



## April 2016 News & Updates

### AUBER Loses a Great Friend



All of AUBER mourns the passing of Essie Adibi of Chapman University. Essie was a stalwart within AUBER and a regular attendee at AUBER functions since the early 1990s. He was elected to the board in 1990 and then entered the leadership track becoming president in 1993. He presided over the Annual Meeting in Mobile, Alabama. He returned to serve AUBER in time of need and once again served on the board in 2012. Essie also was a regular attendee at the AUBER-NABE meeting each spring and a presenter at the Western Outlook sessions of the Western Regional Science Association.

Essie will be most missed for his humor and his economic insights. The

hospitality suite at the Fall Meetings will never be the same without his ebullient presence and constant bantering. His analytical and modeling skills made him the pre-eminent authority on the Orange County and California economies. His knowledge of national economic trends made Essie an ever popular sounding board for other AUBERites seeking to improve their own outlook presentations.

## **Where are they now? - Robert C. Dauffenbach**

AUBER President 1992 - University of Oklahoma

Bob is the Senior Associate Dean, Economic Development and Impact. Currently, he leads and facilitates the integration of the personnel, operations and budgets of three University of Oklahoma economic development units in the Price College of Business.

Bob says he has found the secret of stability and longevity in academic administration; stay an associate dean and float at least one level below the surface.

He writes, "AUBER has been foundational to my career, as I know it has for many others. Owing to my expanding associate dean duties, I have not been very active in AUBER recently. In the AUBER tradition, we have continued to expand our state economic information and other initiatives. The association we have experienced with AUBER these many years have guided our efforts. We look to continuing our membership and learning from our colleagues at other AUBER institutions.

Bob continues to live in Norman Oklahoma can be reached at [rdauffen@ou.edu](mailto:rdauffen@ou.edu)

## **Data Synchronization**

**Request:Enable Interagency Sharing of Business Data**

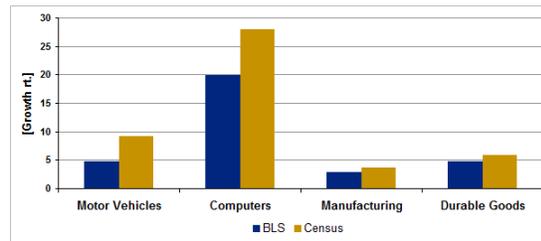
**The Constraint**

Census, BEA, and BLS are not allowed to share business tax data. The Census Bureau is permitted to access specified federal tax information (FTI) from the IRS, BEA is permitted to access a subset thereof, and BLS is not permitted to access FTI either directly from IRS or indirectly via its partner economic statistical agencies BEA and BLS.

### Why this is a problem

The three economic statistical agencies currently maintain separate business lists. The business lists, which are the basis for survey sampling for three major economic statistics agencies, are inconsistent with one another, resulting in the following issues.

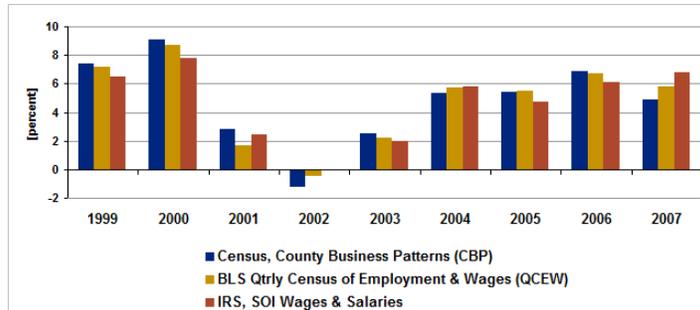
- Some of the economic measures miss growth in emerging non-corporate parts of the economy: peer-to-peer sharing of goods and services (e.g., business conducted via e-Bay), limited liability companies, and the emerging "gig" economy (e.g., Uber/Lyft drivers, AirBnb).
- Businesses are categorized differently by different agencies. A 2006 study comparing classifications of businesses by BLS and the Census Bureau found 33% of matched single-establishment firms had been assigned different North American Industrial Classification System (NAICS) industry codes on the two lists. As a result, estimates of GDP growth rates for key industry sectors can differ according to data source, as shown in chart for 2007. Estimates for Information Technology particularly different despite current importance.
- Potential for inaccurate budget deficit forecasts. For example, according to OMB, if GDP forecasts were consistently understated by as little as 1 percent, the projected cumulative budget deficit would be overstated by \$700 billion over a 5-year period.
- Discrepancies in state-level numbers. For example, the differences between the state payroll data reported by BLS and Census Bureau in 2007 vary from 6% higher in New Hampshire to 12% lower in Alaska. (MT: 4% difference; IA: 2%; NY: 2%; MI: 2%)
- The chart to the right shows how BLS, IRS, and Census measures of reported growth in wages and salaries



have differed over the past decade at the national level.

- BEA is currently unable to provide accurate and comprehensive

statistics on important questions such as 'how does innovation impact economic growth?' and 'what is the income of the growing share of non-corporate businesses such as LLCs, partnerships, etc.?'



## The Benefits

Substantial improvements in accuracy, reliability, and efficiency will be gained across the federal economic statistical system - and across national, regional, and industry data.

- Better measurement of Gross Domestic Product (GDP) and Gross Domestic Income (GDI)
- Better track the 'gig' economy
- Improved measured of productivity
- Improve the Producer Price Index (PPI)
  
- More accurate forecasts of budget deficits
- Ability to create new national and local measures of entrepreneurship
- Improved confidence in the reliability of BEA's state and local area personal income statistics, used by most state and local governments for projecting revenues and budget expenditures.
- Accuracy of BEA measures of International Trade in Services and off-shoring involving small business would be significantly improved by access to non-corporate business data.

The solution to these problems is known, cost-free, and protects privacy: The efficiency of our economic statistical system could be improved by amending U.S. tax code to allow the sharing of the business tax data among IRS, BEA, BLS, and Census.

# Save the Date!

**2016 AUBER Fall Conference**

**Fayetteville, Arkansas**

**October 22-25, 2016**

**The Chancellor Hotel**

**"Local Heroes: Understanding  
Regional Supply Chains and Economic  
Development"**

**Jim Bullard, St. Louis Federal Reserve  
Bank President, Keynoter**

**Host: Kathy Deck, Director of the  
Center for Business and Economic  
Research, Sam M. Walton College of  
Business, University of Arkansas**

**Excursion: Crystal Bridges Museum of American Art**



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