



"A society promoting the application of economic principles to public policy for over 25 years"

Bulletin

Labor and Human Resources

Brown Bag

Tuesday, April 24
Noon to 1:30

The Impact of Family Structure and School Quality on Youth Achievement in Mathematics

Charles Pierret

U.S. Bureau of Labor Statistics

National Center for Education Statistics

1990 K Street, NW
8th Floor, Education Conference Center - Room 2 and 3.

Metro: Farragut West – 19th Street exit (Blue and Orange Lines).

For more information contact Steve Broughman (202-502-7315), Rick Fry (202-659-8061), or Ken Swinnerton (202-219-7611, ext. 117).

Views presented by speakers and audience participants are their own and may or may not be consistent with those of SGE.

Call for Nominations

SGE is currently taking nominations for the 2001-2002 officers and board members. The nominating committee consists of Rakesh Kochhar, Chris Williams and Jules Lichtenstein. If you are interested in serving as an officer or board member, or if you would like to nominate someone, please contact Rakesh Kochhar at 202-872-0990 or send e-mail to rkochhar@jpcecon.com.

NOTE DIFFERENT VENUE

Joint Monthly Luncheon Society of Government Economists and the National Economists Club

Thursday, April 19
11:45 to 1:15

Transparency in Central Banking

Roger Ferguson

Vice Chairman, Board of Governors
Federal Reserve System

Army and Navy Club

901 17th Street, NW, Washington

Please note that the Army and Navy Club strictly enforces a dress code of coat and tie for men and comparable dress for ladies.

Metro: Farragut West (Orange and Blue Lines). Restaurant is one block east of the east exit of the Metro Station, at the southeast corner of Farragut Square.

Reservations by 5 pm on Monday, April 16 to Bob Shackleton at bobsh@cbo.gov or (202) 226-2760

\$25 for SGE and NEC members
\$30 for nonmembers

The next scheduled luncheon will be Wednesday, **May 16**

President's Corner

By *Harvey Bronstein*

Spring is a time for renewal -- as overused as this observation may be -- but in the case of SGE, things have really been happening. Our efforts over the winter have produced some notable activities for the next few months. Worried about interest rates and Fed policy? Then come hear Federal Reserve Board vice chairman Roger Ferguson at our April luncheon. If the great tax debate is on your mind, then in May we have Robert Bixby, executive director of the Concord Coalition, created in the early 90's as a grassroots effort to address the political economics of taxes and the federal budget. Tired of squandering so much of your time in traffic congestion and dismayed that our countryside is sprawling with development? Then come in June to hear Anthony Downs of Brookings explain why this may be a desirable state of affairs. Curious about the economic policies of the new administration? You'll be able to hear it from the horse's mouth as Glenn Hubbard, an outspoken advocate of tax cuts, professor at Columbia University and incoming chairman of the Council of Economic Advisers, speaks to us in July. Thanks to VP Bob Shackleton, Treasurer David Kass and others for putting together this exciting program of luncheon speakers.

Are those creative juices flowing, and you'd like to present some ideas or research at the Allied Social Science Association/AEA annual meeting in January? Contact Rick Fry and see if you can help organize or fit into an already-formed session. We have 11 slots for the meeting in Atlanta, they're already filling up, and we've also begun approaching candidates for the prestigious SGE Distinguished Lecturer on Economics in Government, jointly sponsored with the American Economic Association.

Plans are moving ahead to present you with a slate of officers to lead SGE for 2001-2002. Nominations are always welcome from the general membership, so don't hold back your ideas and energy if you'd like to participate as a board member or officer. Membership for us is always an issue, not simply in terms of the number of members, but also to bring in new faces and enlarge the community of people concerned about the applicability of economics to public policy. Please continue to grab every opportunity to talk about SGE with your colleagues and refer them to our ever-improving website (www.sge-econ.org). This has become a very effective tool for attracting prospective members, thanks to the efforts of board member Donna Desrochers. I extend my appreciation to those of you who have renewed your memberships and especially to those who have recruited new members.

