

DATE: December 1, 2011
TO: AMERICAN ECONOMIC ASSOCIATION
FROM: Charles Schultze, Chair
American Economic Association Committee on Government Relations
RE: Annual Report for 2011

The current members of the American Economic Association's Committee on Government Relations (AEACGR) are Charles Schultze (Brookings, Chair), Catherine Eckel (University of Texas-Dallas), John Haltiwanger (University of Maryland), Robert Moffitt (Johns Hopkins), Charles Plott (California Institute of Technology), Richard Schmalensee (Massachusetts Institute of Technology), Joel Slemrod (University of Michigan), Jonathan Skinner (Dartmouth), James Smith (Rand), and Phillip Swagel (University of Maryland).

The AEACGR was established in 2009 to represent the interests of the economics profession in Washington, D.C. and other locations around the country. A description of the Committee's primary activities may be found on its website (see http://www.aeaweb.org/committees/Govt_Relations/about_committee.php). As is true of the American Economic Association, the Committee does not take positions on questions of economic policy or on any partisan matter.

Over this past year, the Committee met roughly once every three weeks by phone with Dan Newlon, the AEA Washington representative. Newlon also met frequently with representatives of the Consortium of Social Science Associations (COSSA) and other organizations whose interests overlap with those of the AEA and with the relevant staffs at the National Science Foundation (NSF), the National Institutes of Health (NIH) and the major statistical agencies.

Dept. of Labor regulation on advertising for college and university teaching positions

The AEA had been trying for many years to get the U.S. Department of Labor to modify its recruitment and documentation procedures for certification of foreign hires for college and university teachers, namely that "a copy of at least one advertisement for the job opportunity (be) placed in a national professional journal." DOL interpreted "national professional journal" as a print publication. Job Openings for Economists, like almost all academic job listings, is electronic only, so job advertisements in JOE did not fulfill this requirement. Last summer Dan Newlon, working with Betsey Stevenson, then chief economist at DOL, finally got DOL to include advertisements in electronic publications so that advertisements in JOE can now be used to certify foreign hires.

Threats of disproportionate cuts in Agency budgets for economic research and economic statistics

Last year amendments to the FY2012 Appropriations for NSF that would disproportionately cut or completely eliminate funding for the NSF's Social, Behavioral, and Economic (SBE) Sciences Directorate seemed to be highly likely in both the House and Senate. There were also concerns

about deep and disproportionate cuts in spending on social and behavioral research at NIH. The Census Bureau issued an impact statement that the House mark for its 2012 budget request would force Census to cancel the U.S. Economic Census. (1) The AEACGR monitored these threats to economic research and economic data closely and coordinated strategy with COSSA and other scientific professional associations. E-blasts and news alerts were sent to the economics community. Talking points on the value of economic research were prepared and disseminated to influential economists and were posted on the AEA and COSSA websites. (2) Charles Holt University of Virginia was asked to represent the AEA at the Coalition for National Science Funding (CNSF) Annual Exhibition and Reception in May to educate members of Congress, congressional staff and federal employees about the breadth and significance of scientific research supported by NSF. His exhibit entitled "A Virtual Laboratory for Research and Teaching on Social Economic Interactions" was based on a five year NSF infrastructure grant. Before the reception he briefed the staffs of two Senators and seven Representatives on his research. (3) The AEA joined more than 140 other professional societies in the physical, biological and social sciences in sending an Inter-Society letter to the House leadership strongly opposing "attempts to eliminate or substantially reduce funding for specific areas of science such as the NSF Directorate for Social, Behavioral, and Economic Sciences." (4) In September the AEACGR organized a briefing on Capitol Hill by Charles Schultze, Brookings; Katharine Abraham, Council of Economic Advisers; J. Steven Landefeld, Bureau of Economic Analysis (BEA); Tim Maney, U.S. Chamber of Commerce; and William Shobe, University of Virginia on the importance of the 2012 Economic Census for business and government decision making. (5) A joint statement by AEACGR and the AEA Committee on Economic Statistics (AEASat) on the adverse effects from cancelling the Economic Census on all surveys of business and financial activities by Census over the next five years was sent to professional associations in business and local government, distributed at the briefing and posted on the AEA website. Follow up emails were sent to over one hundred Congressional staff that attended the briefing or indicated an interest in the briefing.

