



TO: NABE Economic Policy Survey Panelists  
FROM: Ellen-Hughes Cromwick, NABE President  
SUBJECT: **ECONOMIC POLICY SURVEY, MARCH 2008**

Following is our policy survey. **PLEASE RESPOND BY Friday, February 15, 2008.** There are three ways to respond:

1. Complete the survey online—go to <http://www.surveystoday.com/policy.html> and follow the directions, or
2. Complete the survey below and send via reply email or
3. Complete the survey below and fax to 440-899-9272.

**I. U.S. Problems and Strengths**

A. What do you think is the one most serious problem facing the U.S. economy over the next 2 years? *Please answer by placing a "X" in the blank. (Please mark only one.)*

- Terrorism and the conflict in the Middle East
- Effects of subprime loan defaults
- Excessive household and/or corporate debt
- Energy prices
- Current account deficit and potential impact on the dollar
- Rising inflation
- Poorly prepared labor force / shortage of skilled labor
- Federal deficit
- Income inequality
- Other \_\_\_\_\_

B. What is the biggest long-term challenge to the economy? *(Please mark only one.)*

- Health care costs
- Growth of elderly population and rising dependency ratio
- Educational inadequacies and shortage of skilled labor
- Federal deficits and government spending
- Energy issues, such as global warming and exhaustion of oil supplies
- International competitiveness and job losses to abroad
- Rising inflation
- Global overcapacity
- Other: \_\_\_\_\_

C. What do you think is the U.S.'s greatest economic strength today? *(Please mark only one.)*

- Flexible economy and labor force
- Technological lead and strong productivity
- Deep capital markets
- Effective monetary policy
- Democratic government
- World's sole remaining super power
- Legal and judicial institutions
- Quality work force
- Other \_\_\_\_\_

**II. Monetary Policy**

A. Do you consider current monetary policy to be: *(Please mark only one.)*

- Too stimulative       Too restrictive       About right       Don't know

B. Over the next six months, would you prefer monetary policy to be: *(Please mark only one.)*

- More stimulative       More restrictive       Unchanged

C. Over the next six months, do you expect short-term interest rates to increase, remain about where they are today, or decrease? *(Please mark only one.)*

Increase

By how many basis points?

- Increase, not sure about number of basis points  
 Increase of 25 basis points or less  
 26-50  
 51-75  
 76-100  
 101-125  
 126-150  
 151-175  
 176-200  
 201 basis points or above

Decrease

By how many basis points?

- Decrease, not sure about number of basis points  
 Decrease of 25 basis points or less  
 26-50  
 51-75  
 76-100  
 101-125  
 126-150  
 151-175  
 176-200  
 201 basis points or above

No change; remain about where they are today

D. How would you rate the seriousness of the following risks associated with the monetary easing by the Federal Reserve since September 2007?

	<u>Seriousness of Risk</u>				
	<u>Very serious</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Not serious</u> <u>5</u>
Higher U.S. inflation					
Declining U.S. dollar					
Fueling dangerous asset bubble					
Bailing out investors who should have known better					
Raising trade barriers					

E. Given any inherent risks, has the monetary easing by the Federal Reserve been timely and appropriate? *(Please mark only one.)*

- Both timely and appropriate
- Neither timely nor appropriate
- Appropriate, but too late
- Timely, but insufficient
- Timely, but overly aggressive

**III. Fiscal Policy**

A. Do you consider current fiscal policy to be: *(Please mark only one.)*

- Too stimulative       Too restrictive       About right       Don't know

B. Over the next two years, would you prefer fiscal policy to be: *(Please mark only one.)*

- More stimulative       More restrictive       Unchanged

C. Over the next two years, do you expect fiscal policy to be: *(Please mark only one.)*

- More stimulative       More restrictive       Unchanged

D. How helpful to the economy are the following tools in the short run (within two years of enactment)?

	<u>Helpful</u>				
	<u>Very helpful</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Not helpful</u> <u>5</u>
Raise taxes or allow the tax cuts to expire					
Extend the tax cuts					
Eliminate or substantially limit the AMT					
Raise federal spending					
Cut federal spending					
Reform health care and Medicare					
Reform Social Security					
Tort reform					
Reducing trade barriers and quotas					
Raising trade barriers					
Other (please specify in the space below)					

Other \_\_\_\_\_

E. Is a 2008 fiscal stimulus package necessary to arrest U.S. economic slowdown and/or prevent recession?

- Yes
- No
- Not yet sure

F. How helpful are each of the following potential elements of a 2008 fiscal stimulus package?

	<u>Helpful</u>				
	<u>Very helpful</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Not helpful</u> <u>5</u>
One-time tax rebates for wage earners					
Making the 2003 tax cuts permanent					
Tax credits for business investment					
Extend unemployment benefits					
New public spending on projects such as infrastructure, renewable energy, etc.					
Raising the GSE loan-size limit in high-cost housing markets					
Establish government fund to buy problem mortgages from securitized loan pools					
Other (please specify in the space below)					

Other \_\_\_\_\_

#### IV. Federal Entitlements

Federal entitlement spending – on Social Security, Medicare and Medicaid—currently represents about 45 percent of federal spending and 9 percent of U.S. GDP. (CBO, March 2007)

A. How urgent do you feel the need is for comprehensive entitlement reform? *(Please mark only one.)*

- Urgent need for comprehensive reform right now
- Comprehensive reform is needed, but it will wait
- Comprehensive reform not needed; smaller fixes will help
- Programs are running well as presently configured

B. If you feel at least some reform is needed, which federal entitlement program is in most need of change? *(Please mark only one.)*

- Social Security
- Medicare
- Medicaid

C. How effective are the following means of reducing the projected deficit in the Social Security Trust Fund over the next generation?