Around Town

A Service Column Listing Professional Activities of Interest to Our Membership



To include your activity, please e-mail the information to ann.dunbar@bea.doc.gov or send it by regular mail to the address on the back of this bulletin.

NEC Luncheons

Tuesday, April 10, Freddie Mac Headquarters (note cost: \$12 for all), John Glascock, George Washington University, Department of Finance
"Washington Metro Area House Prices: Measurement and Trends"

Thursday, April 12, Library of Congress, Gautam Jaggi, Senior Manager, Ernst & Young LLP
"The Flip Side of the Privacy Issue: Customer Benefits from Information Sharing"

Thursday, April 26, Hudson Institute, Marianne Bitler, Alicia Robb, John Wolken, Federal Reserve Board, "Evidence from the 1998 Survey of Small Business Finances"

Thursday, May 3, Library of Congress, Richard Katz, Senior Editor, Oriental Economist, and Visiting Lecturer in Economics, State University of New York (SUNY) at Stony Brook, "Japan's Economy: Trench Warfare Between Reform and Resistance"

Call NEC's reservation line at 703-739-9404 or e-mail to nec@cbc.org. Reservations are due by 11 a.m. on the Tuesday before the lunch, and your message should include name, phone # and event. Those desiring to hear the talk without lunch may attend at no charge but should also reserve. Lunch price is \$15 for SGE and NEC members, including those who join NEC at the door, \$20 for others.

April Luncheon Speaker

Roger Ferguson

Vice Chairman, Board of Governors
Federal Reserve System
"Transparency in Central Banking"

Vice Chairman Ferguson will discuss the rationale for and recent developments in transparency in stating and explaining monetary policy decisions. He will review the role of transparency in promoting the effectiveness of monetary policy and its relationship with central bank independence and accountability. Vice Chairman Ferguson will also discuss the evolution of FOMC disclosure policies over recent years and current practices.

2002 Allied Social Science Association Meeting

The ASSA Annual Meetings will be held January 4-6, 2002, in Atlanta, GA. SGE members are invited to organize SGE-sponsored sessions at these meetings. The deadline for submission of proposals is June 1, 2001. There is a \$30.00 submission fee for each session.

A typical session includes a Chairperson, three related papers, and up to three discussants. Diversity in affiliations among participants is encouraged.

SGE Policy: To encourage membership participation, at least three participants in each session should be SGE members at the time proposals are submitted. SGE membership applications can be submitted with session proposals. Preference will be given to those proposals that have high SGE member participation.

AEA Policy: The American Economic Association limits the number of sessions that SGE (and other organizations) can sponsor at the ASSA meetings. Therefore, SGE cannot guarantee acceptance of sessions proposals. Concurrent submission of session proposals to more than one ASSA organization is discouraged. All participants in SGE-sponsored sessions must register for the ASSA meetings.

Criteria for Acceptance: The SGE Executive Board will judge proposed sessions based on completeness of submission and quality. Session proposals with a high degree of SGE membership participation will be given preference.

Submission requirements: Session proposals must include the following information: Session title; names of participants (indicate SGE membership status); institutional affiliations and addresses; titles of papers (with author's names); paper abstracts (less than one page in length); estimate of audience size (to facilitate session room assignments); name, telephone number, e-mail address, and address of session organizer; a statement on whether or not the session proposal is being submitted concurrently to another ASSA organization; \$30.00 submission fee (make check payable to SGE; the fee is refundable if sessions are not accepted).

Deadline for Submission: June 1, 2001

Submit session proposals to: Rick Fry, Educational Testing Service, Suite 900, 1800 K Street, N.W., Washington, D.C. 20006. E-mail: rfry@ets.org ; voice: (202) 659-8061. Submit proposals either as hard copy or via email.

