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December 9, 2013

TO: Executive Committee
American Economic Association

FROM: Robert Moffitt, Chair
American Economic Association Committee on Government Relations

RE: Annual Report for 2013

This report has two sections: (1) a brief summary of the charge and membership of this committee, and (2) a report on its activities in calendar year 2013. There are no action items for the Executive Committee this year.

The Committee

The Committee on Government Relations (CGR) was established by the AEA Executive Committee in 2009 to represent the interests of the economics profession in Washington, D.C. and other locations around the country. The charge to the CGR can be found on the CGR website at http://www.aeaweb.org/committees/Govt_Relations/index.php. The committee undertakes educational functions through the development of formal and informal sources of information about legislation, regulations and agency decisions that are relevant to the scientific interests of the AEA; informing the AEA leadership and any interested members about these matters; maintaining a website where information on these topics is posted; coordinating with other organizations in the D.C. area that share an interest in social science research, exchanging information with them and communicating their activities to the AEA leadership and any interested members; monitoring the activities of federal statistical agencies in Washington and promoting the value and improvement of economic statistics; monitoring agencies that provide research funding to economists such as the National Science Foundation (NSF) and the National Institutes of Health (NIH); and generally promoting the value of economic analysis within the

D.C. policy community by encouraging decision-makers and those who serve and inform them to draw on the intellectual resources of the economics profession. Consistent with the charter of the AEA, the Committee does not take positions on questions of economic policy or on any partisan matter.

The current members of the committee are Robert Moffitt (Johns Hopkins, Chair), Mark Duggan (University of Pennsylvania), John Haltiwanger (University of Maryland), Maurine Haver (Haver Analytics), Anne Krueger (Johns Hopkins), Charles Plott (California Institute of Technology), Joel Slemrod (University of Michigan), Jonathan Skinner (Dartmouth), James Smith (Rand Corporation), Phillip Swagel (University of Maryland), and John Taylor (Stanford). The committee's Washington staff representative is Dan Newlon.

The Committee meets roughly every three weeks by telephone to review the issues that have come up and to make decisions. The committee also has a relatively high volume of email discussion in between meetings.

Activities in 2013

The CGR has spent many of its activities in 2013 addressing issues that have arisen in Washington related to threats to economic research at funding agencies and budgetary cutbacks to statistical agencies that disproportionately threaten economic research or data sets used heavily by economists. On budgetary matters, the CGR and the AEA Executive Committee have agreed in past discussions that the committee will take no position on general budgetary issues in the federal government or on overall budgets for federal departments or agencies, but will concern itself only with developments that disproportionately affect economic research, economic data, or the economics profession.

The following are the major activities which have occupied the committee in 2013, roughly in order of largest to smallest in terms of time committed.

Health Economics Research at NIH. A large number of economists receive financial support for their research from two agencies at the National Institutes of Health (NIH), the National Institute on Aging (NIA) and the National Institute for Child and Human Development (NICHD). Most of this research is typically classified as health economics research, and ranges from the study of health insurance to the provision of health care in the United States to the study of the determinants of health outcomes for children and adults to the effects of economic variables on the health of the elderly.

In 2012, a House Subcommittee responsible for NIH passed a spending bill that prohibited NIH funds from being "used for any economic research programs, projects or activities." Although the bill did not eventually pass, the CGR regarded this as a cause for concern because it was a direct attack on the value of economics research. The CGR undertook several activities in 2012 described in last year's report to promote the value of health economics research to US society and health policy, including the writing of a document giving examples of important economic research that has been conducted on health issues. In March of 2013, Robert Moffitt was part of

