

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QI(A). What do you think is the one most serious problem facing the U.S. economy over the next 2 years?

	Total
Credit crunch	55 19.8%
Falling home prices and mortgage loan defaults	54 19.4%
Energy and other raw materials prices	43 15.5%
Rising inflation	42 15.1%
Excessive household and/or corporate debt	19 6.8%
Federal deficit	18 6.5%
Current account deficit and potential impact on the dollar	10 3.6%
Terrorism and the conflict in the Middle East	8 2.9%
Income inequality	6 2.2%
Poorly prepared labor force/ shortage of skilled labor	6 2.2%
Other	14 5.0%
No response	3 1.1%
Base	278

Other:

- Democrat take-over of Congress
- Democratic control of federal government - higher taxes greater government interference
- dollar weakness
- economic ignorance
- Government intervention
- Government Spending
- health care
- Medicare's looming bankruptcy
- Obsession with inflation
- possibility of deep and protracted recession
- Recovering from the disastrous fiscal, monetary and regulatory policies
- Rising Health Care Costs as a %GDP
- the health of the U.S. banking system/the credit crunch
- Underinvested infrastructure-roads, rail, ports, utilities

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

Q1(B). What is the biggest long-term challenge to the economy?

	Total
Federal deficits and government spending	67 24.1%
Growth of elderly population, including health costs, and rising dependency ratio	51 18.3%
Educational inadequacies and shortage of skilled labor	50 18.0%
Energy issues, such as global warming and exhaustion of oil supplies	47 16.9%
Rising inflation	18 6.5%
International competitiveness and job losses to abroad	13 4.7%
Sustainable global financial system	7 2.5%
Global overcapacity	4 1.4%
Other	18 6.5%
No response	3 1.1%
Base	278

Other:

- Debt compared to income: personal, corporate and government
- diminishing civil liberties, lack of freedom, burgeoning prison population
- Excessive household debt
- failure to reform entitlements
- federal deficits & debt
- Federal deficits [drop the question-begging "spending"causality]
- Government spending, NOT the deficit!
- Income Inequality
- Increasing global demand for commodities
- inflation in developing countries impact upon U.S. economy, such as exchange rates
- lack of national economic goals, policies and commitment to them
- Maintaining free trade and low tax rates
- Problems with international coordination of economic policies.
- Protectionism
- Rising inequality - especially unequal access to education and medical care.
- Terrorism and the conflict in the Middle East
- The need for healthcare reform
- Underinvested infrastructure-roads, rail, ports, utilities

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QI(C). What do you think is the U.S.'s greatest economic strength today?

	<u>Total</u>
Flexible economy and labor force	131 47.1%
Technological lead and strong productivity	65 23.4%
Deep capital markets	26 9.4%
Democratic government	21 7.6%
Legal and judicial institutions	11 4.0%
Effective monetary policy	8 2.9%
World's sole remaining super power	3 1.1%
Quality work force	3 1.1%
Other	7 2.5%
No response	3 1.1%
Base	278

Other:

- Free enterprise system
- Innovation
- Innovation Leadership
- Market based economy with rule of law protecting property rights and entrepreneurial freedom
- Open trade and low tax rates
- Size of market and economies of scale benefits resulting from this
- Willingness of some to work hard and competently

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QII(A). Do you consider current monetary policy to be: _

	<u>Total</u>
Too stimulative	99 35.6%
Too restrictive	15 5.4%
About right	154 55.4%
Don't know	8 2.9%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QII(B). Over the next six months, would you prefer monetary policy to be:

	<u>Total</u>
More stimulative	38 13.7%
More restrictive	128 46.0%
Unchanged	110 39.6%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

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

	Total
	<hr/>
<u>INCREASE</u>	131 47.1%
Increase, not sure about number of basis points	10 3.6%
Increase of 25 basis points or less	33 11.9%
26 - 50	64 23.0%
51 - 75	17 6.1%
76 - 100	6 2.2%
101 - 125	1 0.4%
<u>DECREASE</u>	14 5.0%
Decrease, not sure about number of basis points	1 0.4%
Decrease of 25 basis points or less	5 1.8%
26 - 50	7 2.5%
51 - 75	0 0.0%
76 - 100	1 0.4%
<u>REMAIN THE SAME</u>	131 47.1%
No Change; remain about where they are today	131 47.1%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIII(A). Do you consider current fiscal policy to be:

