



A P P E N D I X A

REPORT TO THE PRESIDENT
ON THE ACTIVITIES OF THE
COUNCIL OF ECONOMIC
ADVISERS DURING 2009

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS
Washington, D.C., December 31, 2009

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during calendar year 2009 in accordance with the requirements of the Congress, as set forth in section 10(d) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,

Christina D. Romer, *Chair*
Austan Goolsbee, *Member*
Cecilia Elena Rouse, *Member*

COUNCIL MEMBERS AND THEIR DATES OF SERVICE

Name	Position	Oath of office date	Separation date
Edwin G. Nourse	Chairman	August 9, 1946	November 1, 1949
Leon H. Keyserling	Vice Chairman	August 9, 1946	
	Acting Chairman	November 2, 1949	
	Chairman	May 10, 1950	January 20, 1953
John D. Clark	Member	August 9, 1946	
	Vice Chairman	May 10, 1950	February 11, 1953
Roy Blough	Member	June 29, 1950	August 20, 1952
Robert C. Turner	Member	September 8, 1952	January 20, 1953
Arthur F. Burns	Chairman	March 19, 1953	December 1, 1956
Neil H. Jacoby	Member	September 15, 1953	February 9, 1955
Walter W. Stewart	Member	December 2, 1953	April 29, 1955
Raymond J. Saulnier	Member	April 4, 1955	
	Chairman	December 3, 1956	January 20, 1961
Joseph S. Davis	Member	May 2, 1955	October 31, 1958
Paul W. McCracken	Member	December 3, 1956	January 31, 1959
Karl Brandt	Member	November 1, 1958	January 20, 1961
Henry C. Wallich	Member	May 7, 1959	January 20, 1961
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964
James Tobin	Member	January 29, 1961	July 31, 1962
Kermit Gordon	Member	January 29, 1961	December 27, 1962
Gardner Ackley	Member	August 3, 1962	
	Chairman	November 16, 1964	February 15, 1968
John P. Lewis	Member	May 17, 1963	August 31, 1964
Otto Eckstein	Member	September 2, 1964	February 1, 1966
Arthur M. Okun	Member	November 16, 1964	
	Chairman	February 15, 1968	January 20, 1969
James S. Duesenberry	Member	February 2, 1966	June 30, 1968
Merton J. Peck	Member	February 15, 1968	January 20, 1969
Warren L. Smith	Member	July 1, 1968	January 20, 1969
Paul W. McCracken	Chairman	February 4, 1969	December 31, 1971
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971
Herbert Stein	Member	February 4, 1969	
	Chairman	January 1, 1972	August 31, 1974
Ezra Solomon	Member	September 9, 1971	March 26, 1973
Marina v.N. Whitman	Member	March 13, 1972	August 15, 1973
Gary L. Seevers	Member	July 23, 1973	April 15, 1975
William J. Fellner	Member	October 31, 1973	February 25, 1975
Alan Greenspan	Chairman	September 4, 1974	January 20, 1977
Paul W. MacAvoy	Member	June 13, 1975	November 15, 1976
Burton G. Malkiel	Member	July 22, 1975	January 20, 1977
Charles L. Schultze	Chairman	January 22, 1977	January 20, 1981
William D. Nordhaus	Member	March 18, 1977	February 4, 1979
Lyle E. Gramley	Member	March 18, 1977	May 27, 1980

