In conjunction with the Committee on Government Relations, AEASat wrote letters of support to be included in the nomination packages of three prominent economists who wished to be nominated for a new OMB Advisory Committee on Data for Evidence. AEASat Committee members felt it would be hugely beneficial to have economists on this Advisory Committee that will be making recommendations on the structure and implementation of a National Secure Data Service; a service that could greatly advantage economic researchers who use and link federal statistical and/or administrative data in their research.

AEA Representation on Boards and Committees Related to Economic Statistics

1. Peter Rousseau and John Haltiwanger represented AEA on the Board of Directors of the Council of Federal Associations on Federal Statistics (COPAFS).

Looking Toward 2020:

AEASat anticipates working on a range of issues in 2020 including:

- Monitoring and providing feedback on changing disclosure avoidance and privacy protection by the Federal statistical agencies for the many data products used by AEA members.
- Facilitating the coordination among the Federal statistical agencies as well as other holders of key administrative data (e.g., state and local governments).
- Promoting standardized access protocols to proprietary data.
- Facilitating the collaboration of subject matter experts and the statistical agencies to improve economics measurement (e.g., facilitating expert input into revisions of as well as rotating modules on business and household surveys).
- Encouraging changes in the data infrastructure that would allow us to improved economics measurement on topics such as:
 - The use and impact of advanced technology (e.g., AI and Machine Learning)
 - Measurement of key indicators like output and inflation using digitized (e.g., scanner-level) data
 - Unmeasured intangibles (e.g., happiness; free goods)
 - Income and wealth distribution statistics