

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 1: Q1(A). What do you think is the one most serious problem facing the U.S. economy over the next two years?

	Total
Growing federal deficit	46 27.2%
The Middle East and terrorism	40 23.7%
Current account deficit & the collapse of the dollar	26 15.4%
Energy and other supply shortages	19 11.2%
Rising inflation	10 5.9%
Poorly prepared labor force/ shortage of skilled labor	7 4.1%
Excessive household and/or corporate debt	4 2.4%
Lack of jobs	4 2.4%
Industrial overcapacity	2 1.2%
Other	9 5.3%
No Response	2 1.2%
Base	169

Other:

- Growth of government spending
- Potential failure of Congress to enact meaningful Social Security reform including raising retirement age and creating personal accounts you control and own.
- Twin deficits and the collapse of the dollar and spiking interest rates
- Economic inequality
- excessive expansionary monetary policy stimulating inflationary pressures
- government spending is out of control
- growing property bubble (140%+ / GDP) , & relatively low savings
- health care costs
- Lack of Corporate Risk Taking
- Low interest rates and resulting excessive consumption and residential investment
- Not terrorism, but the Iraq War

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 2: QI(B). What is the biggest long-term challenge to the economy?

	Total
Health care costs	38 22.5%
Growth of elderly population & rising dependency ratio	37 21.9%
Federal deficits	35 20.7%
Educational inadequacies and shortage of skilled labor	27 16.0%
International competitiveness & job losses to abroad	13 7.7%
Energy issues	7 4.1%
Other	10 5.9%
No Response	2 1.2%
Base	169

Other:

- Medicare and Medicaid plus Social Security
- Reforming Medicare and Medicaid to make them viable w/o raising taxes.
- Entitlement programs that are on an unsustainable path.
- Demographic impact on federal entitlement programs
- inadequate transportation infrastructure
- job growth and capital formation
- Lack of household saving
- maintaining productivity growth - that is supported by/hindered the other mentioned issues
- terrorism
- terrorism and extremism
- Unsustainable trade deficits

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 3: QI(C). What do you think is the U.S's greatest economic strength today?

	<u>Total</u>
Technological lead and strong productivity	59 34.9%
Flexible economy and labor force	59 34.9%
Deep capital markets	21 12.4%
Democratic government	7 4.1%
Quality work force	5 3.0%
Legal and judicial institutions	5 3.0%
Effective monetary policy	4 2.4%
World's sole remaining super power	3 1.8%
Quality of corporate management	1 0.6%
Other	5 3.0%
Base	169

Other:

- all of the above
- Entrepreneurship
- Global linkages
- I worry that we no longer have relative economic strength in any of the issues above
- Quality of Education System

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 4: QII(A). Do you consider current monetary policy to be:

	<u>Total</u>
Too stimulative	56 33.1%
Too restrictive	5 3.0%
About right	107 63.3%
Don't know	0 0.0%
No Response	1 0.6%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 5: QII(B). Over the next six months, would you prefer monetary policy to be:

	<u>Total</u>
More stimulative	13 7.7%
More restrictive	112 66.3%
Unchanged	44 26.0%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 6: 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
<u>INCREASE</u>	164 97.0%
Increase, no amount given	0 0.0%
Increase of 25 basis points or less	9 5.3%
26 - 50	43 25.4%
51 - 75	50 29.6%
76 - 100	43 25.4%
101 - 125	12 7.1%
126 - 150	7 4.1%
<u>DECREASE</u>	1 0.6%
Decrease, no amount given	0 0.0%
Decrease of 25 basis points or less	0 0.0%
26 - 50	0 0.0%
51 - 75	1 0.6%
<u>REMAIN THE SAME</u>	4 2.4%
No Change	4 2.4%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 7: QIII(A). Do you consider current fiscal policy to be:

	<u>Total</u>
Too stimulative	128 75.7%
Too restrictive	10 5.9%
About right	29 17.2%
Don't know	2 1.2%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 8: QIII(B). Over the next two years, would you prefer fiscal policy to be:

	<u>Total</u>
More stimulative	15 8.9%
More restrictive	135 79.9%
Unchanged	18 10.7%
No Response	1 0.6%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 9: QIII(C). Over the next two years, do you expect fiscal policy to be:

	<u>Total</u>
More stimulative	52 30.8%
More restrictive	58 34.3%
Unchanged	58 34.3%
No Response	1 0.6%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 10: QIII(D). Which of following tools would be most help to the economy in the short run?