COUNCIL MEMBERS AND THEIR DATES OF SERVICE

Name	Position	Oath of office date	Separation date
George C. Eads	Member	June 6, 1979	January 20, 1981
Stephen M. Goldfeld	Member	August 20, 1980	January 20, 1981
Murray L. Weidenbaum	Chairman	February 27, 1981	August 25, 1982
William A. Niskanen	Member	June 12, 1981	March 30, 1985
Jerry L. Jordan	Member	July 14, 1981	July 31, 1982
Martin Feldstein	Chairman	October 14, 1982	July 10, 1984
William Poole	Member	December 10, 1982	January 20, 1985
Beryl W. Sprinkel	Chairman	April 18, 1985	January 20, 1989
Thomas Gale Moore	Member	July 1, 1985	May 1, 1989
Michael L. Mussa	Member	August 18, 1986	September 19, 1988
Michael J. Boskin	Chairman	February 2, 1989	January 12, 1993
John B. Taylor	Member	June 9, 1989	August 2, 1991
Richard L. Schmalensee	Member	October 3, 1989	June 21, 1991
David F. Bradford	Member	November 13, 1991	January 20, 1993
Paul Wonnacott	Member	November 13, 1991	January 20, 1993
Laura D'Andrea Tyson	Chair	February 5, 1993	April 22, 1995
Alan S. Blinder	Member	July 27, 1993	June 26, 1994
Joseph E. Stiglitz	Member	July 27, 1993	
	Chairman	June 28, 1995	February 10, 1997
Martin N. Baily	Member	June 30, 1995	August 30, 1996
Alicia H. Munnell	Member	January 29, 1996	August 1, 1997
Janet L. Yellen	Chair	February 18, 1997	August 3, 1999
Jeffrey A. Frankel	Member	April 23, 1997	March 2, 1999
Rebecca M. Blank	Member	October 22, 1998	July 9, 1999
Martin N. Baily	Chairman	August 12, 1999	January 19, 2001
Robert Z. Lawrence	Member	August 12, 1999	January 12, 2001
Kathryn L. Shaw	Member	May 31, 2000	January 19, 2001
R. Glenn Hubbard	Chairman	May 11, 2001	February 28, 2003
Mark B. McClellan	Member	July 25, 2001	November 13, 2002
Randall S. Kroszner	Member	November 30, 2001	July 1, 2003
N. Gregory Mankiw	Chairman	May 29, 2003	February 18, 2005
Kristin J. Forbes	Member	November 21, 2003	June 3, 2005
Harvey S. Rosen	Member	November 21, 2003	
	Chairman	February 23, 2005	June 10, 2005
Ben S. Bernanke	Chairman	June 21, 2005	January 31, 2006
Katherine Baicker	Member	November 18, 2005	July 11, 2007
Matthew J. Slaughter	Member	November 18, 2005	March 1, 2007
Edward P. Lazear	Chairman	February 27, 2006	January 20, 2009
Donald B. Marron	Member	July 17, 2008	January 20, 2009
Christina D. Romer	Chair	January 29, 2009	
Austan Goolsbee	Member	March 11, 2009	
Cecilia E. Rouse	Member	March 11, 2009	

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 2009

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues.

THE CHAIR OF THE COUNCIL

Christina D. Romer was nominated as Chair of the Council by the President on January 20, 2009. She was confirmed by the Senate on January 28, and took the oath of office on January 29. Dr. Romer is on a leave of absence from the University of California, Berkeley, where she is the Class of 1957-Garff B. Wilson Professor of Economics.

The Chair is a member of the President's Cabinet and is responsible for communicating the Council's views on economic matters directly to the President through personal discussions and written reports. Dr. Romer represents the Council at the daily Presidential economics briefing, daily White House senior staff meetings, budget meetings, Cabinet meetings, a variety of inter-agency meetings, and other formal and informal meetings with the President, the Vice President, and other senior government officials. She also meets frequently with members of Congress in both formal hearings and informal meetings to discuss economic issues and Administration priorities. She travels within the United States and overseas to present the Administration's views on the economy. Dr. Romer is the Council's chief public spokesperson. She directs the work of the Council and exercises ultimate responsibility for the work of the professional staff.

Dr. Romer succeeded Edward P. Lazear, whose tenure ended with the inauguration of the new President. Dr. Lazear returned to Stanford University, where he is the Jack Steele Parker Professor of Human Resources Management and Economics in the Graduate School of Business and the Morris Arnold Cox Senior Fellow at the Hoover Institution.