	<u>Total</u>
Too stimulative	153 55.0%
Too restrictive	38 13.7%
About right	80 28.8%
Don't know	5 1.8%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIII(B). Over the next two years, would you prefer fiscal policy to be:

	<u>Total</u>
More stimulative	55 19.8%
More restrictive	171 61.5%
Unchanged	49 17.6%
No response	3 1.1%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIII(C). Over the next two years, do you expect fiscal policy to be:

	<u>Total</u>
More stimulative	166 59.7%
More restrictive	53 19.1%
Unchanged	55 19.8%
No response	4 1.4%
Base	278

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QIII(D). What is your view of the 2008 fiscal stimulus package?

	<u>Total</u>
Effective in keeping the US out of recession	76 27.3%
Likely to be inflationary	36 12.9%
Will end up showing up in the import statistics	26 9.4%
Not worth the worsening of the fiscal deficit	130 46.8%
No response	10 3.6%
Base	278

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QIII(E). Is another fiscal stimulus package necessary?

	<u>Total</u>
Yes, the US is already in recession	39 14.0%
Yes, to keep the US from sliding into recession	17 6.1%
Yes, but the Congress will be unable to pass another package	14 5.0%
No, another stimulus package is not necessary	203 73.0%
No response	5 1.8%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(A)1. Will this measure help to reduce the number of mortgage foreclosures?

	<u>Total</u>
Yes	165 59.4%
No	58 20.9%
Unsure	53 19.1%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(A)2. Will this measure help to stabilize U.S. home prices?

	<u>Total</u>
Yes	85 30.6%
No	131 47.1%
Unsure	59 21.2%
No response	3 1.1%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(A)3. Will this measure hasten or delay the recovery of U.S. housing markets?

	<u>Total</u>
Hasten	94 33.8%
Delay	83 29.9%
Unsure	98 35.3%
No response	3 1.1%
Base	278

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QIV(A)4. Does this measure constitute a bailout of mortgage borrowers?

	<u>Total</u>
Yes	218 78.4%
No	44 15.8%
Unsure	14 5.0%
No response	2 0.7%
Base	278

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QIV(A)5. Is this measure fair to households who do not own their home or have a mortgage?

	<u>Total</u>
Yes	56 20.1%
No	197 70.9%
Unsure	21 7.6%
No response	4 1.4%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(A)6. Does this measure constitute a bailout of mortgage lenders?

	<u>Total</u>
Yes	180 64.7%
No	73 26.3%
Unsure	21 7.6%
No response	4 1.4%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(B)1. How would you rate the **effectiveness** of these policy initiatives in terms of restoring the liquidity of global financial markets?

	<u>Total</u>
Ineffective, or minimally effective	41 14.7%
Moderately effective	191 68.7%
Highly effective	42 15.1%
No response	4 1.4%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(B)2. How concerned are you about the unintended consequences of these policies in creating **moral hazard**, or an incentive for future risk taking by financial companies?

	<u>Total</u>
Not concerned	31 11.2%
Somewhat concerned	141 50.7%
Very concerned	104 37.4%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(B)3. Do you think that the extension of Federal Reserve liquidity facilities to new classes of institutions will require **more stringent regulation** of their activities?

	<u>Total</u>
Yes	258 92.8%
No	18 6.5%
No response	2 0.7%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(C)1. Given their status as GSEs, do you believe that the U.S. Treasury **should intervene** to prevent a default on the obligations of Fannie Mae and Freddie Mac if default appears likely?

	<u>Total</u>
No, these are <u>not</u> government obligations. Freddie and Fannie should be allowed to fail if that is the market outcome	67 24.1%
Yes, Freddie and Fannie are too important to fail, and the Treasury should come to their assistance to prevent failure if needed	208 74.8%
No response	3 1.1%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(C)2. Would government assistance - in the form of loan guarantees, or the purchase of debt or equity securities by the Treasury - constitute "nationalization" of the mortgage GSEs?

