

DATE: February 8, 2017  
TO: Executive Committee, American Economic Association  
FROM: Robert Moffitt, Chair  
American Economic Association Committee on Economic Statistics  
RE: Annual Report for 2016

The current members of the Committee on Economic Statistics (AEASat) are Robert Moffitt, Johns Hopkins University, Chair; John M. Abowd, Cornell University; Carol Corrado, The Conference Board; Jan Eberly, Northwestern; Martin Gaynor, Carnegie-Mellon University; John C. Haltiwanger, University of Maryland; Steve Landefeld, BLS (retired); Josh Lerner, Harvard Business School; Edward Montgomery, Georgetown University; and Emi Nakamura, Columbia University. Robert Moffitt will rotate off at the end of this year and John Haltiwanger will replace him as Chair of the committee in January, 2017. This year, the committee also engaged the services of Dr. Andrew Reamer, George Washington University, to assist Dan Newlon in the staffing duties of the Committee.

The committee meets by telephone approximately once a month to discuss recent developments and what activities it wishes to undertake.

This report will first describe the traditional activity of the AEASat committee, which is to help set up sessions on economic statistics for the AEA Meetings. It will then describe its educational activities in support of economic statistics. There is an action item on the topic of private data used in submissions to the AEA journals which will be described in a separate memo. There are no action items in this memo.

### **Sessions for the January 2017 AEA Meetings**

As it has in the past, the AEASat committee issued a call for papers for the 2017 AEA meetings on topics related to economic statistics. The call went out in March 2016 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 2017 Papers and Proceedings. The Committee received 4 session submissions and 6 individual paper submissions, many of which were high in quality.

The Committee selected the following three sessions (complete details are in the AEA January 2017 program):

#### *Session 1: Job Change and Earnings Growth*

This session will be published in the May 2017 Papers and Proceedings.

Organizer: Henry Hyatt (U.S. Census Bureau)

#### *Session 2: Parameter Estimation Using On-Line Household Surveys*

Organizer: John Sabelhaus, Federal Reserve Board & University of Maryland

#### *Session 3: New Research on National Statistics and Administrative Data*

Chair: Carol Corrado, the Conference Board

## **Educational Activities in Support of Economic Statistics**

The AEASat also undertakes educational functions, mostly in Washington, through formal and informal activities that provide information about specific economics data sets as well as issues arising that concern economic statistics and statistical agencies in general. It concerns itself with 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 or on any partisan matter.

The Committee engaged in the following activities during calendar 2016.

BLS & Census: In order to educate members of Congress and Congressional staff on the value of BLS, Census and other economic data, the Committee sponsored the following activities in support of BLS statistics:

- a visit by faculty from Ohio State University to the offices of the Ohio Congressional delegation with follow up letters from the National Longitudinal Survey Principal Investigators at Ohio State;
- outside witness testimony submitted by AEASat to the Senate Appropriations Committee responsible for BLS on the value of BLS data for economic policy; and
- a request from AEASat sent to economist users of BLS data asking them to submit letters to Representatives and Senators on the Appropriations Committees on the value of BLS data for economic research. Thirty-five did so.

The committee also sent a letter to the DOL Transition Team for the incoming Administration stating what it believes the qualifications for the next BLS Commissioner should be.

Data Synchronization: AEA representatives, along with representatives of the National Association of Business Economists, the American Statistical Association, and the Council on Professional Associations and Federal Statistics (COPAFS), have been active in support of “data synchronization” legislation that would allow Census, BLS and BEA to share business registries. The AEASat attended meetings with Commerce, BLS, OMB and other members of the Administration; helped prepare talking points on the advantages of data synchronization; helped prepare and signed off on a letter to the heads of the key committees on data synchronization; obtained signatures on the letter from distinguished economists; and persuaded Michael Strain of the American Enterprise Institute to write and publish a column on data synchronization.