THE MEMBERS OF THE COUNCIL

The other Members of the Council are Austan Goolsbee and Cecilia Rouse. They were nominated by the President on January 20, 2009, confirmed by the Senate on March 10, and took their oaths of office on March 11. Dr. Goolsbee also serves as the Staff Director and Chief Economist of the President's Economic Recovery Advisory Board. Dr. Goolsbee is on a leave of absence from the University of Chicago, where he is the Robert P. Gwinn Professor of Economics in the Booth School of Business. Dr. Rouse is on a leave of absence from Princeton University, where she is the Theodore A. Wells '29 Professor of Economics and Public Affairs. The Members represent the Council at a wide variety of meetings and frequently attend meetings with the President and the Vice President.

The Chair and the Members work as a team on most economic policy issues. The Chair works on the whole range of issues under the Council's purview, with a particular focus on macroeconomics and health care. Dr. Goolsbee focuses especially on issues related to housing, financial markets, and tax policy. Dr. Rouse focuses especially on issues related to labor markets, education, and international trade.

The term of Donald B. Marron as a Member of the Council ended with the inauguration of the new President. He is currently president of Marron Economics, LLC.

AREAS OF ACTIVITY

Macroeconomic Policies

A central function of the Council is to advise the President on all major macroeconomic issues and developments. The Council is actively involved in all aspects of macroeconomic policy. In 2009, the central macroeconomic issues included monitoring the financial and economic crisis; formulating the policy response, including the American Recovery and Reinvestment Act of 2009, the Financial Stability Plan, and additional measures targeted to spur job creation and deal with problems in specific sectors; evaluating the effects of the policies and the economy's response; health insurance reform; and setting priorities for the budget. In this process, the Council works closely with the Department of the Treasury, the Office of Management and Budget, the National Economic Council, White House senior staff, and other agencies and officials.

The Council prepares for the President, the Vice President, and the White House senior staff a daily economic briefing memo analyzing current economic developments, and almost-daily memos on key economic data

releases. The Chair also makes more in-depth presentations on the state of the economy to these officials and to the Cabinet.

The Council, the Department of Treasury, and the Office of Management and Budget—the Administration’s economic “troika”—are responsible for producing the economic forecasts that underlie the Administration’s budget proposals. The Council initiates the forecasting process twice each year, consulting with a wide variety of outside sources, including leading private sector forecasters and other government agencies.

The Council issued a series of reports in 2009. Among those most directly related to macroeconomic policy were a report issued in May on estimation methodology for the jobs impact of specific programs of the Recovery Act; a report in June on the economic effects of comprehensive health insurance reform; a report in September on the macroeconomic effects of the Recovery Act; and three shorter reports accompanying that report focusing on the effects of state fiscal relief, the effects of the “Cash for Clunkers” program, and the cross-country experience with fiscal policy in the crisis.

The Council continued its efforts to improve the public’s understanding of economic developments and of the Administration’s economic policies through briefings with the economic and financial press, discussions with outside economists, and presentations to outside organizations. The Chair and Members also regularly met to exchange views on the macroeconomy with the Chairman and Members of the Board of Governors of the Federal Reserve System.

Microeconomic Policies

Throughout the year, the Council was an active participant in the analysis and consideration of a broad range of microeconomic policy issues. The Council was actively engaged in policy discussions on health insurance reform, financial regulatory reform, clean energy, the environment, education, and numerous labor market issues. As with macroeconomic policy, the Council works closely with other economic agencies, White House senior staff, and other agencies on these issues. Among the specific microeconomic issues that received particular attention in 2009 were small business lending; foreclosure mitigation and prevention; unemployment insurance; the condition and prospects of the American automobile industry; the role of cost-benefit analysis in regulatory policy; estimating the social benefits of reduced carbon emissions; reform of K-12 education; student financial aid; community colleges; potential developments in the U.S. labor market over the next five to ten years; and key indicators of family well-being in the recession and accompanying policy responses.

