

December 1, 2010

TO: American Economic Association Executive Committee
FROM: Katharine G. Abraham, Chair
American Economic Association Committee on Government Relations
SUBJECT: Annual Report on Committee's Activities

The current members of the American Economic Association Committee on Government Relations (AEACGR) are Katharine Abraham (University of Maryland, Chair), Angus Deaton (Princeton), Catherine Eckel (University of Texas-Dallas), Robert Hall (Stanford), Robert Moffitt (John Hopkins), Charles Plott (California Institute of Technology), Richard Schmalensee (Massachusetts Institute of Technology), Charles Schultze (Brookings Institution), and James Smith (Rand Corporation).

The AEACGR was established in 2009 to represent the interests of the economics profession in Washington, D.C. and other locations around the country. As is true of the American Economic Association, the Committee does not take positions on questions of economic policy or on any partisan matter. It is charged to carry out a range of activities that include 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 and informing the AEA leadership and any interested members about these matters; 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; and 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. A full statement of the Committee's charge may be found on its website (see http://www.aeaweb.org/committees/Govt_Relations/index.php).

Over this past year, the Committee met roughly once every other week by phone with Dan Newlon, who started work in October 2009 as the AEA Washington representative. Newlon also met frequently with representatives of various organizations whose interests overlap with those of the AEA and with the relevant staffs at the National Science Foundation (NSF), the National Institute of Health (NIH) and the major statistical agencies.

The AEACGR anticipates that the main vehicle for communication between the committee and the membership of the AEA will be the committee's website. The website is still very much a work in progress, but currently offers a number of items that the Committee believes should be of interest to economists:

- Information on opportunities for funding of economic research
- Information on the budgets and plans of the agencies responsible for producing key economic data
- Job postings for important government positions that can be expected to influence the infrastructure for economic research (such as the availability of funding and/or data to support economic research)

- Other government activities that could affect the infrastructure for economic research
- Links to the government relations websites of other social science organizations

White papers on the grand challenges for economic research written by various economists in response to a call from the NSF also soon will be posted to the website. Announcements and website content updates are being sent to the AEACGR e-mail list and announcements are being posted on the website homepage.

An important role taken on by the Committee has been to help make economists aware of vacancies in key decision making positions at NSF, NIH and the major federal statistical agencies, as the decisions made by the individuals in these jobs can be expected to have a significant effect on the infrastructure for economic research. Newlon asked NSF and NIH grantees to identify economists who would be strong candidates for three job vacancies these agencies sought to fill over the past year and held conference calls to brainstorm with groups of economists about possible candidates for these jobs. He then sent e-mails and called possible candidates to alert them to the job openings. Two of three positions targeted by the Committee – one at NSF and one at NIH – were filled by economists who learned of the jobs through our efforts. One position is still open.

In August, Myron Gutmann, the Assistant Director at the NSF with responsibility for the social, behavioral and economic sciences, issued a call for white papers on “grand challenges on future research in the social, behavioral and economic sciences” that will be used by NSF to make plans to support future research. The Committee agreed with Newlon that, in order to take advantage of the opportunity presented by this call, economists should be encouraged to submit white papers. Newlon asked journal editors to identify economists who could write persuasive and exciting papers on research agendas in economics and received other suggestions from Committee members. He then e-mailed and in some cases called those suggested with a personal appeal. Many distinguished economists, including two Nobel Laureates and three John Bates Clark medalists, contributed papers. The papers have not yet been released by the NSF, but the Committee has received advance copies of forty-eight papers that it intends to post on its website as soon as the NSF “grand challenges” website goes live. In contrast, according to information provided by NSF staff members, the next largest response in the social sciences was fifteen papers from sociologists.

Relatedly, with the support of the Committee, Newlon organized a session at the Denver ASSA meetings on “Grand Challenges for Social Science Research: The Perspectives of Economists.” The session will be chaired by NSF Assistant Director Myron Gutmann and the panelists will be Nicholas Bloom, Esther Duflo, Robert Hall, James Heckman, James Poterba and Emmanuel Saez. Newlon also worked with NSF staff to provide names for an external committee that met in September to evaluate the Economics Program (Katharine Abraham was selected to chair the committee) and, in response to a request from Myron Gutmann, suggested criteria for and examples of large scale infrastructure projects that would be useful for economists.