Cybersecurity Legislation: Under the Cybersecurity Enhancement Act of 2015, all government agencies are required to give the Department of Homeland Security (DHS) “all information transiting or traveling to or from an agency information system, notwithstanding any other provision of law.” The AEASat as well as many other research and social science organizations have raised concerns about this legislation, anticipating that statistical agencies would have to revise their confidentiality pledges to survey respondents, pledges which currently state that respondent data will be accessed only by agency employees and used only for statistical purposes. A revision which states that DHS could also access their data could adversely affect response rates in Census surveys such as the Decennial Census, the American Community

Survey and others as well as data sets collected by the BLS and other federal statistical agencies. The AEASat is partnering with several other Washington-based social science research organizations to work with DHS to implement cybersecurity legislation in a way that preserves privacy guarantees for Census, BLS, and other statistical agency data. This has involved the following activities:

- discussing this issue with the leadership at OMB, the Council of Economic Advisers, the DHS, Census and BLS;
- meeting with Congressional staff, especially the staff of the Senate Homeland Security and Governmental Affairs Committee that was responsible for the legislation, to discuss the issue; and
- contacting prominent economists who have Washington experience to ask for advice and assistance.

The Department of Labor signed an agreement with DHS allowing DHS access to BLS data transmitted over the internet only for cybersecurity. DHS reached a separate agreement with the Department of Commerce to provide cybersecurity for Census and BEA data without decrypting these data in this way preserving Census privacy guarantees.

Commission on Evidence-Based Policymaking: The Murray-Ryan Evidence-Based Policymaking Commission Act of 2016 established a 15-member commission to study how best to strengthen and expand the use of data to evaluate the effectiveness of federal programs and tax expenditures. AEASat suggested names for the Commission to the House, Senate, and the Administration. AEASat has been monitoring the public hearings of the Commission and responded to a call for comments from the Commission by forwarding information on data synchronization and access to federal administrative data.

NHIS Redesign: The National Center for Health Statistics proposed a redesign of the National Health Interview Survey (NHIS) that would potentially eliminate most family-level content: income, public assistance receipt, demographic composition, and related variables from the survey. The AEASat and the Committee on Government Relations submitted joint comments emphasizing the importance of retaining family level economic and demographic variables, including health insurance coverage.

Dan Newlon and Katherine Smith, Director of COPAFS met with Charles Rothwell, head of NCHS, his deputy, and the two members of his staff responsible for the redesign of NHIS about concerns about the NHIS redesign, and Rothwell agreed to a site visit by economists to NCHS. The AEASat partnered with the NBER to sponsor a committee of knowledgeable health economists to visit NCHS to talk further about their concerns. William Evans, Notre Dame; Janet Currie, Princeton; Helen Levy, Michigan; and Christopher Ruhm, University of Virginia, agreed to visit NCHS and had a productive meeting with NCHS in early June. A revised NHIS questionnaire was released in September and the four-person committee made additional comments on it to NCHS, joined by Dr. Andrew Reamer.

Comments on Economic Data: The Committee alerted select AEA members to calls for comments by OMB on proposed changes in federal data collections important for economic research. Comment letters were sent to OMB for the following federal data collections:

- Consumer Expenditures Survey, BLS
- National Longitudinal Survey of Youth 1979, BLS
- American Time Use Survey, BLS
- Business R&D and Innovation Survey, Census
- Survey of Income and Program Participation, Census and
- National Health Interview Survey, NCHS

Sign-on Letters Declined by the Committee: The Committee was asked and declined to endorse letters sponsored by the Census Project and other associations in support of the statistical agencies because the letters requested specific budgetary funding levels or advocated particular partisan positions.

Data from Private Sources: Two years ago, the AEASat initiated a study of the use of private firm data in economic research and sought ways to improve their use. The AEASat presented its thoughts to the Executive Committee in January 2015 and January 2016. This year, AEASat is proposing to the Executive Committee that the AEA hire a Data Coeditor to handle all issues regarding the submission of papers to AEA journals that use private data, government proprietary data, or other confidential data.

Finally, I would like to thank Daniel Newlon for his long years of service to the AEASat Committee.