

NABE News: April 2007

Credit Crunch, Health Policies Top Policy Conference Agenda

Against the backdrop of a sluggish economy hobbled by the mortgage credit crunch, top policymakers and private analysts told attendees of NABE's 23rd annual Washington Policy Conference that they see significant shifts along political lines that could mean breakthroughs soon on several sticky policy issues. Many speakers expressed concern about growing credit problems in the housing market, while others focused on health policy reforms and likely outcomes.

Inflation prospects and how they might affect monetary and fiscal policy also emerged as major themes over the two days of general and concurrent sessions, March 12-13, at the Marriott Crystal City. The official conference theme of "An Economic Framework for Effective Policymaking" pulled together a wealth of perspectives from speakers both inside and outside the federal government as they offered policy prescriptions and their best prognostications for how Congress and the Bush White House will approach key issues in coming months.

Will the mortgage credit crunch spill over into the broader housing market? Will the Federal Reserve have to lower interest rates to keep the economy afloat? Have prospects for significant health care and tax reform improved since the Democrats took over the Congress? These are a few of the key questions addressed by keynote speakers and others at the conference.

Coverage of the Policy Conference in this issue includes the following separate reports:

"U.S. Policy and the Changing Global Landscape" by Charles Steindel, "Sarbanes-Oxley: Does the Fix Need Fixing?" by Richard DeKase, "Different Views of Reforming Medicaid" by Devon Herrick, and "Will Adjustable Rate Mortgages Sink Housing Market?" by Jack Kleinhenz.

NABE President Carl Tannenbaum, LaSalle Bank/ABN AMRO, thanked the conference's program committee: John Silvia, Wachovia Bank, chair; Kathleen Camilli, Camilli Economics; Charles Steindel, Federal Reserve Bank of New York; and Richard Wobbekind, University of Colorado.

Attendees told NABE that they appreciated the breadth of issues covered over the two days and the quality of speakers, as well as networking opportunities. Even if topics covered were not directly in their areas of work, many participants said they valued the "well-rounded" scope of the presentations. More than 300 people attended the conference.

Released the first day of the Policy Conference, NABE's semiannual economic policy survey showed that terrorism continued to top the list of short-term problems facing the U.S. economy, while health care costs and the growth of the elderly population ranked as the top two long-term challenges. "NABE members are fairly sanguine about the U.S. economy, and a growing number think

that fiscal and monetary policy are about right,” said Tannenbaum. “But concerns about household and/or corporate debt are creeping in and housing markets remain a point of vulnerability.”

Kroszner Looks at Dynamics of Inflation

In his March 12 luncheon speech, Federal Reserve Board Governor Randall S. Kroszner explored the major reasons behind current inflation dynamics and traced the history of inflation expectations from the double-digit period of the late 1970s. He underscored the important role that the central bank plays in influencing the formation of inflation expectations and, thereby, in affecting how businesses and consumers react to temporary price hikes. Much progress has been made toward a more stable inflation environment, he said, citing recent price data.

“When inflation moves above its recent long-run average, most of the upswing will likely be reversed, although this result is not guaranteed. That’s a remarkable change in the behavior of inflation,” Kroszner told the conference. In the late 1970s and early 1980s, when inflation rose at a rapid pace, these sharp increases were reversed much more slowly, he noted. Even during recent periods of sharply rising energy prices, there is scant evidence of a major pass-through of higher energy costs to other goods and services, he pointed out.

“This experience of low and stable inflation, coupled with the Fed’s clear statements of commitment to maintaining this performance, has no doubt contributed to the stability of long-run inflation expectations in the past decade or so,” Kroszner said. He cited the results of the Philadelphia Fed’s Survey of Professional Forecasters, in which “long-run inflation expectations have barely budged since 1998.”

Looking ahead, Fed policymakers must continue to analyze a wide array of data, Kroszner said. The relative stability of inflation must not prompt the Fed to become complacent, he said, as such “complacency would be a threat to the credibility that the Federal Reserve has worked so hard to acquire, and its loss would likely mean the reversal of many of the favorable inflation developments seen over the past two decades.”

Private analysts speaking later on March 12 at a concurrent session on alternative monetary policy said they are closely watching whether the Fed will lower interest rates if the economy remains sluggish and the housing slump persists. It could be a tough call if core inflation remains higher than Fed officials would like, they said. Ethan Harris, chief economist of Lehman Brothers, said he expects the Fed “will be on hold as long as core inflation is still high.” Also, with what he called “a modestly tight labor market,” Harris said the Fed has less room to ease unless economic growth slows and unemployment starts to rise. Robert T. McGee, chief economist of the United States Trust Company, said that business spending has moderated more than most forecasters expected, “making most companies more reluctant to hire.” He is looking for signs of below trend growth that could result in deflation, led by the housing slump.

Handling of Mortgage Credit Key to Forecast

A great deal is riding on how the federal government and, to some extent state agencies, address the evolving mortgage credit crunch, said Lawrence Lindsey, president and chief executive officer of the

Lindsey Group and a top official in the first term of President Bush. He served as director of the National Economic Council (2001-2002) and assistant to the president on economic policy. From November 1991 to February 1997, Lindsey served as a Federal Reserve Board governor and in that capacity was chairman of the board of the Neighborhood Reinvestment Corporation, a national public/private community redevelopment organization.

Lindsey urged keeping a close watch on the spring home-buying season and how the credit problems of the subprime market might spill over into the broader market. "I have a bad feeling that if we don't have a good season, we will see another price decline" across the market.

It will be tempting for regulators to overreact in making credit more restrictive, Lindsey said. Remembering his tenure at the Federal Reserve in the 1990s, he said that during that time it was common for a homebuyer to put down 20 percent of the purchase price to obtain a mortgage loan. By 1995, the down payment was often 10 percent or less and about 40 percent of buyers in put no money down in recent years. "And I thought credit was loose then," he said.

Health Care Options Gaining Momentum

As one of the Bush administration's lead officials on health care reform, Council of Economic Advisers Member Katherine Baicker told Policy Conference participants that she was encouraged about recent interest in the White House proposals sent to Congress as part of the fiscal 2008 budget package. Administration officials, including Health and Human Services Secretary Mike Leavitt, have met with several governors about proposals that fall under the "affordable choices initiative" that targets low-income and chronically ill persons, she said.

While the U.S. system offers "premier health care," this country spends nearly twice as much per capita as many developed countries without that necessarily translating into better outcomes, Baicker said. Private health insurance premiums have been rising at more than three times the rate of inflation and "the tax treatment of health insurance is very expensive," she said.