	<u>Total</u>
Yes. Any type of Treasury assistance effectively nationalizes Freddie and Fannie	56 20.1%
Maybe. It would depend on the type and/or scale of the assistance provided	128 46.0%
No, as long as the assistance were limited and temporary	65 23.4%
No, assistance to private companies in a crisis does not constitute "nationalization"	26 9.4%
No response	3 1.1%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(C)3. Over the long term, what type of relationship should be established between the mortgage GSEs and the U.S. Treasury?

	<u>Total</u>
They should be nationalized and made agencies of the U.S. government with the full backing of the Treasury	33 11.9%
They should be privatized, and any perceived connection with the U.S. Treasury should be repudiated	113 40.6%
They should continue in their present status as government-sponsored enterprises without the explicit backing of the Treasury	66 23.7%
They should continue in their present status as government-sponsored enterprises with the explicit backing of the Treasury	39 14.0%
Other	22 7.9%
No response	5 1.8%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(C)3. Over the long term, what type of relationship should be established between the mortgage GSEs and the U.S. Treasury?

Other:

- As just above, but add charter provisions for specified Gov't interventions.
- Bailed out with Gov't getting a share of future upside, like the Chrysler bailout
- broken up and privatized, thereby removing taxpayer liability
- Continue as private, with specific senior debt explicitly backed by Treasury.
- Explicit Treasury backing AND commercial-bank-type regulation
- GSE's should be shut down, with appropriate safeguards for the credit markets in place. Why should people who cannot afford a home be allowed to do so on the backs of those who can afford the home?
- More direct government oversight- not necessarily from Treasury
- nationalize now, clean up the lobbying, then privatize again with much tighter controls
- nationalized and then liquidated
- nationalized and then shrunk
- remain private with proper regulation and implicit backing from Treasury
- Start throwing people in jail
- Their role should be restricted to a much narrower class of borrowers excluding some of the more risky borrowers and some of the marginal borrowers who would qualify for traditional mortgages. They should also develop incentives for pre-purchasing counseling, which their own research found could have cut default rates by 25-30%
- They are too big to fail today, but should be limited to be a gov't agency, and eventually phased out of market,
- they should be allowed to fail and disappear
- They should be divided into much smaller firms without explicit backing of the Treasury
- they should be more regulated, eliminate their lobbying, and be more limited in their upside for managers in exchange for being fully backed by the US Treasury.
- They should be subject to FRB regulation and also be more transparent.
- They should continue in their present status until a specific date upon which said status can be renewed or revoked. This should be a periodic and ongoing process. Criteria for renewal should be stringent and market oriented.
- They should continue in their present status without explicit backing of the Treasury but with tight link between corporate performance and management pay and review of management and firing of some management.
- They should continue, but with more rigorous oversight

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(D). Given the problems that have been experienced in mortgage lending and mortgage-related securities, and the broader credit market turmoil that has ensued, how would you rank the following proposed regulatory reforms as useful long-term responses to the situation?

	USEFULNESS											Score		
	Total	MOST USEFUL						LEAST USEFUL					N/A	N.R.
		1	2	3	4	5	6	7	8					
Introduce more stringent rules governing the structure and terms of mortgage loans	278 100%	55 20%	36 13%	44 16%	29 10%	24 9%	24 9%	12 4%	4 1%	30 11%	20 7%	1297		
Require better disclosure of mortgage terms to borrowers	278 100%	48 17%	48 17%	28 10%	33 12%	35 13%	22 8%	20 7%	7 3%	14 5%	23 8%	1306		
Introduce more stringent rules governing the structure and terms of mortgage-backed securities	278 100%	36 13%	51 18%	47 17%	40 14%	25 9%	20 7%	12 4%	5 2%	22 8%	20 7%	1316		
Require better disclosure of securities terms to investors in mortgage-backed securities	278 100%	24 9%	48 17%	40 14%	45 16%	34 12%	26 9%	22 8%	5 2%	15 5%	19 7%	1256		
Consolidate the supervision of depository institutions under one regulator with broad powers over lending practices	278 100%	39 14%	18 6%	28 10%	29 10%	37 13%	34 12%	36 13%	12 4%	26 9%	19 7%	1085		
Introduce prudential supervision of investment companies similar to that imposed on depository institutions	278 100%	22 8%	45 16%	26 9%	34 12%	37 13%	40 14%	18 6%	9 3%	27 10%	20 7%	1130		
Introduce an independent mortgage regulator to supervise the activities of mortgage lenders and impose rules governing mortgage servicing and securitization	278 100%	25 9%	22 8%	32 12%	27 10%	26 9%	22 8%	56 20%	14 5%	31 11%	23 8%	977		
Other	278 100%	15 5%	1 0%	5 2%	2 1%	3 1%	1 0%	2 1%	15 5%	12 4%	222 80%	201		