	<u>Effective</u>				
	<u>Most</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Least</u> <u>5</u>
Raise the age at which retirees collect benefits					
Introduce incentives for workers to delay collecting benefits					
Raise payroll taxes on current workers					
Eliminate the annual dollar cap on Social Security payroll taxes					
Impose a means test on Social Security benefits					
Introduce private savings accounts as an element of Social Security program					
Other (please specify in the space below)					

Other \_\_\_\_\_

E. How equitable are the following means of reducing the projected deficit in the Social Security Trust Fund over the next generation?

	<u>Equitable</u>				
	<u>Most</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Least</u> <u>5</u>
Raise the age at which retirees collect benefits					
Introduce incentives for workers to delay collecting benefits					
Raise payroll taxes on current workers					
Eliminate the annual dollar cap on Social Security payroll taxes					
Impose a means test on Social Security benefits					
Introduce private savings accounts as an element of Social Security program					
Other (please specify in the space below)					

Other \_\_\_\_\_

F. How politically feasible are the following Social Security reforms?

	<u>Politically Feasible</u>				
	<u>Most</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Least</u> <u>5</u>
Raise the age at which retirees collect benefits					
Introduce incentives for workers to delay collecting benefits					
Raise payroll taxes on current workers					
Eliminate the annual dollar cap on Social Security payroll taxes					
Impose a means test on Social Security benefits					
Introduce private savings accounts as an element of Social Security program					
Other (please specify in the space below)					

Other \_\_\_\_\_

**V. Immigration**

A. On net, how would you evaluate the economic impact of immigration (legal and otherwise) into the United States during the past decade? *(Please mark only one.)*

- \_\_\_ Overwhelmingly positive
- \_\_\_ Mostly positive
- \_\_\_ Neutral
- \_\_\_ Mostly negative
- \_\_\_ Overwhelmingly negative

B. In purely economic terms, indicate the seriousness of the following problems commonly associated with illegal immigration.

	<u>How Big a Problem?</u>				
	<u>No problem</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Major problem</u> <u>5</u>
Places costly burden on social services					
Displaces domestic workers					
Risk to national security					
Rise in criminal activity and/or costs of border security					
Negative impact of emigration on foreign economies					
Other (please specify in the space below)					

Other \_\_\_\_\_

C. In purely economic terms, how would you rank these potential benefits to immigration, whether legal or illegal?

	<u>How Much Benefit?</u>				
	<u>Major benefit</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>No benefit</u> <u>5</u>
Addresses shortage of low-cost unskilled labor					
Adds younger workers to an aging population					
Brings scarce talent to knowledge industries					
Improves ability of U.S. firms to do business abroad					
Provides outlet for excess labor abroad					
Other (please specify in the space below)					

Other \_\_\_\_\_

D. If new U.S. border policies could effectively stop all illegal immigration for a period of five years, what would the net impact be on U.S. economic growth? (*Please mark only one.*)

- \_\_\_ A much higher rate of growth
- \_\_\_ A marginally higher rate of growth
- \_\_\_ No effect on growth
- \_\_\_ A marginally lower rate of growth
- \_\_\_ A much lower rate of growth

**VI. Globalization**

A. What effect do you feel globalization (expansion of cross-border flows of trade and capital) has had on these elements of the U.S. economy during this decade?

	<u>Net Effect</u>				
	<u>Positive</u> <u>1</u>	<u>2</u>	<u>Neutral</u> <u>3</u>	<u>4</u>	<u>Negative</u> <u>5</u>
Economic growth					
Inflation rate					
Employment					
Income inequality					
Availability of credit					
Financial stability					
Net overall effect on U.S. economy					

B. How do you think U.S. policies on international trade and cross-border investment will change over the next five years?

1. Trade policies (*Please mark only one.*)

- More protectionist
- More liberal
- No change

2. Capital market policies (*Please mark only one.*)

- More protectionist
- More liberal
- No change

C. How would you rate the following as potential threats to the continued integration of global trade and capital flows?

	<u>Potential Threat</u>				
	<u>Very grave threat</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Not a threat</u> <u>5</u>
War and terrorism					
Financial turmoil					
Protectionist policies					
High energy prices					
Climate change					
Other (please specify in the space below)					

Other \_\_\_\_\_

D. How would you characterize your overall level of concern over the rising level of investments by foreign Sovereign Wealth Funds (SWFs) in U.S. companies? (*Please choose response closest to your opinion.*)

- Very low
- Low
- Neutral
- High
- Very High

E. How would you rate the following as potential concerns in terms of investments by foreign Sovereign Wealth Funds (SWFs) in U.S. companies?

	<u>Potential Concern</u>				
	<u>Major concern</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Minor concern</u> <u>5</u>
Risk of foreign government influence over private U.S. companies					
Risk of instability in the volume and direction of capital flows					
Lack of transparency among major SWFs					
Adverse effects on U.S. trade deficit and current account deficit					
Other (please specify in the space below)					

Other \_\_\_\_\_

### VII.Future Topics

What special questions or topics would you like to see covered on future policy surveys?

\_\_\_\_\_

To help us keep track of your participation, please provide the following information. Individual responses will be kept confidential.

Name \_\_\_\_\_

Company \_\_\_\_\_

Thank you!

###