Many of the reports issued by the Council in 2009 were primarily concerned with microeconomic issues. In addition to its major health care report in June, the Council issued three other reports on health insurance reform over the course of the year—one on its impact on small businesses and their employees in July, one on its impact on state and local governments in September, and an update of the June report in December. The Council also issued an extensive report on the “jobs of tomorrow” in July and a report on simplifying student aid in September.

International Economic Policies

The Council was involved in a range of international trade and finance issues, with a particular emphasis on the consequences of the international financial crisis and the related global economic slowdown. The Council was an active participant in discussions at global and bilateral levels. Council Members and staff regularly met with economists, policy officials, and government officials of other countries to discuss issues relating to the global economy and participated in the first Strategic and Economic Dialogue with China in July 2009.

The Council was particularly active in examining policies that could help speed the global economy out of the current crisis. It carefully tracked developments in the global economy and considered the potential medium-run impacts of the current crisis. It was also an active participant in the Presidential Study Directive examining the development policies of the United States Government, providing analysis and support to the effort to review the interactions between the United States and countries in the developing world.

On the international trade front, the Council was an active participant in the trade policy process, occupying a position on the Trade Policy Staff Committee and the Trade Policy Review Group. The Council provided analysis and recommendations on a range of trade-related issues involving the enforcement of existing trade agreements, reviews of current U.S. trade policies, and consideration of future policies. The Council was also an active participant on the Trade Promotion Coordinating Committee, helping to examine the ways in which exports may support economic growth in the years to come. In the area of investment and security, the Council participated on the Committee on Foreign Investment in the United States (CFIUS), discussing individual cases before CFIUS.

The Council is a leading participant in the Organisation for Economic Co-operation and Development (OECD), an important forum for economic cooperation among high-income industrial economies. Dr. Romer is

chair of the OECD's Economic Policy Committee, and Council staff participate actively in working-party meetings on macroeconomic policy and coordination.

PUBLIC INFORMATION

The Council's annual *Economic Report of the President* is an important vehicle for presenting the Administration's domestic and international economic policies. It is available for purchase through the Government Printing Office, and is viewable on-line at www.gpoaccess.gov/eop.

The Council prepared numerous reports in 2009, and the Chair and Members gave numerous public speeches and testified to Congress. The reports, texts of speeches, and written statements accompanying testimony are available at the Council's website, www.whitehouse.gov/cea.

Finally, the Council publishes the monthly *Economic Indicators*, which is available on-line at www.gpoaccess.gov/indicators.

THE STAFF OF THE COUNCIL OF ECONOMIC ADVISERS

The staff of the Council consists of the senior staff, senior economists, staff economists, research assistants, analysts, and the administrative and support staff. The staff at the end of 2009 were:

Senior Staff

Senior staff play key managerial and analytical roles at the Council. They direct operations, perform central Council functions, and represent the Council in meetings with other agencies and White House offices.

Nan M. Gibson Chief of Staff
Michael B. Greenstone Chief Economist
Steven N. Braun Director of Macroeconomic Forecasting
Adrienne Pilot Director of Statistical Office

Senior Economists

Senior economists are Ph.D. economists on leave from academic institutions, government agencies, or private research institutions. They participate actively in the policy process, represent the Council in inter-agency meetings, and have primary responsibility for the economic analysis and reports prepared by the Council. Each senior economist is typically a primary author of one of the chapters in this *Report*.

Christopher D. Carroll	Macroeconomics
Mark G. Duggan	Health
W. Adam Looney	Public Finance, Tax Policy
Andrew Metrick	Finance
Jesse M. Rothstein	Labor, Education, Welfare
Jay C. Shambaugh	International Macroeconomics and Trade
Ann Wolverton	Energy, Environment, Natural Resources

Staff Economists

Staff economists are typically graduate students on leave from their Ph.D. training in economics. They conduct advanced statistical analysis, contribute to reports, and generally support the research and analysis mission of the Council.