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QIV(D). Given the problems that have been experienced in mortgage lending and mortgage-related securities, and the broader credit market turmoil that has ensued, how would you rank the following proposed regulatory reforms as useful long-term responses to the situation?

Other:

- 2-5 would be covered by #1
- Consolidate regulatory authorities responsible for financial institutions; and provide the regulators with adequate staff and resources.
- Develop, promote, and create incentives for greater financial literacy to help consumers catch up to the sophistication of lending products.
- eliminate mortgage interest deductions
- enforce existing fraud laws on mortgage origination (borrower & appraisal misrepresentation)
- Financial literacy training for borrowers
- Get rid of the ability of the Federal Reserve to do discretionary monetary policy.
- Improve financial literacy
- Increase public information about these mortgage instruments.
- institute a continuing liability for mortgage originators covering loan underwriting documentation.
- Introduce supervision of rating agencies
- It is regulation that got us into this mess; it cannot get us out. Why do regulators keep thinking that they can outsmart the market?
- let em go under
- Let the liars and the stupid suffer the consequences of their misdeeds and mistakes
- Let the market do its job
- limit ARM and interest only mortgage loans
- modify reporting requirements to improve information revealing the status of the borrower as investor
- none
- Phase out U.S. guarantee for GSEs' bad decisions.
- Privatize Fannie Mae and Freddie Mac
- Prosecute mortgage brokers, lenders, appraisers and securities brokers that violated laws.
- question the decoupling of credit risk assumption and underwriting responsibility whenever securitization occurs
- Reduce mortgage regulatory burden-HMDA, Reg B, etc.
- Re-Enact Glass-Steagall
- Re-enact Glass-Steagall or its equivalent
- Regulate Mortgage Brokers
- Require larger down-payments. Make it illegal for mortgage brokers and real estate agents to suggest the house prices will rise.
- require significant "skin in the game" for major participants
- Review actions of incompetent financial regulators and inadequacies of current regulations.
- Revise Bankruptcy Laws
- slow reaction of GSE's and legislation to change rules allowed the mortgage problems to occur - privatize

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVA. Please provide your forecast of energy prices and CPI as of year-end 2008.

Crude oil in \$/Bbl

	Total
25th percentile	99.88
Median	110.22
75th percentile	124.77
Base	268
Mean	112.28
S.D.	19.27
Mode	110.00

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVA. Please provide your forecast of energy prices and CPI as of year-end 2008.

Retail regular gasoline \$/gal

	<u>Total</u>
25th percentile	3.33
Median	3.60
75th percentile	3.90
Base	263
Mean	3.76
S.D.	2.49
Mode	3.50

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVA. Please provide your forecast of energy prices and CPI as of year-end 2008.

CPI-u all items % chng y/y

	<u>Total</u>
25th percentile	3.8
Median	4.4
75th percentile	5.0
Base	266
Mean	4.4
S.D.	1.1
Mode	4.0

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QV(B). Please rank the following factors in terms of importance in driving oil prices higher in dollar terms:

	IMPORTANCE									Score
	Total	MOST 1	2	3	4	5	LEAST 6	N/A	N.R.	
Long-term supply shortages related to scarcity	278 100%	24 9%	57 21%	56 20%	56 20%	49 18%	13 5%	13 5%	10 4%	932
Short-term supply shortages related to geopolitics, technical problems, etc.	278 100%	46 17%	66 24%	81 29%	50 18%	18 6%	3 1%	7 3%	7 3%	1119
Growing demand driven by economic growth in emerging markets	278 100%	133 48%	71 26%	37 13%	25 9%	5 2%	1 0%	1 0%	5 2%	1387
Decline in the value of the dollar versus the euro (down 16% from year ago)	278 100%	49 18%	63 23%	61 22%	68 24%	23 8%	3 1%	5 2%	6 2%	1106
High rates of inflation in emerging market economies with currencies pegged to the dollar	278 100%	3 1%	12 4%	20 7%	45 16%	114 41%	29 10%	40 14%	15 5%	550
Other.	278 100%	25 9%	14 5%	12 4%	4 1%	3 1%	16 6%	1 0%	203 73%	302