February 2001 Monthly Luncheon Review of Remarks by Barry Anderson, “ The 107th Congress: Economic Priorities and Challenges”

By Bob Shackleton

Speaking at the February 21st SGE luncheon, Barry Anderson, Deputy Director of the Congressional Budget Office, presented CBO's most recent Federal Budget and Economic Outlook for Fiscal Years 2002 through 2011. He discussed the Outlook's implications for Congress' budget priorities and opportunities over the next decade, focusing on several major themes: the surprising growth and size of the expected surpluses, the potential uses of the surpluses, the long-term obligations that still constrain the Federal government's choices, and the uncertainties surrounding the forecasts.

Revised data and recent economic conditions have led CBO to revise its projections upward. CBO now expects that, assuming current laws remain in place, the Federal government will run budget surpluses growing from about three percent to over five percent of GDP over the next decade, totaling about \$5.6 trillion. Approximately \$3.1 trillion (55%) will be on-budget general revenue surpluses, while \$2.5 trillion (45%) of the surpluses will be off-budget – that is, involving surpluses that stem from Social Security.

Projected surpluses of this magnitude, should they materialize, offer Congress and the Administration a much greater range of budgetary options than were available just a few years ago. By the same token, the surpluses will force policymakers to choose among options to balance competing demands – paying off outstanding federal debt;

reducing tax rates or even eliminating certain types of taxes outright; increasing spending on defense, other discretionary programs, and entitlements; and perhaps reforming the structure of some of the entitlement programs.

Saving just the projected off-budget surpluses would allow the government to pay off all redeemable Federal debt by 2011, even after tax cuts or spending increases, or some combination of debt reduction, tax relief and spending increases. Once redeemable debt has been paid off, lawmakers will have the option for the Federal government to accumulate private assets, or to use continued surpluses to gradually restructure the program from a defined benefit system into one with defined contributions.

While noting the dramatic improvement in the federal budget position, Anderson emphasized the uncertainties that surround the projections. In the current Outlook, CBO made a concerted effort to convey this uncertainty by providing a chart illustrating a range of possible surpluses in the next decade: at the high end of the range, surpluses could total over \$4 trillion in the next five years alone; at the low end, they could total less than \$300 billion. These uncertainties stem from basic uncertainty about future economic growth rates, and from the complexity of the interaction between the economy and the federal budget; but they also stem from the likelihood that future legislation will alter the magnitude and composition of federal spending and revenues.

Anderson argued that this range of uncer-

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Monthly Luncheon

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tainty calls for caution in interpreting the numbers and for using them as a guide to legislative policy. He pointed out that even larger surpluses could materialize, and would require a plan to dispose of them, perhaps causing as significant problems as small surpluses. Similarly, although tax cuts could have an uncertain effect on revenues, changes in entitlement legislation could have even more uncertain effects on expenditures, as evidenced by the efforts to estimate the costs of the original Medicare legislation and the thrift bailout.

Despite the dramatic improvement in the federal budget position, Anderson noted that the rosy medium-term picture obscures a continuing long-term problem. Even with large projected off-budget surpluses, the entitlement programs will be overwhelmed in a matter of decades as current commitments to the retiring baby boom generation strain the finances of the entitlement programs. Within thirty years, by current projections, spending on the major entitlement programs for the elderly will rise from about 7.5% of GDP currently to about 15%. Anderson also noted that the Budget Enforcement Act is up for revision in 2002; and since lawmakers generally agree on protecting the off-budget trust fund surpluses, the BEA is likely to be modified to this effect, perhaps by allowing these surpluses to be sequestered.

Turning to the position of the Social Security trust fund while fielding questions from the audience, Anderson explained that the program can be viewed from an actuarial, budgetary or economic point of view. From a budgetary point of view, it matters whether the coming surpluses are spent or not: spend-

ing the entire on-budget surplus will put the Federal government back into debt by 2025 or so, while saving the entire surplus will force the government to accumulate private assets amounting to 50% of GDP by 2030.

