

TO: American Economic Association Executive Committee

FROM: Katharine G. Abraham, Chair  
American Economic Association Committee on Government Relations

SUBJECT: Contingency Planning

DATE: January 6, 2010

This memo supplements the Annual Report of the Committee on Government Relations (CGR) that is in your binder. The purpose of this memo is to present for discussion with the Executive Committee the contingency plans that our Committee is developing for the eventuality that steep cuts are proposed for government funding of economic research and economic data. While no such proposals have yet been put forward, the CGR believes that significant cuts to research funding and data collection budgets are likely over the next year and that there is a risk that economics and/or the social sciences more broadly may be targeted specifically in this process. If this should happen, any response would need to occur quickly, and we therefore are asking you to consider now what actions would be appropriate for us to take.

The members of our Committee are in unanimous agreement that we should actively oppose proposals that target economic research for severe and disproportionate budget cuts, though we would not ask the Association itself to take a public position on such proposals. In June 2009, for example, Representatives John Boehner and Eric Cantor sent a letter to President Obama proposing to refocus the National Science Foundation on "hard" sciences by cutting the budgets for the "soft" behavioral and social sciences in half. We believe that there would be broad if not unanimous agreement among the members of the AEA that such a proposal should be opposed. Given this judgment on our part, we seek your guidance concerning the steps you would approve our Committee taking in the event a serious and targeted attack on funding for economics research should materialize. With your approval, actions by members of the Committee might include writing letters to Members of Congress, meeting with Members of Congress and their staffs, testifying before the Congress or writing editorials in opposition to such targeted cuts. In taking any of these actions, we would make clear that we are speaking for the Committee rather than for the Association. In the hope of preempting future proposals in the same vein, the Committee plans to encourage economists whose research is relied upon by members of Congress and their staffs to become more proactive in talking with influential people on the Hill about the value of economic research.

The Committee also will seek to keep the economics profession informed about the potential implications for economic research of other actions under consideration by the Congress. One example of a proposal that we think members of the economics

profession would be interested to know about is the proposed rollback of non-military discretionary budgets to 2008 levels; if implemented, this would reduce the NSF budget by an estimated 19% and the NIH budget by an estimated 9% from the Obama Administration's 2011 request. Another example is the proposal to either eliminate the American Community Survey (ACS) or make any response to the ACS voluntary; the former would have an immediate and large effect on the quality of economic and demographic statistics. The Committee would seek to inform members of the Association about such proposals by sending emails to the Committee's email list and posting announcements to the Committee's website.

These are not, however, things on which the Committee or the AEA would take a position. The AEA bylaws state that the Association will take no position on partisan matters and, further, members of the AEA are likely to have a wide range of views on, for example, the overall level of federal spending. So long as proposals do not single economics out for disparate treatment, we believe our role should be restricted to disseminating information about them to the AEA membership.

In many of its activities, the Committee expects to work in collaboration with other organizations to which the AEA belongs, such as the Consortium of Social Science Associations (COSSA), the Association of Public Data Users (APDU) and the Council of Professional Associations on Federal Statistics (COPAFS). Supporting the National Science Foundation, the National Institutes of Health and the statistical agencies is a part of the charge of all of these organizations. Activities in which the AEA might collaborate with these other organizations include:

- Publicizing compelling examples of the benefits of federally funded research in economics;
- Helping to set up meetings between economists and Representatives, Senators and relevant Congressional staff;
- Recruiting speakers for hearings and conferences that provide good venues for reaching government and Congressional decision makers;
- Participating in key planning meetings with COSSA and other professional associations; and
- Maintaining a presence at the COSSA headquarters.