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QV(B). Please rank the following factors in terms of importance in driving oil prices higher in dollar terms:

Other:

- Bush administration refusal to encourage energy conservation and efficiency.
- Cheap short term credit
- closing of short sales on oil contracts
- commodity index investments by pension funds
- conflict with Iran
- Congress' prohibition to drill in AN WR/OCS for over thirty years
- crude price would be lower if gas tax was higher
- Developing country subsidies for energy.
- Disasterously easy fiscal monetary and regulatory policies
- easy global credit
- Emergence of commodities as investment vehicles
- environmentalists
- Excessive speculation
- Expectations of binding supply constraint
- Financial speculation
- fixed prices in emerging market economies
- futures markets
- Gas subsidies in emerging markets
- geopolitical insecurity
- Government restrictions on energy development and subsidization of consumption
- Growing allocation of commodities in financial portfolios
- Hedge and pension funds entering the oil market.
- I expect a slowdown in demand from emerging markets
- investment by commodity hedge funds, etc. - excess demand caused by equity/housing price falls
- investor pressure
- Investors buying commodity futures as an investment with no intent of taking delivery of oil.
- irrational exhuberence
- Lack of Conservation World Wide - Especially in the U.S.
- Misguided U.S. energy policies!
- not enough R& D to develop alternative energy sources
- oil futures trading by participants outside the oil markets (i.e. not users nor upstream/downstream producers)
- Oil market imperfection(s)
- POLITICAL AVERSION TO DRILLING ALASKA
- Poor discretionary monetary policy.
- pricing fuels below market equilibrium in some countries
- See Question 'C'
- shape of the demand curve in the USA. It is highly inelastic.
- Slow response of demand to rising prices
- speculation
- Speculation
- Speculation
- Speculation
- speculation
- speculation
- Speculation
- speculation
- speculation
- Speculation
- Speculation
- speculation
- Speculation - bubble: saber-rattling w/Iraq
- Speculation by credulous hedge funds
- speculation from too much capital looking for a return. Moved from Housing to commodities
- speculation fueled by low treasuries/weak dollar
- Speculation in paper oil.
- Speculation policies

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QV(B). Please rank the following factors in terms of importance in driving oil prices higher in dollar terms:

- Speculation; Sectoral shift into commodities
- Speculative activity by investment banks
- Speculative buying by commodities funds
- Speculator practices artificially driving up market prices
- speculators
- Speculators
- subsidies in emerging market economies
- Subsidies in various countries increase demand
- Subsidized prices in some countries
- Tight global refinery capacity
- trend trading in commodities, i.e., speculation
- US drilling bans
- Use of oil as store of wealth due to lack of confidence in global currency markets

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QV(C). How would you assess the role played by "speculators" in oil futures as drivers of the recent increases in global oil markets?

	<u>Total</u>
Speculative purchases have helped drive oil prices significantly above their fundamental value	105 37.8%
Speculative purchases have helped push oil prices only slightly above their fundamental value	81 29.1%
Speculative purchases have helped to dampen volatility in oil prices	14 5.0%
Speculative purchases have had little or no effect on oil prices	36 12.9%
It is not clear how speculators are affecting prices	38 13.7%
No response	4 1.4%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QV(D). The price of corn reached a record-high \$6.40 in June, up 78% from a year ago. Please rank the following factors in terms of importance in driving grain prices higher in dollar terms:

	IMPORTANCE										Mean
	Total	MOST 1	2	3	4	5	6	LEAST 7	N/A	N.R.	
Long-term supply shortages related to land use, climate, or agricultural policies	278 100%	14 5%	24 9%	48 17%	45 16%	41 15%	49 18%	6 2%	29 10%	22 8%	889
Short-term supply shortages related to weather	278 100%	12 4%	64 23%	59 21%	45 16%	43 15%	11 4%	2 1%	18 6%	24 9%	1096
The diversion of grains to the production of ethanol	278 100%	156 56%	52 19%	28 10%	21 8%	6 2%	0 0%	2 1%	1 0%	12 4%	1648
Growing demand driven by economic growth in emerging markets	278 100%	58 21%	83 30%	47 17%	43 15%	19 7%	5 2%	1 0%	6 2%	16 6%	1379
Decline in the value of the dollar versus the euro (down 16% from year ago)	278 100%	11 4%	35 13%	55 20%	49 18%	63 23%	17 6%	0 0%	28 10%	20 7%	981
High rates of inflation in emerging market economies with currencies pegged to the dollar	278 100%	2 1%	7 3%	16 6%	31 11%	34 12%	103 37%	7 3%	48 17%	30 11%	575
Other	278 100%	8 3%	7 3%	4 1%	3 1%	0 0%	0 0%	12 4%	0 0%	244 88%	142

Other:

- Commodity speculators
- crop shortfalls in most growing regions of the world (ex. U.S.) in past several years
- Easy monetary policies
- export restrictions
- Farm subsidies
- Government incentives to produce ethanol
- Government mandates of ethanol content and restrictions on sources.
- Government Policy Subsidising Ethanol
- High crude oil prices driving up the price of other commodities
- higher oil prices, raising fertilizer, ag chemicals
- increase in the price of gas
- Investors buying commodity futures as an investment with no intent of taking delivery of corn.
- LOW REAL INTEREST RATES
- Normal market place vagaries
- Poor discretionary monetary policy
- rail transport bottlenecks
- rising cost of inputs
- Speculation
- Speculation
- speculation
- speculators
- speculators - related to possible energy substitute

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVIA. Give your forecast for the dollar exchange rate for the year-end 2008.

Euro

	<u>Total</u>
25th percentile	1.45
Median	1.50
75th percentile	1.60
Base	233
Mean	1.54
S.D.	0.52
Mode	1.50

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVIA. Give your forecast for the dollar exchange rate for the year-end 2008.

Yen

	<u>Total</u>
25th percentile	104.98
Median	107.99
75th percentile	110.01
Base	221
Mean	107.21
S.D.	8.96
Mode	110.00

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVIA. Give your forecast for the dollar exchange rate for the year-end 2008.

Renminbi

	<u>Total</u>
25th percentile	6.50
Median	6.75
75th percentile	6.95
Base	213
Mean	6.70
S.D.	0.64
Mode	7.00

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVIA. Give your forecast for the dollar exchange rate for the year-end 2008.

Canadian Dollar

	<u>Total</u>
25th percentile	1.00
Median	1.05
75th percentile	1.10
Base	226
Mean	1.09
S.D.	0.54
Mode	1.00

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B). Federal Reserve Chairman broke the normal Fed silence on the dollar, which some interpret as indicating a Fed concern that the dollar's value is not optimal for US economic performance. 1. Do you believe the current value of the dollar is:

	<u>Total</u>
Too depreciated for optimal short run economic performance	117 42.1%
Too appreciated for optimal short run economic performance	24 8.6%
Properly valued to maximize short run economic performance	120 43.2%
No response	17 6.1%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B). Federal Reserve Chairman broke the normal Fed silence on the dollar, which some interpret as indicating a Fed concern that the dollar's value is not optimal for US economic performance. 2. Do you believe the current value of the dollar is:

	<u>Total</u>
Too depreciated for optimal long run economic performance	160 57.6%
Too appreciated for optimal long run economic performance	29 10.4%
Properly valued to maximize long run economic performance	69 24.8%
No response	20 7.2%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B)3. With regard to bilateral exchange rates, what is your view on the following currency: Euro?

	<u>Total</u>
Dollar needs to appreciate against it	173 62.2%
Dollar is an equilibrium value against it	40 14.4%
Dollar needs to depreciate against it	32 11.5%
No response	33 11.9%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B)3. With regard to bilateral exchange rates, what is your view on the following currency: Yen?