The crux of the proposed White House plan for changing what it calls a "biased" tax treatment that has created "an unbalanced playing field" would give taxpayers a standard deduction for health insurance to offset a new requirement to report a portion of the value of employer-provided health coverage as income. Employers would continue to deduct the cost of health care from their taxable income. Eventually, Baicker argued, once the tax code no longer favors health benefits over wages, employers would be able to pay higher wages.

SEC Commissioner Sees Need for More Cost-Benefit Analysis

Securities and Exchange Commissioner Paul Atkins focused his remarks at the March 13 luncheon on new standards for subjecting proposed regulations to cost-benefit analysis. Under the leadership of SEC Chairman Christopher Cox, Atkins said the agency wants to make sure it "considers the ramifications of specific regulatory actions" by conducting economic analyses before proposing new rules or changes to current regulations.

In a recent example, Atkins said the SEC published two studies by the agency's Office of Economic Analysis related to investment company governance. These studies were published after a lengthy court battle over implementation of what was regarded by businesses as a burdensome rule that would have required mutual fund boards to have at least 75 percent independent directors. Atkins called release of the studies "a watershed event in the life of a rule that has been marked by a dismissal of economic consequences."

"Economists can also help lawyers at the SEC to understand the complexity of the cost-benefit analyses engaged in by those who are subjects of Commission enforcement actions," Atkins said. "Looking at corporate penalties through an economic lens leads one to ask whether it is appropriate for the shareholders of a corporation, who were often the ones victimized by a financial fraud, to pay a penalty," he said.

Climate Changes of a Political Nature

House Budget Committee Chairman John Spratt (D-S.C.) outlined the Democratic viewpoint on key fiscal issues facing the Congress in negotiating with the Bush administration. Democrats plan to address the alternative minimum tax, Spratt said, as it continues to affect more middle-income taxpayers in part because it is not indexed for inflation. Balancing the budget should come first, followed by Social Security reform, he said, adding that none of the needed policy reforms changes will be easy.

Assessing the changing political climate, Thomas Gallagher of ISI Group and Gregory Valliere of the Stanford Research Group—suggested that shifting political alliances could break logjams on thorny issues such as immigration, health care, and tax reform. But will there be time for action before the 2008 president election campaign heats up?

Expecting Congressional action on what he called "second-tier" issues such as the federal minimum wage and alternative fuels, Gallagher predicted that 2007 would see some progress on major issues. However, if action isn't taken this year on the sticky issues of immigration and tax relief from the alternative minimum tax, the chance of reaching a compromise declines as the 2008 election approaches. In 2008, the economy will experience "electoral uncertainty," he said, recalling that in 2004 the pre-election period saw a slowdown in financial markets. "The 2008 election is a more consequential election," he said, as the White House could switch to the Democratic side. And, once the nation elects a new president and Congress, "it will be much harder to keep tax rates down" as the lack of spending restraint will demand higher revenues, he said.

Valliere offered a list of reasons that "the stars are in alignment for the Democrats to win the White House." There are few instances where the party of an incumbent president whose approval ratings are below 30 percent wins the White House, he said, adding that the shift of Hispanic voters away from the GOP to the Democratic party is also a factor. Both Valliere and Gallagher, as well as other speakers, said they sense more willingness by Congress to consider health care reform this term than in the previous Congress.

See the Policy Conference Session Pages for speaker presentations, papers, biographies, and links to websites of interest for topics covered in each of the sessions.

U.S. Policy and the Changing Global Landscape*

By Charles Steindel
Senior Vice President
Federal Reserve Bank of New York

The basic framework of U.S. policies in such areas as health care, economic security, trade, education, and environmental protection was erected in the middle years of the twentieth century. Over the last 30 years, numerous piecemeal reforms have been made, starting with deregulation of airline fares back in the 1970s. With the dramatic changes in the United States and world economies, a session at the NABE Policy Conference was devoted to discussing the broad reform possibilities.

Jeffrey Kling, a senior fellow from the Brookings Institution, sketched the principles of the Hamilton Project, an initiative to bring together a diverse group of analysts to develop policies based on a number of guiding principles, including the goals of broad-based economic growth—alleviating economic insecurity—and recognition that government has a role to play in fostering the achievement of those goals. As an example of potential policies geared along such lines, Kling discussed the possibility of creating a wage insurance system: workers would receive incentives to place funds in such a system; if economic change resulted in their taking a job at reduced pay, they would be eligible to draw from such accounts. Such a system could potentially increase worker mobility—for instance, employees in high-wage industries would have somewhat less incentive to seek government protection for their jobs—and could, in principle, be simpler to administer than existing programs, where assistance depends on the precise reason jobs have been lost.

Douglas Holtz-Eakin, former director of the Congressional Budget Office and now economic policy chair of John McCain 2008, was also on the panel. Holtz-Eakin noted that it should be kept in mind that in some important areas, the general thrust of U.S. policies has been and remains correct, notably the long-standing support of free trade, open capital markets, and the general openness of the United States to immigrants. However, in some areas the United States has been lax: while we are open to immigration, there is no stated economic rationale for our policies; our energy policies are unfocused; and we continue to have deficiencies in K-12 education, which may be starting to be manifest in stagnation in the college graduate share of the younger adult population. When the issue arose of health care, an important current theme in fiscal policy, the panelists concurred that the policies they would envision could lead to a better allocation of individual risks with costs, but would not speculate on any linkage of reforms to aggregate cost savings.

*The views expressed here are those of the author only and do not necessarily reflect those of the Federal Reserve Bank of New York or the Federal Reserve System.

Sarbanes-Oxley: Does the Fix Need Fixing?

By Richard DeKaser
Chief Economist
National City Corporation

The Public Company Accounting Reform and Investment Reform Act of 2002, colloquially known as Sarbanes-Oxley or SOX, was initially received with open arms. The congressional votes were a landslide; 97-0 in the Senate and 423-3 in the House, and President Bush proudly claimed it included "the most far-reaching reforms of American business practices since the time of Franklin D. Roosevelt."

My how times can change; today SOX and/or its implementation, is under assault as unnecessarily onerous. Based on the panel I moderated at NABE's Policy Conference, however, this opinion is far from universal.

First up was Alex Pollock, a fellow at the American Enterprise Institute who considered the legislation yet another vain attempt to legislate morality. He characterized the corporate accounting and governance scandals as symptomatic of the greed that often accompanies economic or financial booms, and the legislative reaction as imposing excessive costs on the overwhelming majority that play by the rules. In particular, he recommended that Section 404 of the legislation – which requires controls to be certified by management and attested to by auditors – be made voluntary, at least for smaller companies.

Mark Seetin, director of government for the American Stock Exchange, expanded on this latter point, asserting that more than a dozen companies delisted from the AMEX over the past year because of the burdens of Sarbanes-Oxley. He cited these delistings as merely the "tip of the iceberg", and asserted that increased evidence of overseas initial public offerings (IPOs) indicates that the competitiveness of U.S. capital markets has been eroded.