	RATING						N.R.	Mean
	Total	LEAST 1	2	3	4	MOST 5		
Cutting taxes	169 100%	59 35%	34 20%	25 15%	26 15%	21 12%	4 2%	2.5
Increased federal spending	169 100%	79 47%	37 22%	27 16%	9 5%	12 7%	5 3%	2.0
Tort reform of class-action liability lawsuits	169 100%	38 22%	29 17%	52 31%	27 16%	18 11%	5 3%	2.7
Reducing tariffs and trade quotas	169 100%	12 7%	26 15%	60 36%	41 24%	26 15%	4 2%	3.3
Other	169 100%	0 0%	4 2%	11 7%	15 9%	31 18%	108 64%	4.2

Other:

- Curtailing entitlements
- Enact flat tax on consumption - repeal 16th amendment
- Credible commitment to slow growth of gov. spending
- Raising taxes
- A flat tax.
- Address Health Care Costs
- At this point, reduced federal spending and higher taxes will help keep interest rates lower
- Attacking federal deficit
- Create an Energy Policy
- Curbing Health Care Costs
- Cut federal spending
- cut pork, of course, one person's pork is another person's income
- cut spending, raise taxes
- Cutting the deficit
- decreasing growth of federal spending
- Energy conservation measures
- Expand payroll tax-base and increase income tax-rate on highest bracket
- Harmonizing currency policies with our trading partners in Asia.
- Health Care Reform
- Health Care Reform
- If only one, d(5). If all, a(3); b(4); c(1)
- Immigration
- Improve confidence through higher responsibility
- improve environment for corp. managers with regard to risk taking
- Increase domestic savings either Personal or Government
- increase federal spending on technology/workforce development; reduce federal spending on defense
- Increase savings through net increase in payroll taxes
- Increase tax rates
- Increased fiscal discipline: taxes up, spending down
- increased spending must be domestic, not defense to help the economy much
- Increasing Taxes to pay for public goods and services
- Monetary policy
- Monetary policy to keep inflation low
- move toward balanced budget, increase household savings

(Continues)

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 10: QIII(D). Which of following tools would be most help to the economy in the short run?
(Other continued)

- raise taxes
- Raising taxes
- Raising taxes to support Medicare
- realistic action on government spending
- reduce deficit
- Reduced federal spending
- Reduced Federal spending (4)
- Reduced military spending
- Reducing econ regulation
- Reducing growth rate of health care spending
- Reducing the size of the federal government
- reorienting federal spending to support needs of low income households
- repeal most of Bush tax cuts
- Repeal of Sarbanes-Oxley
- Restore taxes on the rich, use revenues to expand health coverage
- simplify tax code
- slowing growth of govt. spending
- Social Security Reform
- Social Security Reform
- Strengthening value of dollar by Treasury Dept
- tax entitlement reform to reduce defricit
- tax reform
- using progressive means (taxes) to address the deficit

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 11: QIV(A). How important is social security reform?

	Total
System is in crisis & needs to be fixed now	15 8.9%
System has serious shortfalls should be fixed/not critical	116 68.6%
Problems overstated & we can take our time to get it right	34 20.1%
This a manufactured crisis. Should wait & see if real	4 2.4%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 12: QIV(B). If reform is needed, please rate the desirability of the following proposals.

	RATING						N.R.	Mean
	Total	LEAST 1	2	3	4	MOST 5		
Partial privatization	169 100%	52 31%	32 19%	23 14%	33 20%	26 15%	3 2%	2.7
Index to CPI rather than wages	169 100%	16 9%	37 22%	40 24%	37 22%	35 21%	4 2%	3.2
Reduce high-end payouts	169 100%	25 15%	23 14%	57 34%	34 20%	23 14%	7 4%	3.0
Eliminate tax cap on contributions	169 100%	23 14%	20 12%	31 18%	43 25%	47 28%	5 3%	3.4
Raise tax rate	169 100%	64 38%	40 24%	32 19%	17 10%	11 7%	5 3%	2.2
Raise retirement age (beyond 67)	169 100%	13 8%	18 11%	35 21%	49 29%	52 31%	2 1%	3.7
Invest trust funds in other assets	169 100%	41 24%	43 25%	37 22%	32 19%	12 7%	4 2%	2.6
Require state and local workers to join	169 100%	28 17%	29 17%	49 29%	29 17%	28 17%	6 4%	3.0

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 13: QIV(C). How should the current shortfall be funded?

	<u>Total</u>
Borrow from general funds	51 30.2%
Borrow, but with increase ear- marked to pay bonds/interest	39 23.1%
Provide more to balance fund without explicit borrowing	65 38.5%
No Response	14 8.3%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 14: QIV(D). Is it important to have the overall budget in balance before the baby boom retires?

	Total
Yes	66 39.1%
No	43 25.4%
A little	57 33.7%
No Response	3 1.8%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 15: QIV(E). Can Medicare and Medicaid survive without major reform?

	Total
Yes	18 10.7%
No	149 88.2%
No Response	2 1.2%
Base	169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 16: QIV(F). Please rate the desirability of the following proposals.