	<u>Total</u>
Dollar needs to appreciate against it	98 35.3%
Dollar is an equilibrium value against it	84 30.2%
Dollar needs to depreciate against it	52 18.7%
No response	44 15.8%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B)3. With regard to bilateral exchange rates, what is your view on the following currency:
Chinese Renminbi (yuan)?

	<u>Total</u>
Dollar needs to appreciate against it	76 27.3%
Dollar is an equilibrium value against it	31 11.2%
Dollar needs to depreciate against it	132 47.5%
No response	39 14.0%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B)3. With regard to bilateral exchange rates, what is your view on the following currency:
Mexican Peso?

	<u>Total</u>
Dollar needs to appreciate against it	74 26.6%
Dollar is an equilibrium value against it	128 46.0%
Dollar needs to depreciate against it	19 6.8%
No response	57 20.5%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B)3. With regard to bilateral exchange rates, what is your view on the following currency:
Canadian Dollar?

	<u>Total</u>
Dollar needs to appreciate against it	106 38.1%
Dollar is an equilibrium value against it	107 38.5%
Dollar needs to depreciate against it	18 6.5%
No response	47 16.9%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(B)3. With regard to bilateral exchange rates, what is your view on the following currency: Your choice of currency here?

	Total
Dollar needs to appreciate against it	21 7.6%
Dollar is an equilibrium value against it	12 4.3%
Dollar needs to depreciate against it	5 1.8%
No response	240 86.3%
Base	278

Currency choice:

- Afghani
- Australian
- Australian Dollar
- Br. Pound
- Brazil
- Brazilian Real
- Brazilian Real
- Brazilian Real
- British Pound
- British Pound
- dollar
- Dollar
- English Pound
- euro
- GBP
- Hong Kong Dollar
- Hong Kong Dollar
- New Shekel
- Pound
- Pound
- POUND
- pound
- pound
- Pound
- Riyal
- Rupee
- Russian Rouble
- Russian Ruble
- Swedish Krona
- Swiss franc
- swiss franc
- Swiss francs
- U.K. pound
- UK
- UK Pound
- UK Sterling

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(C). Some argue in favor of the current valuation of the dollar because it is boosting export growth, which is a significant contributor to GDP growth. Others argue that the longer-term costs of the dollar's current valuation is imported inflation. Do you believe:

	<u>Total</u>
This is an appropriate tradeoff, and policymaker should not intervene	109 39.2%
This is not an appropriate tradeoff, and policymaker should not intervene	30 10.8%
The proposition that this is a tradeoff is incorrect	55 19.8%
Policymakers can't directly affect the dollar's valuation	66 23.7%
No response	18 6.5%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

QVI(D). If the dollar stabilizes, what do you think will happen with the trade and current account deficits?

	<u>Total</u>
Will continue to narrow toward zero imbalance; there is sufficient depreciation still to work through	43 15.5%
Will continue to narrow toward zero imbalance; there is still sufficient growth abroad	52 18.7%
Will pretty much stop narrowing; the dollar has to fall further to achieve external balance	57 20.5%
Will pretty much stop narrowing; there has been no change in underlying structural issues such as household spending and imported oil	106 38.1%
No response	20 7.2%
Base	278