NSF and NIH FY2012 appropriations passed both Houses in Congress without amendments being offered that targeted the social and behavioral sciences and the FY2012 appropriations for Census is sufficient to collect data for the Economic Census.

Planning at NSF, NIA and NICHD for future research priorities

(1) In August 2010 the National Science Foundation requested white papers "to frame innovative research for the year 2020 and beyond" in the social and behavioral sciences. The Committee asked economists to participate in this process. The white papers were used to prepare and publish in October, 2011 a report on NSF plans for the SBE sciences for the next decade. According to the report "a total of 132 papers address economics and economic issues or implications, testifying to the fundamental importance of economic analysis either within its disciplinary framework or as a contributor to multidisciplinary approaches...The American Economic Association played an important role by encouraging the economics community to participate in the SBE 2020 effort and by organizing a panel at the January 2011 meeting in Denver, Colorado. At 8 a.m. on a sunny Saturday morning, every seat was taken; people sat on

the floor and stood in the hallway to listen. Senior economists have encouraged us to use the papers as the basis for planning and establishing priorities. Fifty-four papers have been independently collected into an open-access publication through the Social Science Research Network where the papers are also individually accessible.”¹ (2) In May 2011 a delegation of economists (Alan Krueger, Princeton; David Laibson, Harvard; Robert Moffitt, Johns Hopkins; James Poterba, MIT and Jonathan Skinner, Dartmouth) under AEACGR auspices made presentations to NIA staff including Richard Hodes, Director of NIA, on the contributions of economics and economists to the study of aging. (3) Dan Newlon asked NIA grantees to identify gaps in our knowledge of the economics of aging and health and suggestions for research topics with potentially high scientific yields. A report on the responses of over 30 distinguished economists was written by AEACGR member Jonathan Skinner and sent to NIA in August. According to NIA staff, the presentations and report are very valuable resources for NIA planning and decisions. (4) From January through March the NICHD held workshops to identify compelling scientific opportunities in nine areas considered vital to NICHD’s mission over the next decade. In January the AEACGR sent a letter to Alan Guttmacher, Director of NICHD, suggesting economist participants for each of the workshops. A delegation of economists (Janet Currie, Columbia; James Heckman, University of Chicago and Robert Moffitt, Johns Hopkins) made presentations to Dr. Guttmacher and NICHD staff in March on some of the methodological and substantive contributions of economics to research on child health and development. Economists were recruited by AEACGR to comment on the reports of each of the nine workshops. Economists were asked to comment on the June finale workshop “NICHD: Bringing the Vision Together” and on Guttmacher’s presentation of the draft Vision document to the National Advisory Child Health and Human Development Council in September. The AEACGR chair also sent a letter to Guttmacher about the importance of including economics in future NICHD research and on recruiting economists for NICHD staff. Dan Newlon, working with NICHD grantees, identified potential economist applicants for key NICHD staff positions.

Economic data quality and data access

(1) The AEACGR helped the Department of Commerce find Republican sponsors for legislation that would allow synchronization, a high priority for the Committee because synchronization would improve the quality of economic data. (2) Members of the AEACRG met with IRS staff about changes in IRS procedures that could affect data access by economists at Research Data Centers. (3) The heads of the OMB Task Force on Administrative Data were invited to participate in the April meeting of the AEACGR. They then sent a list of substantive questions that the Committee answered. The AEACGR also gave the Task Force names of economists for an important meeting in October on data access to government administrative data. (4) The AEACGR worked with other concerned scientific professional associations to respond to proposed changes in the regulations governing research with human subjects, especially the proposal to mandate the Health Insurance Portability and Accountability Act (HIPAA) as a "one-size-fits-all" privacy standard. HIPAA was designed to protect health records and replacing all privacy and data security standards with HIPAA could restrict access to valuable economic data without providing more protection for human subjects. The AEACGR submitted comments, posted those comments on its website and sent the comments to other government agencies and scientific professional associations.

¹ *Fostering Research in the Social, Behavioral, and Social Sciences at the National Science Foundation in the next decade.* Document NSF 11-086 p. 12.

The AEACGR continued to improve its website, sponsored a webinar with APDU on how to access economic data at Research Data Centers, and sent electronic newsletters to AEA members on the AEACGR mailing list about once every two months. In August Newlon gave an invited talk at the European Economic Association annual meetings on the effect of the financial crisis on funding for economic research.