Dissent came from Steve Harris, special counsel to Apco Worldwide and previously staff director of the Senate Banking Committee, where he was instrumental in shepherding the law through Congress. He reminded us of how damaging the accounting scandals were and emphasized that externalities warranted a new regulatory apparatus, since perpetrators don't suffer the consequences of their actions alone. While acknowledging that some fine-tuning may be in order, especially to rein in unnecessarily expansive definitions of what controls are subject to accounting oversight, he claimed that the decline of accounting scandals was evidence of success. The increase in overseas IPOs, he countered, was more a reflection of financial markets abroad maturing than of competitive disadvantage here in the United States.

Different Views of Reforming Medicaid

By Devon Herrick
Senior Fellow
National Center for Policy Analysis

Medicaid, the public health care program for the poor, is costly and in dire need of reform. Panelists discussing possible Medicaid reforms during a session at the Policy Conference were senior fellows Devon Herrick of the National Center for Policy Analysis and Judy Solomon of the Center for Budget and Policy Priorities. Robert Graboyes, NCPA senior fellow and University of Richmond visiting lecturer, was the moderator.

About 50 million people are enrolled in Medicaid or the State Children's Health Insurance Program (SCHIP). For instance, more than one-quarter of all children in the United States receive coverage through Medicaid or S-CHIP. The cost of delivering half of all babies in the United States is paid for by Medicaid. In addition, about half of all nursing home residents receive Medicaid benefits. The proportion of state budgets spent on Medicaid is about equal to state spending on K-12 education. In addition, annual Medicaid expenditure is nearly as large as Medicare.

Medicaid experiences fundamental delivery problems — including a limited choice of doctors, excess waiting, and rationing of services. Another problem is a phenomenon known as crowd-out. Past studies have found that 50 cents to 75 cents of every dollar of new Medicaid spending actually goes for people who have dropped private coverage. Thus, it is (arguably) possible to expand public health coverage without a corresponding drop in the uninsured.

Commonsense Reforms Discussed

Conventional Medicaid reform proposals often recommend reducing optional services and reducing services to optional populations. All told, two-thirds of Medicaid spending is considered optional. Yet cutting optional services does not work very well given that many of the optional populations, such as children, the disabled, and the elderly, have nowhere else to turn.

However, there are some commonsense reforms. These include abolishing cost-plus reimbursement, using selective contracting, and substituting low-cost services for high-cost services. Some commonsense reforms for long-term care include recapturing a portion of the cost of long-term care from estates and promoting lower-cost choices such as home care. States should also establish partnership programs where individuals have an incentive to purchase private long-term care coverage.

A more radical reform proposal is for all states to request waivers from the federal government to block-grant all Medicaid funds. A block grant would allow greater state flexibility in designing Medicaid plans — such as using federal funds to subsidize employer coverage and tailoring benefits to meet the diverse needs of Medicaid enrollees. However, public health advocates don't support tailored Medicaid plans, since most reduce traditional benefits in favor of expanding coverage to more people.

Will Adjustable Rate Mortgages Sink Housing Market?

By Jack Kleinhenz
Chair, Regional Utility Roundtable
CEO, Chief Economist
Kleinhenz & Associates

The U.S. Regional Outlook session at the policy conference featured four presentations focused on a “Housing ARM-ageddon? Will adjustable rate mortgages cause the housing apocalypse?”

Moderator Sean Snaith, director, Institute for Economic Competitiveness at the University of Central Florida, “warmed up” the audience with his recipe for a housing soufflé, arguing that the current situation was really not a housing bubble. With the economy preheated from the previous recession, his housing confection included the following ingredients: 77 million baby boomers with home purchasing power, low mortgage rates, innovative mortgage instruments, low unemployment, strong personal income growth, and a pinch of speculative behavior. His soufflé rose rapidly for several years increasing volume by 2005, but has recently risen slowly or lost a bit of volume. He expects the soufflé not to collapse unless one of the ingredients is removed or the economy becomes cold.

Jim Diffley, director, U.S. Regional Service, Global Insight, discussed: “The bubble(s) have burst so what is next?” He argued that there were two bubbles in play: rapidly rising prices and an overbuilding. According to his analysis, the housing crisis precipitated by a rapid rise in prices is more of a bicoastal phenomenon, whereas the overbuilding is taking place in pockets throughout the country. He reported that as a result of falling home prices the incidence of overvaluation in the nation's housing market continues to decline. Approximately 60 metropolitan areas remain over-valued and at risk for a price correction, especially in markets along the Atlantic and Pacific Coasts. For some analysts, Diffley stated there is a concern that because California was ahead of the cycle, it could be an example of what is yet to happen elsewhere. Diffley countered this argument with evidence that home price appreciation continues to be strong in several areas that came late to the explosion in home prices -- the interior and northern parts of the West, including northern Arizona, Utah, Idaho, Washington, and Oregon.

Brian A. Bethune, director of Financial Economics, Global Insight, talked about the economic outlook with a perspective on how “Micro Stresses Yield Macro Concerns.” Bethune expects the “drip, drip, drip” of the housing market to be similar to Chinese water torture and will pull down growth in 2007 and some into 2008. Core inflation is running above 2 percent and is a big risk to both housing activity and prices. Though the economy is expected to run below its potential, the economy looks in reasonable shape. Increased overseas demand has kicked in as the slowdown in domestic spending has occurred. Consumers seem reinvigorated by growth in real wages, and they are less concerned by gasoline prices. Business investment is still constructive but with a tepid momentum. The Federal Reserve is expected to remain steady with current rates though they are mildly restrictive. A rate cut is expected at the August meeting. The yield curve is expected to remain inverted as long as the economy runs below potential. There is an 80 percent probability of a soft landing. The large share of ARMs to be reset in 2007 and 2008 poses considerable potential stress on housing markets and households –

micro risks that can give rise to macro concerns. Bethune argued that the jump in sub-prime mortgage defaults and sharp tightening in mortgage lending standards (AltA & sub-prime) will cause the housing market to continue to struggle.

Keith Schwer, director of the Center for Business and Economic Research, University of Nevada-Las Vegas, focused on the importance of housing being fundamentally a regional dynamic and regions matter. The Plains states are doing well because agriculture is doing well. Mining in Montana, Idaho, and Wyoming is quite profitable; and, as such, Mountain states are also doing well as commodity prices are up. In the Northwest, high tech seems to have returned as Boeing in particular is showing strength. In the Southwest, Arizona is an economic engine as population has increased to equal that of Minnesota and Massachusetts combined or nearly 5 million. The housing bubble has hit California, in particular Orange county. He expects that prices will drop further in California markets and also in parts of Nevada. Yet, the shortfall in housing spending will not derail the economy. Markets are adjusting and after the burn-off of the excess supply, he expects the economy to recover.