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

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

- US Trade policy, structural fiscal issues.
- 1) The nationalization of credit market risk; 2) the impact of expiring dividend and capital gain taxes
- 2008 election policies of major party candidates and then policies of winner
- Access to credit
- alternative energy, U.S. energy policy
- Anticipated labor shortages from retiring boomers?
- Best policies for long-term economic growth
- business cycle turning points; income tax policy (indiv & corp) under next Administration
- climate change policies
- Consumer behavior/business investment/equities market
- Consumer Confidence
- Continue with credit crisis and inflation questions; Ask how current crisis ranks relative to S&L crisis, 1970s energy crisis, Great Depression; Ask about what McCain vs. Obama means for economy
- contribution of public investment in infrastructure to economic growth
- Deficits and Spending
- Demographic issues
- economic policies of the next president
- economics of legalizing drugs to reduce prison population
- Energy
- Energy Costs and Production Decisions
- Energy policy
- Energy Policy
- Evaluate Fed communications
- Excessive size of financial institutions and foreign equity investment in them
- Executive compensation (market priced or distorted by rent-seeking behavior)
- Expanding role of government and government spending.
- fiscal issues, entitlements vs. tax cuts
- Focus on the differences in the economy compared with the past that limit the ability of a relative price shock in energy to morph into a sustained inflation threat
- Funding entitlements
- growth of social service programs - particularly those related to the aging of labor force
- health care
- Health care costs
- Healthcare and job sectors/growth
- Household debt and long-term growth
- How important is healthcare spending to the state of the US economy? What about the near 50 million uninsured Americans?
- How to educate Congress in the field of economics
- How to gain control over federal deficits
- how to narrow income spread
- Immigration
- Impact of foreign direct investment and foreign ownership in U.S. businesses
- Impact of immigration on personal income and productivity
- Impact of Iraq war on economy.
- Impact on economy based on political party in control or White House and Congress
- International Trade Agreements, Transatlantic Economic Cooperation
- IRAQI WAR COSTS
- Lack of adequate labor force to meet the future U.S. economic needs.
- Link between tax policy and the dollar
- long run implications of public & private (household) sector indebtedness
- Long-term Federal deficit prospects.
- Long-term labor and skills shortages -- huge already in some industries
- mortgage
- Once we get past President Bush, there'll be the question of the fed deficit.
- overspending by US Federal, State, and Local governments
- Please address possible solutions to rising energy costs (offshore drilling, biofuels, renewable energy, etc.)

NABE ECONOMIC POLICY SURVEY - AUGUST, 2008

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

- Please make sure questions are coherent and well edited. Some of these questions do not allow all reasonable answers or are internally inconsistent.
- policies in regard to asset bubbles
- Policies to improve productivity growth; energy policy; health care policy
- Proposal to make tax cuts permanent and mounting budget deficit
- Questions on value of conservation of energy on costs
- Railroad infrastructure, transportation capacity
- Reduce length of questionnaire
- Reducing the implicit debt for social security and medicare
- Reduction of the moral danger of leverage by constant Fed intervention in flawed companies/business models.
- Role of the Federal Government in U.S. agriculture
- Saving and investment in the consumption-fixated U.S.
- Saving rates (govt, hh, natioanl): Are current rates sustainable, etc.
- Should "stimulative" be dropped from lexicon on fiscal policy, replaced by goal of full labor-force utilization?
- Should our policy makers explain more clearly the trade and budget problems to the public?
- Should U.S. corporate & personal tax rates be raised,lowered or left as is??
- Skilled & Semi-skilled Labor Shortages
- Stock Market Volatility
- Tax Policy
- Tax policy, Medicare solutions, Social Security solutions
- Tax reform, runaway government spending
- Taxation policy
- The dollar valuation and the CPI over time and /or Productivity and energy prices (factor of production)
- The effect of aging populations in developed nations and implications for growth in undeveloped, or underdeveloped, nations.
- The impact of further drop in home values on homeowners' equity and wealth accumulation
- The long term implications of the structural budget deficit and low savings in general on U.S. long term economic growth.
- The performance of Federal Reserve discretionary monetary policy. With the exception of the oil shocks in the 70's, my belief is every macro event can be traced to bad monetary policy and bank regulation rules.
- To what extent has the financial sector problems slowed growth? If the dollar rises significantly, will growth falter?
- trade, corp. & indiv. tax, trade, energy/environmental, health care policies
- Under the stress of financial crisis, can new president achieve his own policy agenda?
- US efforts at developing alternative energy sources and usage.
- Utility services and resources (e.g. natural gas, electricity and water)
- VERY VERY DESPARATELY NEED A MONTHLY naBE INDEX OF ECONOMIC ACTIVITY INCLUDING COMMENTARY IN ADDITION TO SURVEY
- What can be done to improve the exchange value of the dollar.
- What can be done to re-establish a gold backed currency?
- What effect would Obama's and McCain's policies have on the economy?
- What policies should be developed to address "lifestyle" demands on the public purse and encourage consumer responsibility and accountability, e.g. aging in place and wellness.
- What will be the impact (on financial markets and economy) of increasing tax rates, especially on dividends and capital gains.
- what would be the short and long term impacts of a massive government investment and or tax credit towards improvement of real electric cars
- Which fiscal, monetary and regulatory polcies during which periods are responsible for shortcomings in the current economy?