From an economic point of view, however, it doesn't make any difference whether the government accumulates private assets or not (unless potential output is lessened by political influences over the investment in assets). What matters is the rate of economic growth: the greater it is, the easier it will be for the nation to meet future obligations. From this point of view, Congress should take into account the different long-run effects of current budgetary options. Using surpluses to pay down current federal debt should help spur future GDP growth by increasing net national savings. Cuts in marginal tax rates might help spur future growth. In contrast, the long-run growth effects of many types of spending and other tax cuts currently proposed are considerably less clear.

Asked about the importance of encouraging national saving, Anderson contrasted the U.S. position with that of high-saving Japan. He argued that factors other than saving were crucial in promoting long-run growth, pointing to labor and capital mobility, limited regulation, stable monetary policy and the promotion of free trade as key elements in moving the U.S. into a better long-run economic (and thus budget) position over the past decades. Questioned on the possible incidence of proposed tax cuts, he explained that since wealthy taxpayers currently bear the bulk of the tax burden, changing tax rates for the wealthy could also change the extent to which the tax system transfers income among households.

Twenty-Third Annual APPAM Research Conference
1-3 November, 2001 - Washington, DC

Theme: Public Policy Analysis and Public Policy: Making the Connection

Call for Papers

The 2001 research conference of the Association for Public Policy Analysis and Management (APPAM) invites proposals for research papers, panels, and roundtables on current research about public policy and management across disciplines, policy areas, and national boundaries. Innovative methodologies, cross-disciplinary perspectives, and comparative analyses are encouraged. Preference will be given to proposals that address the conference theme of understanding the relationship between policy research and policy.

Public policy analysts seek to improve the effectiveness of public programs, yet the link between their work and changes in programs and practices is not always direct or obvious. With a new administration in Washington and many state capitals, the 2001 conference especially welcomes proposals that look at this connection. Examples might include:

- Research initiatives that have and have not been particularly successful in affecting public policy
- Advances in methodology, communication, or other strategies that increase the impact of policy analysis and management innovation on policy
- Practitioner perspectives on what increases the effectiveness of public policy analysis
- Examination of these issues across levels of government in the United States and internationally

The conference organizers would be particularly interested in panels and roundtables that (1) bring together policy analysts or scholars of public management with legislators, administrators, and other practitioners and (2) are diverse in many dimensions (discipline, gender, race/ethnicity), both in their composition and the research topics addressed.

The program committee will organize an agenda that spans the interests and background of APPAM members across all issues areas and methodologies. As both space and time at the conference are limited, not every proposal will be accepted. The program committee may combine or rearrange proposals to improve focus, coordinate among sessions, and minimize repetition.

FOR 2001: ON-LINE PROPOSAL SUBMISSION FOR ALL PROPOSALS

All proposals for the 2001 APPAM conference must be submitted on-line using electronic forms available at www.appam.org. The on-line forms may be accessed up until 5:00 p.m. EST on Tuesday, March 6.

Any questions about using the on-line forms should be referred to the APPAM office at 202-261-5788 or appam@ui.urban.org.

JOB ANNOUNCEMENTS

One of the services SGE provides its members is a job announcement listing and a "job seekers" listing. If you know of any job announcements forward them to Ann Dunbar, e-mail ann.dunbar@bea.doc.gov or fax (202) 606-5322.

The Federal Deposit Insurance Corporation, (FDIC) Division of Insurance has an opening for a Financial Economist/Senior Financial Economist with strong analytical, writing, and verbal communication skills. The successful candidate will work with a team to identify key economic trends and analyze their implications for the banking industry. Areas of responsibility include performing economic analyses of the financial services industry, the financial markets, FDIC-insured commercial bank and thrifts, as well as national, international and regional economic developments; planning and carrying out economic analyses using multiple software packages, developing conclusions and presenting the results of your analyses; and serving as project leader for broad highly complex economic analyses involving multiple clients.