Sneak Preview: Annual Meeting Set for San Francisco

The locale is enticing – both in its scenic beauty and its significance as a major center of trade and finance on the U.S. shores of the Pacific Rim. What better place than San Francisco for NABE’s 49th Annual Meeting focusing on “Global Integration and the Pacific Partnership?”

Early registration is already underway for the three-day meeting, set for Sept. 9-11 at the Grand Hyatt, centrally located in the City by the Bay. The annual meeting will offer NABE’s trademark general sessions with top policymakers and leading private economists, a host of concurrent sessions, and ample networking opportunities during special tours and receptions.

Keynote speakers already confirmed include Janet Yellen, president and chief executive officer of the Federal Reserve Bank of San Francisco, and Edward Lazear, chairman of President Bush’s Council of Economic Advisers.

Stanford University economist John B. Taylor will receive the Adam Smith Award and will deliver the Adam Smith address during the meeting. NABE President Carl Tannenbaum, LaSalle Bank ABN AMRO, announced at the March Policy Conference that Taylor, who served as undersecretary of Treasury for international affairs from 2001-2005, is the recipient of this year’s Adam Smith Award, NABE’s highest honor.

Catherine Mann, Brandeis University and the Peterson Institute for International Economics, is the chair of the annual meeting’s planning committee. Assisting her are Lynn Reaser, Bank of America; Gene Huang, FedEx Corp., and Chris Varvares, Macroeconomic Advisers.

Annual meeting sessions will focus on:

Asset markets, including China and emerging economies and U.S. venture capital
Infrastructure challenges, including U.S. port congestion
Trade issues such as building a “south-south” China-Brazil-Africa nexus
People flows, including immigration policies
Environmental concerns such as the costs of global warming
Military/security/political issues including large stock of U.S. treasury securities

Plan to arrive early on Sunday, Sept. 9, for an informational and entertaining skills seminar on presentation skills. The instructor will video tape and replay interviews with three volunteers and then critique, offering observations on what the individuals could have done to have enhanced the interviews. He will give tips for not only presentations to the media but also to general audiences.

Enjoy a Saturday evening dinner cruise, a Sunday night reception in the Carnelian Room atop the Bank of America building, and a reception at the Federal Reserve Bank on Monday evening. And the small dinner events will be available—back by popular demand. A special wine tour is scheduled for Tuesday, Sept. 11, for those staying on.

Travel Information

Register at Grand Hyatt San Francisco, 345 Stockton Street, before Aug. 17 to receive the discounted room rate of \$199 single/double. For room reservations phone 1-800-223-1234 or 1-415-398-1234 and mention NABE to receive the discounted rate. Discounted rates are good until August 17, 2007 or until NABE's room block is filled. Register early as hotel rooms in San Francisco fill rapidly this time of year.

Find details of the annual meeting at: <http://nabe.com/am2007/index.html>

Register online at: <https://secure.icglink.com/nabe/am07reg.html>

Remembering Bill Tongue, His Contributions to NABE

Upon learning of the death of past president William W. Tongue, NABE members paused to remember his contributions to NABE during its formative years and to share recollections of their professional association and friendship. Tongue was NABE's fourth president, serving from 1962-63, and he was honored as a NABE fellow.

Tongue's family notified NABE that he died on March 7, of complications from a stroke. He was 91 years old and had most recently lived in Arlington Heights, Ill., near Chicago.

Long after his official retirement, Bill Tongue remained active in NABE and attended annual meetings,

including the 2002 meeting in Washington, D.C. Many members recall talking with him then and during the intervening years, keeping in touch with a friend and mentor.

At the time he served as NABE president, Tongue was chief economist for the Jewel Tea Company, then based in Chicago. He held the chief economist post from 1944 until 1964, when he returned to academia as professor of economics and finance and head of the Department of Finance at the University of Illinois-Chicago. As a consultant to LaSalle National Bank, he wrote a forecasting newsletter for the bank.

NABE President Carl Tannenbaum, chief economist of LaSalle Bank/ABN AMRO, knew Tongue from working with him, as well as through NABE. "I had the pleasure of working with him here at LaSalle, and he was a fine economist and a great gentleman. He came to our past Presidents' dinner a few years ago, and it was a treat to see him and hear from him," Tannenbaum said.

Others who worked with Tongue at LaSalle recalled how his "down to earth" personality and sense of humor often carried the day when a stormy economy made forecasting difficult. Several friends and professional colleagues shared similar recollections. "Bill was a sea of calm in sometimes tumultuous market conditions," said William Finley, senior managing director, ABN AMRO Asset Management. "Bill made a long-term call, looking out for a decade, that inflation would gradually recede to acceptable levels. This was certainly not the consensus view as many forecasters expected us to continue to live with high inflation. Bill proved that you could be a 'good guy' and still forecast the economy with a high degree of accuracy."

Cherished Friend, Mentor to Many

Harvey Rosenblum, NABE president from 2001-2002, was among those whom Tongue encouraged to join NABE and then served as a mentor early in his career. "Bill Tongue was one of my true heroes. Bill was a mentor to the person (Karl Scheld) who hired me three times and mentored me for the first 15 years of my career," Rosenblum said. "I still remember to this day Karl having Bill over to the Chicago Fed for lunch and Bill saying to me: 'Harvey, why is it you never got involved in NABE? I really think you should.' That was all I needed and two years later I made it to my first NABE annual meeting and became hooked."

Diane Swonk, who served as NABE president from 1999-2000, remembered Tongue as "a gentle man with a big heart, and an endless love for economics. He will be missed."

Calling Bill Tongue "a treasured friend who will be carried in the memories of all who knew him," former Business Economics Editor Ed Mennis remembered him for his dry wit and many other skills. "He was an avid monetarist and always was sure that the gospel according to Milton Friedman was somehow inserted into discussions of the economic outlook," Mennis said.

Tongue received his Ph.D. from the University of Chicago in 1947. Early in his career he worked for the Federal Reserve Bank of Chicago and the U.S. Office of Strategic Services. A 1972 trip to European financial capitals served as the basis for a book Tongue wrote on "How We Can Halt Inflation and Still Keep Our Jobs," published in 1974.

To George James, NABE's sixth president, the death of Bill Tongue means the loss of "a dear and valued friend and a down-to-earth economist." And it also has a personal meaning for James, as he put it in his message to NABE staff: "His death does another thing in my life. I believe it moves me up to be the oldest surviving NABE president, not an illuminating fact, but still a fact. Dolph Abramson was first followed by George Cline Smith, Bill Butler, Bill Tongue, Dick Everitt, and then me."