As part of a broader goal of helping policymakers to appreciate the value of economic research, the Committee authorized Newlon to organize a March briefing for Congressional staff under the auspices of the Consortium of Social Sciences Associations (COSSA) on "Better Living through Economics: How Fundamental Economic Research Improves People's Lives." The speakers were Larry Ausubel, Brigitte Madrian, Al Roth and John Siegfried. The talk was well attended. Following the briefing, the speakers visited the offices of their Senators and Representatives and left copies of the book *Better Living through Economics*, edited by John Siegfried, with the staff. The Committee also approved an AEA booth for the annual exhibition and reception for Congressional delegations organized by the Coalition for National Science Funding to showcase NSF-sponsored research that was held in April. At Newlon's request, John Abowd agreed to exhibit a new Census Bureau data system that supports timely dynamic reports and maps that display the location of jobs, employers and workers at unprecedented levels of local detail. NSF research and infrastructure grants to Abowd were instrumental in creating this data system. Congressional staff members were fascinated with the potential for using this system to generate reports tailored to their own Congressional districts. Abowd met after the reception with the Congressional staff from the New York delegation.

In July, the House Committee on Science and Technology held hearings on "the failure of mainstream macroeconomists to foresee the recent financial and economic collapse." Newlon learned of statements made by staff of the House Committee that seemed to attribute recent economic problems to NSF decisions regarding the support of economic research. The AEACGR authorized Newlon to contact the economists who would be testifying before the committee about these statements and to meet with the Congressional staff responsible for organizing the hearings. Newlon also helped to draft a letter signed by Katharine Abraham on behalf of the AEACGR that he then hand delivered to the offices of the chair of the committee and the ranking minority member. The letter highlighted the positive benefits from NSF's relatively small program in economic research.

The Committee on Government Relations and the Committee on Economic Statistics (AEASat) work closely together to represent the interests of economists with the Federal statistical agencies. The two committees are monitoring legislative proposals supported by the Obama Administration that would permit Census, BEA and BLS to synchronize and improve the quality of their data. On the recommendation of the two committees, the AEA became a member of the Association of Public Data Users (APDU), giving AEA members benefits such as access to a web-based listing of Federal Register requests for comment on federal data collection activities that APDU developed and maintains. There is now a portal on the AEASat webpage that links to this web-based listing of Federal Register requests. APDU and AEA are co-sponsoring a webinar on how to access and respond to these requests for comments and a second webinar on how to access and use the confidential economic, demographic and health data available through the Census Research Data Centers. Videos of the webinars will be available on the AEACGR website. Newlon wrote a paper for the March/April APDU newsletter and made a presentation to the Committee on National Statistics in May on identifying infrastructure needs in the social sciences. In June, Newlon, members of the AEACGR and the chair of AEASat met with the Federal Reserve Board staff about assuring access by academic economists to data on systemic financial risk

that will be collected by the new Office of Financial Research. The AEACGR reported on its website a resolution issued in August by the Republican National Committee to eliminate or make voluntary Census' American Community Survey, the replacement for the Census long form, but in keeping with its charge from the Executive Committee did not take a position for or against this proposal. Also in keeping with its charge, AEACGR declined requests to join other professional associations in signing letters of support for the budget requests of the Census Bureau, the Bureau of Economic Analysis and the Bureau of Labor Statistics, though it will play a continuing role in disseminating information about these agencies' budgets to the members of the economics profession.

Late in 2009, the Committee authorized Newlon to meet with staff at the Department of Labor (DOL) regarding the requirements about how college and university teaching positions must be advertised in order for DOL to certify a foreign hire. DOL guidance states that only print advertisements meet the advertising requirement, but the experience of most colleges and universities is that print advertisements are both more expensive and substantially less effective than electronic advertisements in reaching potential job applicants. The Committee therefore had hoped that the DOL guidance might be revised to recognize freely-accessible electronic advertisements as a substitute for print advertisements. While early communications between Newlon and various DOL staff members were encouraging, in June, William Spriggs, the current Assistant Secretary for Policy at DOL, decided this was not something DOL would pursue on his watch. The Committee then asked AEA Secretary Treasurer John Siegfried to find a low cost interim solution that would allow Economics Departments to meet the DOL requirement by advertising in JOE until such time as it may be opportune to revisit the issue with DOL.