To apply for this position, visit our job board at <http://www.fdic.gov>, on the left hand column of the screen, scroll down to the heading "About FDIC" and click on "Jobs @FDIC". You will find this position by clicking on "All Job Opportunities".

To receive consideration, please send us your application postmarked no later than April 30, 2001.

U.S. Citizenship Required

Please reference "SGE Bulletin" on the front page, top right hand corner of your application.

ADVANCED TECHNOLOGY PROGRAM, National Institute of Standards and Technology, Gaithersburg, MD

C1-Econometric and Statistical Methods: General

C8-Data Collection and Data Estimation

L0-Industrial Organization

The Economic Assessment Office, Advanced Technology Program, is seeking candidates for quantitative economics/applied statistics positions with interest in science & technology policy, industrial organization, and/or business management and finance. These positions involve data collection from ATP's portfolio of funded companies and other sources, analysis of data, and preparation of both in-depth studies and short-term policy papers, for state-of-the art program evaluation. Positions require superior analytical skills and oral and written communications skills, especially the ability to develop an analytical argument and communicate results clearly and concisely. Successful candidates must be able to work independently and produce work in a timely manner, within a fast-paced technology and policy environment. Qualifications include an advanced degree in quantitative economics or applied statistics, or the equivalent experience. Compensation includes competitive salary in the range of \$45,000 to \$90,000, dependent on experience and education. NIST is an Equal Opportunity Employer. U.S. CITIZENSHIP IS REQUIRED.

To be considered, send a resume, writing sample, and copies of college and graduate school transcripts. CONTACT: Jeanne Powell, Economic Assessment Office, Advanced Technology Program, MS4710, National Institute of Standards and Technology, Gaithersburg, MD 20886. (Fax 301-975-4776; e-mail jeanne.powell@nist.gov) For more information, see <http://www.atp.nist.gov>.

SGE

Society of Government Economists
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SGE Membership Application

Dues through 2001 Student -\$10 Regular -\$30 Supporting -\$40 Household (2 members) -\$50 Institutional (3 members) -\$150
Dues through 2002 Regular -\$55 Supporting -\$75 Household (2 members) -\$90
Send me the monthly bulletin: (select one) Online (provide e-mail address below) By mail

Name (Last, First, Middle)	Date	Dues
Agency/Company	Title	
Mailing Address (indicate home or office)		
City	State	Zip
Phone (indicate home or office)	E-Mail Address	

Areas of Interest (check two)

<input type="checkbox"/> Microeconomics	<input type="checkbox"/> Financial Economics	<input type="checkbox"/> Macroecon. and Monetary Theory	<input type="checkbox"/> Urban, Rural, and Regional Econ.
<input type="checkbox"/> Intl. Economics	<input type="checkbox"/> Public Economics	<input type="checkbox"/> Health, Education, and Welfare	<input type="checkbox"/> Labor and Demographic Econ.
<input type="checkbox"/> Law and Economics	<input type="checkbox"/> Econ. Systems	<input type="checkbox"/> Bus. Admin. and Bus. Econ., Mktg., Actg.	<input type="checkbox"/> Math & Quant. Methods
<input type="checkbox"/> Econ. Dev Technology Change & Growth	<input type="checkbox"/> Agricultural and Natural Resource Economics	<input type="checkbox"/> Industrial Organization	<input type="checkbox"/> Marketing; Accounting
<input type="checkbox"/> General Economics	<input type="checkbox"/> Economic History	<input type="checkbox"/> Methodology & History of Economic Thought	

Please send completed application and a check payable to SGE to: SGE, 10371 Painted Cup, Columbia, MD, 21044

SGE Bulletin

Please submit all materials you would like to appear in the bulletin by the 12th of the month to Jason Tripp at sge@sge-econ.org or SGE 10371 Painted Cup Columbia, MD 21044 or call toll free: 877 SGE-ECON (877-743-3266.)

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