Sharon E. Boyd	Health
Gabriel Chodorow-Reich	International Macroeconomics and Trade
Laura J. Feiveson	Macroeconomics, Finance
Joshua K. Goldman	Energy, Environment, Infrastructure
Sarena F. Goodman	Education, Labor, Public Finance
Joshua K. Hausman	Macroeconomics
Zachary D. Liscow	Public Finance, Labor, Environment
William G. Woolston	Health, Education

Research Assistants

Research assistants are typically college graduates with significant coursework in economics. They conduct statistical analysis and data collection, and generally support the research and analysis mission of the Council. Both staff economists and research assistants contribute to this *Report* and play a crucial role in ensuring the accuracy of all Council documents.

Peter N. Ganong	Labor, Public Finance, Environment
Clare M. Hove	Macroeconomics
Michael P. Shapiro	Health, International Economics

Statistical Office

The Statistical Office gathers, administers, and produces statistical information for the Council. Duties include preparing the statistical appendix to the *Economic Report of the President* and the monthly publication *Economic Indicators*. The staff also creates background materials for economic analysis and verifies statistical content in Presidential memoranda. The Office serves as the Council’s liaison to the statistical community.

Brian A. Amorosi Program Analyst
Dagmara A. Mocala Program Analyst

Administrative Office

The Administrative Office provides general support for the Council's activities. This includes financial management, ethics, human resource management, travel, operations of facilities, security, information technology, and telecommunications management support.

Rosemary M. Rogers Administrative Officer
Archana A. Snyder Financial Officer
Doris T. Searles Information Management Specialist

Office of the Chair

Julie B. Siegel Special Assistant to the Chair
Lisa D. Branch Executive Assistant to the Members and
Assistant to the Chief Economist

Staff Support

Sharon K. Thomas Administrative Support Assistant

Other Staff

Brenda Szittyta and Martha Gottron provided editorial assistance in the preparation of the 2010 *Economic Report of the President*.

C. Bennett Blau and Gabrielle A. Elul served as staff assistants. Mr. Blau also served as editor of the Morning Economic Bulletin.

Student interns provide invaluable help with research projects, day-to-day operations, and fact-checking. Interns during the year were: Michael D. Arena; Jana Curry; Samantha G. Ellner; Brett B. Flagg; Karen R. Li; Devin K. Mattson; Allison L. Moore; Seth H. Werfel; Carl C. Wheeler; Kie C. Riedel; Rebecca A. Wilson; Yuelan L. Wu; and Allen Yang.

DEPARTURES

Jane E. Ihrig left her position as Chief Economist of the Council in January to return to the Federal Reserve Board. Pierce E. Scranton left his position as Chief of Staff in January. He was succeeded by Karen Anderson, who left the Council in November for maternity leave.

The senior economists who resigned during the year (with their institutions after leaving the Council in parentheses) were: Jean M. Abraham (University of Minnesota); Scott J. Adams (University of Wisconsin);

Benjamin N. Dennis (Department of the Treasury); Erik W. Durbin (Sullivan and Cromwell, LLP); Wendy M. Edelberg (Financial Crisis Inquiry Commission); Elizabeth A. Kopits (Environmental Protection Agency); Michael S. Piwowar (Senate Banking Committee); William M. Powers (International Trade Commission); and Robert P. Rebelein (Vassar College).

The staff economists who resigned during 2009 were Kristopher J. Dawsey, Elizabeth Schultz, and Brian Waters. Those who served as research assistants at the Council and resigned during 2009 were Michael Love and Aditi P. Sen.

There were three retirements at the Council in 2009: Alice Williams, Sandy Daigle and Mary Jones. Ms. Williams devoted 39 years and Ms. Daigle 23 years to the Council. Their untiring commitment, dedication, and loyalty in serving the Council, the Chairs, and the people of the United States over the years was extraordinary and will be greatly missed. Ms. Jones's 23 years of dedication to the senior economists and Council Members was a testament to her commitment to the Council and was greatly appreciated.