Each of these early presidents, many of them founders, crafted the shape of NABE at a time when persons bearing the title of "business economists" comprised a small group and were often brought on board in a public relations function, according to the 112-page history of NABE, published in 1989. The book chronicles the organization's origins and its first 25 years as the National Association of Business Economists. (The name was changed in 1997 to the National Association for Business Economics—retaining the acronym NABE.)

According to the book, in late 1962, when Tongue was president, NABE published its first membership directory. It contained 575 names in that fourth year of its existence compared with the 322 members at its start in 1959.

A remembrance from Gil Heebner, NABE president from 1975-76, captures the sentiment of many who have shared their reflections: "Bill Tongue merits our highest recognition. As a business economist, he was a true professional. And to many of us, he was a valued friend. I shall miss his saying that as long as he lived he would remain the oldest past president of NABE. It is sad that he has relinquished that title."

Memorial gifts can be sent to the William W. Tongue Scholarship Endowment at the Univ. of Chicago, c/o Noel Salinger, 5801 S. Ellis Ave., Office #306A, Chicago, IL 60637.

NABE/Fed High School Clubs Wrapping Up Successful Year

High school students from several public and private schools in the New York metro area are crafting their essays in the hopes of winning recognition in the competition capping their year in the Economics Club sponsored by NABE and the Federal Reserve Bank of New York. The top five students will be awarded summer internships that may well convince them to study economics in college and pursue a career in the field.

This year-end competition in New York and similar programs in Boston, Houston, and Chicago mark the completion of what NABE participants and Fed education specialists regard as a highly successful year of this partnership. The high school program is one of the educational activities supported by the NABE Foundation. (For more information about the Foundation, see the President's Letter in this issue)

Kathleen Camilli, the board member who initiated the program for NABE, said the high school Economics Clubs program has become "a natural teaming up between NABE members who represent

businesses that want to become active in their communities and Fed education specialists.” Plus, the program introduces would-be economists to NABE and makes them aware of its many professional development programs and other resources.

This “natural match” of NABE members and Fed educators began in the fall of 2005 with New York, Boston, and Houston Federal Reserve Banks or branches and this year expanded to include Chicago. Participating Fed banks and branches recruit between 25 and 50 high school students to participate for one year and host on-site visits to the local Federal Reserve. NABE members work with the Fed education specialists to establish curricula that include on-site visits and, in some programs, to review student papers at the end of the program year.

Lloyd Bromberg, director of education services at the New York Fed, said that the bank “likes the program and we consider it an enrichment” to its educational activities. While there are 50 students participating in the program, typically between 30 and 40 students attend events. Students attend both public and private schools in the New York metro area, including New York City, New Jersey, Connecticut, and Long Island, he said.

As the final activity of this academic year, the New York students will gather the morning of May 22 at the New York Federal Reserve Bank for an oral competition, where judges will select five winners out of the top 10 who have written essays. This year’s topic is: “How should fiscal and monetary policymakers respond to growing income inequality among Americans?” According to Bromberg, the winners will be awarded internships: two at the New York Fed, two at Credit Suisse, and one at Standard & Poor’s. The afternoon of May 22, the students will visit Credit Suisse for the final part of the program.

On March 23, Bromberg said the students enjoyed a special assignment during their visit to Standard & Poor’s where they were asked to give a credit rating to the online video company YouTube, which is owned by Google. Last December, the New York club members joined a group of reporters at the Wall Street Journal, where they combed through the national employment report with journalists and observed how they research and write a news story about key government data.

Houston Planning April Event

In Houston, the NABE/Fed program will feature an April meeting with a presentation by Patrick Jankowski, the new president of the Houston Economics Club chapter of NABE. Jankowski, vice president for research, the Greater Houston Partnership, will discuss economic factors in attracting new business to Houston, according to Robbie Moses, economic education coordinator for the Houston Branch of the Federal Reserve Bank of Dallas.

“It was Job Shadowing Fed style” for the Houston club’s March meeting, which focused on career development and included talks by members of the Better Business Foundation on “job and scholarship scams and schemes,” Moses said. There are 37 students in the Houston club, from public schools, and in February they met at the Houston Branch where they were introduced to economists and heard about their positions at the bank.

Chicago Students Visited LaSalle Bank

In Chicago, NABE/Fed high school program hosted about 15 students on Feb. 20 at LaSalle Bank's training center, according to Tim Schilling, economic education specialist at the Federal Reserve Bank of Chicago. Students heard from NABE President Carl Tannenbaum, chief economist of LaSalle Bank/ABN AMRO, and from Jessica De Vogue, a training consultant.

"The most recent program was at the Union League Club, where students were given an opportunity to learn a little about the economics of one of the city's oldest private clubs from the club's chief executive, Jonathan McCabe. There were about 25 students in attendance for that meeting," Schilling said. NABE member Jeffrey Blumenthal, vice president, Blumenthal-Hart Ltd., has worked with the Fed to coordinate activities for this first year of the program in Chicago.

Members interested in participating in the high school economics clubs should contact Camilli or chapter presidents in the localities involved in the program.

Welcome Aboard, New NABE Members!

Please join the NABE Board of Directors and staff in welcoming new members who joined over the last two months. Since March 2006, 533 persons have joined NABE. New members are added to the on-line registry at <http://www.nabe.com/mem/search.html> at the beginning of each month. The first issue of two IdeaLinks emailed to NABE members each month includes a listing of new members. Here are selections from brief interviews, conducted by e-mail, with four new members:

Nancy Cappola

Deputy Director Business Development
Wayne County Economic Development
Detroit

What is your current position?

I joined Wayne County's Economic Development Department in 2004 as Deputy Director of Business Development. In this capacity I manage the New Markets Tax Credit Program, and technology business attraction and development.

What is the main focus of the program that you manage?

The New Markets Tax Credit is a federal tax credit program administered by the U.S. Department of the Treasury for commercial business and real estate development in under-served communities. Through the program, Wayne County has allocated \$27 million in tax credits. Wayne County government is focused on job creation and community re-building through real estate developments, business retention activities and national and international attraction efforts.

What are your career highlights and education before your current job?

Prior to my position with Wayne County, I worked in the private sector in Pittsburgh and the New York

Metropolitan region, in commercial real estate finance, valuation and consulting at Mellon Bank, PricewaterhouseCoopers and Laureate Capital. I have an educational background in the life sciences and real estate finance.

Why did you join NABE?