a delegation of social science researchers that visited staffers in Congress to discuss both economics research and social science and behavioral research in general at NIH and was told that several Congressmen and their staffs were actively pressuring NIH staff to reduce funding on economics research and to use it for more traditional biomedical research instead. The CGR was later given information that NIH staff were responding to that pressure by proposing to reevaluate whether NIH should be funding economics research. As a result, the CGR organized a meeting with two high-level NIH staffers who work directly underneath Dr. Francis Collins, the NIH Director, the economics delegation consisting of Moffitt, James Smith, Jon Skinner, and David Wise. The meeting took place in April and was disturbing because the staffers implied that many types of economics research could no longer be justified unless they were in direct support of laboratory biomedical research projects, and declaring that the NIH mission was only to support biomedical intervention research. Research on, for example, the effect of education on health was not within the purview of NIH, they said. The CGR regarded this as an incorrect reading of the NIH mission statement as posted on the NIH website, which states that NIH should support research that improves the health of U.S. society. Subsequent to that meeting, the CGR learned that Director Collins had directed that a new investigation into economic and social and behavioral research at NIH be conducted and whether it could be shown to be productive.

In the subsequent several months, the CGR, sometimes in collaboration with other social science associations, undertook several activities to promote the value of economic research on health issues. The most time-consuming was an effort to talk to members of the House of Representatives and ask them to write a letter to Director Collins stressing that social science and behavioral research deserved a place at NIH and should be appropriately considered along with biomedical research. The summer of 2013 was spent in organizing that effort in Congress and culminated with a letter to Director Collins signed by eighty-three members of the House and was sent to the Director in early August. While no letter was sent from the Senate, one Senator did place a telephone call to the Director to urge that social science and behavioral be retained in the NIH mission.

The CGR undertook other activities as well on this issue, including writing a new document with examples of valuable economics research on health and circulating that document at NIH and on the Hill; organizing a briefing on the Hill attended by about thirty staffers with talks by Joe Antos, Mark McClelland, Al Roth, and Kevin Volpp on the value of economics research on health; worked with other Washington social science organizations to publicize the value of such research in their various public documents; and contacted several economists within the Obama administration to help persuade NIH to understand the value of economic research.

In late Fall, the CGR learned that NIH had dropped its investigation of social science and behavioral research and that House staffers had, for the time being, dropped their pressure on NIH staff to defund such research. However, the threat remains and could resurface in 2014.

National Science Foundation. In 2013, several attacks on social science research at NSF also occurred. Two influential Representatives, including the Majority Leader, and one Senator issued calls in documents and speeches to defund social science research at NSF and to reallocate the entire social science budget at NSF to the biological directorates at the Foundation. Similar calls were made to abolish or reform the traditional method of merit review, which is the

basic form of evaluation used by NSF, NIH, and other research agencies. These direct attacks on social science funding at NSF are the most severe in many years. Congress introduced legislation to implement these suggestions but the only piece that passed was a prohibition that any political science project funded by NSF had to promote the national security or economic interests of the United States. This legislation has already had a major negative effect on political science projects which the NSF is able to fund and there is a risk that Congress could adopt similar restrictions for economics research at NSF.

Because this effort, unlike that at NIH, was not directed specifically at economics research but was aimed more generally at social science and behavioral research, most of the CGR's activities were undertaken in collaboration with other social science association activities. The CGR joined with other associations, as well as the Coalition of Social Science Associations (COSSA), in writing letters to members of Congress urging them to recognize the value of social science research, with many economics examples used in illustration. The CGR organized meetings of economists with staffers on the Hill to similarly emphasize the value of specific types of economic research to society and government policy. The CGR, in anticipation of the annual reception on the Hill of the Coalition of National Science Funding where different professional associations covered by NSF funding present examples of their research, sponsored an exhibit by an economist who was an NSF grantee illustrating his research. The CGR supported the nomination of Alvin Roth and David Gale for an award for meritorious NSF-funded research on market design, a nomination which led to a successful award.

The CGR anticipates continuing to support economic research at NSF in 2013.