I joined NABE because of the industry resources provided by the expert membership. I had heard about NABE's first-rate conferences, where leaders in the field are presenting their insights on current topics of concern to business and government, supported by data and high-level experience. As a public official, I find that having access to leaders in the field is critical to our decision-making process when considering, for example, the funding of alternative energy companies or how to target job creation in urban areas where over 25 percent of the adult population hasn't completed high school.

What drew you to economics?

I enjoy economics because it provides tools to measure the outcomes of our choices.

Eric Sanscartier

Director of Economic Analysis
Natural Resources Canada
Ottawa, Ontario

What is your current position?

I am the Director of Economic Analysis at Natural Resources Canada, the government department responsible for the sustainable development and use of Canada's natural resources. Since joining the department in 2003, I have worked on key issues of importance to Canada's natural resources such as the impact of commodity prices on Canada's exchange rate, the innovative capacity of the industry, the shortage of skilled labour, and the emergence of countries such as China, India and Brazil.

What are your career highlights and education--before your current job?

After completing a Bachelor's degree and a Master's degree in Economics at the University of Montréal, I joined the Government of Canada where I worked as an economist in several departments, including the department of Industry and the Privy Council Office (the department that advises the Prime Minister).

Why did you join NABE?

When attending the Allied and Social Science Associations' annual meetings, I participated in sessions sponsored by NABE, and I found them to be most informative and relevant to my professional interests. NABE gives me access to information and a network that provides me with opportunities to "think outside the box" and get a sense of current economic and policy issues in the United States.

What drew you to economics?

The application process in some Canadian universities requires students to apply for a second option, as a fallback in case their application is rejected in their program of choice. After carefully reviewing all programs offered at the University of Montreal, I found that economics looked quite interesting. Although I was accepted in my program of choice (biology), I decided to take economics, mainly because of my newfound interest in the field and promising career prospects. I never looked back!

Sylwia Czajkowska

Product Coordinator
Strategic Learning & Research
The Risk Management Association
Philadelphia

What is your current position?

For the last six months, I have been a product coordinator at The Risk Management Association. The job involves work on two publications: the Statement Studies Financial Ratio Benchmarks and its companion publication Industry Default Probabilities and Cash Flow Measures. Also, this position supports all aspects of surveying and benchmarking activities, including survey design, data collection, data analysis and presentation, and sales of data oriented products.

What is the main focus of your company or organization?

Founded in 1914, The Risk Management Association (RMA) is a nonprofit, member-driven professional association whose sole purpose is to advance the use of sound risk principles in the financial services industry. With headquarters in Philadelphia, RMA has 3,000 institutional members that include banks of all sizes as well as nonbank financial institutions. They are represented in the association by 18,000 risk management professionals who are chapter members in financial centers throughout North America, Europe, and Asia/Pacific.

What are your career highlights and education--before your current job?

My education includes a Master's Degree in economics-finance at School of Business and Business Administration in Warsaw (Poland), and an MBA in Global Management at University of Phoenix in Philadelphia.

Why did you join NABE?

NABE is great source for obtaining accurate information, and ideas that can help "translate" any changes in industry behaviour. It also provides an opportunity to learn from some of the most respected economic leaders.

What drew you to economics?

Economics provides a logical way of looking at a variety of society's most challenging issues. To fully understand business decisions, politics, social reforms, or international relations, one needs to understand their economic bases.

President's Letter

Dear Fellow NABE Members,

foun-da-tion (foun-da'sh?n) – noun

1. the basis or groundwork of anything.
2. the natural or prepared ground or base on which some structure rests.

I've never been a big fan of essays that begin with excerpts from the dictionary. It's a formula that has probably been overused; and, in this age of online lexicons, does not reflect much depth of research. Nonetheless, I thought such an introduction would be perfect for this composition. The term "foundation" has varied and deep meanings for the field of economics.

We take the basis of our discipline very seriously. We believe that human beings respond to economic stimuli, and we believe that markets play a pivotal role in society. The power of these concepts has shaped history and shapes the world we live in today.

We believe that a grounding in economic principles is essential not only for business people, but for citizens. The importance of financial literacy, in particular, has been highlighted by the recent struggles of some sub-prime mortgagees.

We believe that economic arguments need to be well-founded, respectful of the groundwork that has come before and consistent with an analysis of available data, correctly interpreted.

And we believe that those of us who have built our careers around economics should help others to gain an appreciation of the discipline that has meant so much to us.

To that end, The NABE Foundation was created. While the core of NABE will continue to be the publications, surveys, and conferences that add value to membership, The NABE Foundation seeks to support educational activities that provide business professionals and economics students with the tools they need to succeed.

Among the initiatives being developed and supported by the NABE Foundation are:

The NABE Professional Development Seminar (PDS). Now in its fourth year, the PDS is designed to bring together producers and users of economic data to make those newer to our field into educated users of information. The 2007 PDS will be taking place in San Diego on April 22-24; program and registration information can be found on www.nabe.com.

The NABE Foundation/Federal Reserve High School Economics Club. Now active in four metropolitan areas, this effort brings high school students into business settings to learn how economics is applied in industry.

The NABE Media Seminar. This half-day program is intended to help business reporters and editors better understand the issues and statistics that they cover.

The “Cal Tech Initiative.” This interactive experiment allows participants to “bid” on the outcomes of various economic releases. In the process, a distribution of outcomes is formed whose shape provides color on expectations.

The NABE Foundation is also looking into developing programs with the Federal Reserve and other agencies. The Foundation hopes to be in a position to offer student assistance where needed to attend Foundation events.

No discussion of The NABE Foundation can be complete without recognizing the tireless work and vision of Jack Kleinhenz, who serves as chair of our Foundation Committee. Jack, many thanks. 2007 marks the beginning of an annual appeal to build the Foundation’s reserves. We very much hope that you, as a NABE member, would consider supporting the Foundation to the extent possible. Contributions are tax-deductible, and can be made by check or through www.NABEFoundation.com.

The NABE Foundation is a vehicle through which we can invest in maintaining the foundation of our discipline. We hope you will join us in this very worthy endeavor.

C. R. T.

Carl Tannenbaum
NABE President

Windows on the Web: Can An Economist Be a Mac Guy?

by Bruce Kratofil
NABE Webmaster

Most of you have seen the commercials “Hi, I’m a Mac...Hi, I’m a PC!” You may have even thought to yourself that most business economists resemble the PC guy more than the Mac guy.

After nineteen years of using PCs (my computer before that was an Atari), I’ve finally decided to explore the Mac world. I needed to replace my laptop computer, and I replaced it with a MacBook. I’m writing a series of articles elsewhere detailing the switch and the rationale behind it. The purpose of this article is to see how practical a Mac is for a business economist.

Those of you in the corporate world may have little say in what computer goes onto your desk or into your briefcase. But you do have a voice in what computer you have at home. Those of you running your own shop and calling your own IT decisions may also be considering the switch.

Universal File Formats

Nowadays, it's quite easy to switch between being a Mac guy and a PC guy. Almost every file format I use is universal, and can be opened by both a Windows program and a Mac program. These include the HTML, mp3, PDF, and mpeg files used for Web development work, as well as all the Microsoft Office formats. The MacBook came with a trial edition of Microsoft Office for the Mac, and there was no problem moving spreadsheets, docs, or PowerPoint slideshows from one to another.

The MacBook connects easily into my network of Windows computers, and almost every Windows-based peripheral device I own connects and works with the new laptop. (Since it only has USB and FireWire ports, older legacy devices such as parallel printers may need adaptors.) I'm using the three-button USB mouse from my old laptop as the external mouse, and flash drives work equally as well.

Some things are a little different – the buttons to close a window are on the upper left instead of the upper right of a window, and menus are at the top of your screen instead of the top of each window. But it doesn't take long for a typical computer user to learn how to do things. Mac OS X 10.4 also comes with a huge number of applications that let you do everyday tasks without the need of extra software. Most of the newer features in Windows Vista are only catching up to what Mac OS X 10.4 had a while ago.

Stability and Security

Macs are more stable and secure. They aren't perfect – there are still bugs and security patches, but not nearly to the extent of the problems with Microsoft Windows. Part of it is because Apple is more ruthless than Microsoft. They control both the hardware and the operating system in a very tightly controlled package. Because of that, there's probably some economic profit built in to the price of a Mac. But in return, there aren't driver issues, DLL hell, or spyware.

On the other hand, Microsoft produces Windows to work on an almost infinite combination of micro-processors, motherboards, video cards, sound cards, and the like. This opens up many possibilities for bugs and incompatibilities. Microsoft also tries to make each version of Windows as backward compatible with old applications as possible. When Apple came out with OS X, they did make a compatibility mode to work with some old applications, but in reality they cut off a lot of the old applications. This made people migrate to newer software that is designed to work with the newer OS.

Parallels

While the file formats are interchangeable between Macs and PCs, the software isn't. You can't take Microsoft Office for Windows, or Macromedia Dreamweaver for Windows, and install it on the Mac. One solution is to purchase the Mac versions of the software you need, and install it on the Mac. (That

is, if you need the Mac versions. Most economists will need Microsoft Office, but a lot of other software needs may be fulfilled by the applications that come standard on the Mac.)

Another solution is Parallels, software which allows you to run another operating system, such as Windows XP, Vista, or Linux, as a virtual machine. I purchased Parallels, along with a legal version of Windows XP, to install on the MacBook. That allows me to install my Windows applications on the MacBook. It's a nice way to test the Mac waters without having to make a full-fledged commitment. (This article is being written in Microsoft Word running on a Windows XP virtual machine on the new Mac.) You can run Windows in full-screen mode or within a window on the Mac. With the latter, all you need is a mouse click to switch between one OS and the other running simultaneously. You can share files between the two systems running on the same computer, and you can cut and paste between Windows and the Mac.

I used the MacBook during the March 2007 NABE Policy Conference, with Microsoft Office running within Parallels, and didn't have any problems handling files.

Econometric Software

One specialized need of economists is econometric software. Many of the big statistical packages, such as SPSS, RATS, Gauss, and Mathematica have Mac versions. One notable package that does not is Eviews. However, since QMS says that Eviews 6 can run on Windows 98, ME, or NT, it can probably run on Parallels.

Since there is no budget for testing software here at Windows on the Web (actually, there's no budget for anything), there's no test of how Eviews would work. However, there was an evaluation copy of SPSS 13.0 for Windows handy, and I installed that on the Mac within the Parallels virtual machine. It appeared to work OK, except that SPSS itself didn't seem to like the fact that I was using a two-year old trial version. While the program would start, some built-in time limit kept it from doing any calculations. A quick trip to the SPSS website and a 163 MB download got a trial version of SPSS 15 for Windows. I tested it with a 73 variable, 680 record dataset from a consumer survey. It had no problems chewing through the data doing cross-tabs, hypothesis testing, frequency analysis and graphing, at about the same speed it would take running the analysis on a standard Windows computer. There didn't seem to be any tell-tale signs of strain on the computer, for the results appeared almost instantaneously and the fan didn't kick on. (The fan kicking on usually means the microprocessor is working extra hard and getting hot.) At least in this case, number-crunching within the virtual machine did fine.

If you do use econometrics software a lot and you are thinking of making the switch, this is what you should study. All the other issues shouldn't be a problem.

And finally....

This year's version of NABE Fantasy Baseball is up and running. We've expanded to a nine-team league, and in much fancier surroundings in a CBS Sportsline Fantasy League, thanks to a NABE member who works for CBS Interactive. The next fantasy opportunity will be NABE Fantasy Football 2.0; anyone interested in playing should contact me in late July or early August.

Statistics Corner: BLS Releases New Hours, Earnings Measures

By Robert Parker

On April 6, the Bureau of Labor Statistics (BLS) began the release of new measures of hours and hourly earnings for March 2006 to January 2007. The measures include national estimates of all employee average weekly hours paid, average hourly earnings (regular pay), and gross monthly earnings (both regular and irregular pay). There also is a new measure for employee average weekly overtime hours for all manufacturing employees. The new measures are collected as part of the monthly Current Employment Statistics (CES) survey program.

Considered “experimental” by BLS, the new measures are available on the CES section of the BLS website. For the remainder of 2007, only final estimates will be released, i.e., the new measures will lag the estimates in the employment situation report release by two months. BLS will consider speeding up the release next year. Also, the new series will be published for only 14 industry sectors and will not be seasonally adjusted. Estimates of the new measures for states and metropolitan areas are scheduled for release in March 2008.

The CES program currently publishes series on the average weekly hours and hourly earnings of only production workers in the goods-producing industries and nonsupervisory workers in the service-providing industries. These measures cover about 80 percent of the employees in private nonfarm industries and the new measures cover all employees in these industries.

New Measures Cover Broader Employee Groups, Types of Pay

The new measure of gross monthly earnings not only covers production and nonsupervisory workers, but also covers both the regular earnings and bonuses and other irregular payments received by employees from their employers. Thus, the new measures will provide estimates for all employees of both regular and total earnings. However, the new measure of regular hourly earnings of all employees will be for the payperiod that includes the 12th of the month, as is the current average hourly earnings measure, whereas the new measure of total or gross earnings will be for the entire month.