Economic Data at Statistical Agencies. Many important data sets for economists were threatened in 2013. The CGR learned in late 2012 that the Bureau of Labor Statistics (BLS) had plans to completely eliminate the National Longitudinal Surveys (NLS) and the American Time Use Survey (ATUS) if sequestration cuts were not restored in 2013. Reports of this intent continued to resurface in 2013. In addition, significant cuts at the Bureau of the Census threatened the Economic Censuses and the American Community Survey (ACS), and other cuts to economic data sets at the Bureau of Economic Analysis (BEA) also surfaced.

In response, the CGR sponsored meetings of economists with the heads of statistical agencies and Congressional staff about the agencies' plans for cutbacks on data sets used by economists. The CGR also cooperated with Ohio State University and the National Opinion Research Corporation in alerting NLS users to the threats to that data set. In a new activity, the CGR began in late 2013 to ask prominent economists to write op-eds in support of economic data and to urge Congress and agencies not to disproportionately reduce funding for important data sets. An op-ed by Katherine Abraham and John Haltiwanger appeared in the New York Times in October 2013 and plans for more op-eds are underway. The CGR also participated in meetings between NIH, BLS, and OMB to consider transferring one of the NLS cohorts from the BLS to NIH.

The CGR expects to conduct more activities on these areas in 2013.

Human Subjects Protection. As reported by the CGR to the Executive Committee in January, 2013, the federal government has been in the process of revising its rules governing human subjects protection. While many of the revisions would be welcome to economists, especially those which would reclassify many economics projects involving human subjects as being of minimal risk, other features of the revisions, particularly those reclassifying many economic data sets as having to pass severe and restrictive HIPAA rules before being made available for research, were disturbing.

In 2013, the CGR supported a new workshop activity by the National Research Council (NRC) which brought many experts, including economists Charles Plott and David Weir, to make recommendations to the federal government on modifications in their proposed human subjects revisions. The NRC issued its workshop report in September 2013 and has formed a consensus panel to study the issue in more depth and to issue a more detailed report. The federal government has apparently put their revisions on hold for the time being.

Other Activities. The CGR has been working with economists within the Administration to promote so-called data synchronization, a long-standing desire by Census, BLS, and BEA to share confidential data that would allow them to align their business sampling frames to make their statistics apply to a comparable basis. CGR members held several strategy sessions with heads of statistical agencies about how to persuade Congress to approve such data sharing with appropriate privacy safeguards. In another activity, the CGR has actively supported a project proposed by the Council of Professional Associations on Federal Statistics (COPAFS) to initiate a major program to assist social science researchers to access confidential federal administrative data for analysis, with appropriate privacy safeguards, and to bring researchers together with administration officials to discuss such increased access. The CGR assisted COPAFS in writing a proposal to the Sloan Foundation to support this new activity, a proposal which was successful, and the CGR offered to support the activity with \$7,500 of its own funds which were needed by COPAFS to complete the project. In a third activity, the CGR cosponsored a briefing on the Hill on immigration research, consisting of three speakers, including one economist, talking about the results of their research and its value in informing immigration reform proposals under discussion in Congress.

Activities not undertaken by the CGR. In past annual reports, the CGR has occasionally listed activities that it decided not to undertake in the previous year as well. In 2013, the CGR turned down a request by the NRC to help fund a new activity of theirs to advocate for social science funding in Washington. The CGR regarded this as an inappropriate use of AEA funds because the NRC is not an organization which the AEA should generally help finance, with rare exceptions (the human subjects example above was one such exception). In addition, the CGR turned down an opportunity to join other social science organizations in issuing "Action Alerts," consisting of mass emails urging their members to write their Congressmen or other representatives in support of, or to oppose, specific legislation or policy proposals. The CGR feels strongly that it would be completely inappropriate to urge AEA members take positions on any legislative or public policy issue. Finally, the CGR turned down a request to join other organizations in opposing the sequester. As noted above, the CGR does not take a position on general budgetary matters unless they specifically or disproportionately affect economics data

sets or research, and the sequester was, instead, a general budget reduction enacted by a majority vote of Congress.