Although BLS has been collecting data for the new measures since 2005, the agency will continue to consider them experimental until it is certain of their reliability and it has a time series long enough to develop seasonal adjustment factors. (This treatment is similar to the way that BLS treated the chained consumer price index measures, which were first released as experimental series in 1997 and then added as official series to the CPI news release in 2002.)

In addition, BLS currently plans to discontinue publication of the production and nonsupervisory worker hours and earnings series in early 2010, after the new measures are well established. Once these series are discontinued, BLS will eliminate the corresponding questions from the monthly CES survey.

Employers Find Broader Category Easier to Report

In its research on the collection of the all employee measures, BLS learned that respondents were finding it increasingly difficult to adhere to the definitions of production and nonsupervisory workers. Many respondents said these categories were not meaningful and reported that it was not possible to tabulate their payroll records based on these definitions. At the same time, when BLS tested the collection of all employee hours and earnings data with CES respondents, it found these data were available from the payroll records of most employers.

NABE supported the need for these new measures. (See “Statistics Corner” of NABE News of Jan/Feb 2005.) The new measures will provide more relevant information for the analysis of economic trends because the current measures are limited to production and nonsupervisory workers. In addition, the new measure of hours will provide improved source data for BLS to use in the preparation of productivity estimates and the new measure of earnings will provide improved source data for the Bureau of Economic Analysis in its preparation of wage estimates for gross domestic product and personal income.

Additional information on the development of the new measures will appear in the “Focus on Statistics” article in the April 2007 issue of Business Economics.

News Briefs

On April 24, former NABE Presidents Diane Swonk and Richard Berner will testify on the importance of funding economic statistics programs before the House Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies. Their testimony will be on behalf of the Bureau of Economic Analysis, its current programs, and its FY 2008 budget request to further develop and incorporate research and development into the national income and product accounts. Swonk, chief economist, Mesirow Financial, and Berner, chief U.S. economist, Morgan Stanley, will emphasize that the fiscal 2008 request is critical to maintaining accurate and timely measures of U.S. economic activity.

There’s still time to register for the Economic Statistics Seminar. In just two days, you’ll take away skills you can use the first day back in the office. Connect with valuable contacts in the federal data agencies, the Federal Reserve, and private firms, who will make presentations on how key data series can be used to track business cycles in your industry. Plus, through case studies, you’ll learn about the techniques used by other professionals from Air Products Company, Motorola, Macroeconomic Advisers, Wachovia Bank, Weyerhaeuser Company, and others. See <http://www.nabe.com/stats2007/> for complete seminar details, including program, registration, and hotel information—“Using Economic Statistics to Understand Business Cycles,” April 22-24, San Diego, Calif.

Watch for release of the next NABE Industry Survey on Monday, April 23. Mark your calendar to join us at 11 a.m. EDT for a teleconference to discuss the results. The survey will cover variables such as industry demand, employment, prices, spending, as well as the impacts of the mortgage defaults and business results relative to plan.

NABE elections are just around the corner and the 2007 NABE Nominating Committee seeks your recommendations for NABE president, vice president, directors, and fellows. Current officers and directors can be found at: <http://www.nabe.com/publib/nabebod.htm> and current fellows can be found at: <http://www.nabe.com/publib/fellow.htm>. The deadline for recommendations is Wednesday, April 30, and the election will be held in June-July. To make your recommendations use the online form at <http://www.nabe.com/mem/2007rec.html>

Join the Financial Roundtable's May 30 teleconference with Glenn Hubbard, dean of the Columbia Business School and former chairman of the Council of Economic Advisers, on "Maintaining the Competitiveness of U.S. Capital Markets." Roundtable Chair Richard DeKaser, chief economist, National City Corporation, will moderate. For more information on the teleconference and registration go to <http://nabe.com/rt/fin/events.html>.

Plan now to attend the popular Econometric Seminars with Oral Capps, Jr., professor at Texas A&M University. Supported by the NABE Foundation, the seminar's schedule is set for August 20-23, "Econometrics for the Business Analyst" in Chicago, and October 15-18, "Advanced Statistical Techniques for Economic Forecasting" in Atlanta. Register soon for savings.

The NABE Foundation has launched its annual appeal, asking members and supporters to come together to build on the foundation's programs. The NABE Foundation supports the education and enhancement of the profession through various charitable activities and educational opportunities. For the business economist, this is the chance to give back to the profession that provides one's livelihood. For more information, visit the Foundation's website.

Check out the teleconference on "We Call it Subprime for a Reason" in a NABE Podcast recorded March 16 featuring Douglas Duncan of the Mortgage Bankers Association, David Wyss of Standard & Poor's, and David Berson of Fannie Mae.

Member News

Laura Fuchs Dolan is managing director with LECG, Costa Mesa, Calif.

Elinda Kiss, University of Maryland, has received a Krowe Award “for the professional relationships and commitment that she has developed with her students outside the classroom, as well as excellence in the classroom.”

Ronald L. Promboin, University of Maryland University College, has received a 2007 Teaching Recognition Award from UMUC’s Graduate School of Management and Technology.

Zagros Madjd-Sadjadi is assistant professor with Winston Salem University, Winston Salem, N.C.

Genio Staranczak is chief economist with Property Casualty Association, Des Plaines, Ill.

Jeffrey H. Taylor is chief economist with Associated Builders and Contractors, Arlington, Va.

Chapter News

Richmond Chapter Hosts Key Speakers, Special Events

It’s already been a very busy year for the Richmond Association for Business Economics – hosting key business leaders and prominent economists offering their projections for regional and national economic growth.

Adam Haller, president of the RABE, reports that the NABE chapter “attracts members from a broad range of professions, including economics, academia, business management, financial analysis, real estate, law, state government, and money management.” The chapter was chartered in 1984 and continues to expand its membership rolls through programs and special events.

Regularly scheduled “Economic Issues” luncheons, often held at the Federal Reserve Bank of Richmond, typically attract between 30 and 50 people. Haller said there was a large crowd for a recent talk by John Luke, Jr., the CEO of MeadWestvaco, a multi-national manufacturing company that is relocating its headquarters to Richmond. Also attracting a crowd were Jeff Lacker, president of the Richmond Fed, and Mark Zandi, chief economist and co-founder of Moody's Economy.com.

RABE also co-sponsored two recent events: the annual conference of the Virginia Association of Economists on March 29-30, and the Virginia Commonwealth University's 13th annual International Business Forum on Feb. 27.

“The biggest challenge is finding ways to show appreciation for the volunteers who make our organiza-

tion strong,” said Haller, senior financial analyst at the Richmond Fed. “We operate on basically a breakeven basis, with no paid employees. RABE members do show appreciation to the leaders who spend the countless hours behind the scenes.”

NABE chapters: if you have news items or pictures from events, please send them in to NABE for inclusion in Chapter News.

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