	RATING						N.R.	Mean
	Total	LEAST 1	2	3	4	MOST 5		
Increase Medicare tax rate	169 100%	31 18%	38 22%	39 23%	16 9%	4 2%	41 24%	2.4
Subsidize from general revenues	169 100%	21 12%	41 24%	43 25%	12 7%	7 4%	45 27%	2.5
Control payouts to providers	169 100%	7 4%	31 18%	33 20%	35 21%	20 12%	43 25%	3.2
Make high-income elderly pay for more of own care	169 100%	8 5%	14 8%	26 15%	51 30%	30 18%	40 24%	3.6
Shift to a consumption tax rather than a payroll tax	169 100%	28 17%	22 13%	26 15%	32 19%	19 11%	42 25%	2.9
Go to a single-payer system	169 100%	36 21%	24 14%	25 15%	17 10%	18 11%	49 29%	2.6
Move to UK-style national health system	169 100%	73 43%	19 11%	19 11%	6 4%	8 5%	44 26%	1.9

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 17: QIV(G). Should social security reform be done before Medicare reform?

	Total
Yes, because it is easier and thus can get done now	50 29.6%
No, because they should be done together	49 29.0%
No, SS is minor problem, while Medicare is a major one	47 27.8%
Yes, it is more important Medicare should be PAYGO sys.	22 13.0%
No, because neither should be reformed	0 0.0%
No Response	4 2.4%
 Base	 169

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 18: QIV(H). Is the trust fund meaningful, since it only contains government promises to pay?

	<u>Total</u>
Yes	56 33.1%
No	31 18.3%
Only politically	82 48.5%
Base	169

NABE ECONOMIC POLICY SURVEY, AUGUST 2004

Table 19: I. What is the probability that Congress will pass a major social security reform in 2005 or 2006?

Probability percent	Total
0	5 3.0%
3	1 0.6%
5	7 4.1%
10	18 10.7%
15	5 3.0%
20	21 12.4%
25	25 14.8%
30	11 6.5%
33	1 0.6%
35	1 0.6%
40	10 5.9%
45	1 0.6%
50	24 14.2%
51	1 0.6%
55	2 1.2%
60	12 7.1%
65	1 0.6%
66	2 1.2%

NABE ECONOMIC POLICY SURVEY, AUGUST 2004

Table 19: I. What is the probability that Congress will pass a major social security reform in 2005 or 2006?

	<u>Total</u>
Probability percent	
68	1 0.6%
70	7 4.1%
75	1 0.6%
80	4 2.4%
90	3 1.8%
95	1 0.6%
100	2 1.2%
No Response	2 1.2%
Base	169
Mean	35.8
S.D.	23.5
Median	30.0

NABE ECONOMIC POLICY SURVEY, AUGUST 2004

Table 20: Future topics:

- 1. Trade issues - OR/LAFTA, Iowa Round, FRAA, APEC FT, etc. 2. China topics
- 1. Tax reform/simplification 2. Proposals to reform health insurance/employee benefits
- China
- CPI indexed for Social Security COLAs; Underground economy - evidence in growth and employment
- current account deficit
- Current Account Deficit / Dollar
- current account deficit / net capital inflows
- deficit, war on terror
- Dollar linkages to real growth, inflation, bond yields
- dollar value drop and long run effect on standard of living in the us
- Drugs - legal and illegal
- Education reform
- education reforms; immigration policies and the workforce; volunteerism & business
- Elimination of subsidies for National Public Television and Radio, for sugar and other agricultural products, U.S. shipbuilding, and all the most egregious protectionist policies that make it difficult to negotiate trade liberalization.
- Energy Independence
- Energy policy
- Energy policy
- environmental taxes as a revenue source
- Exchange rates
- Exchange-rate mechanisms, reforms, how to sort out imbalances
- federal tax simplification; alternatives to federal income tax
- Financial, economic, military, and political commitments increases are far too costly
- Focus on Medicaid, international value of dollar
- Greenspan's successor & the culture at the Fed when Greenspan leaves
- Health Care -- how should we reform Medicare, Medicaid and the private system
- health care costs
- Health care system reforms
- Health reform options
- how serious is the trade deficit?
- How to improve worker productivity; healthcare cost reductions (wellness incentives)
- How to solve the looming health care crisis.
- Immigration reform/control and foreign labor issues
- Impact of global war on terror on the U.S. economy long-term
- Impact of tax cuts on deficits, medicaid, medicare
- In IV C, there is no current shortfall. We are financing the operating deficit with Social Security surpluses. Future question should be on budget reform and the budget institutions. Is it ok to not include Iraq spending in the Pres. budget?
- income tax reform, education, health care, inflation target for Fed, productivity
- Inflation targeting, CONSEQUENCES of federal, external deficits
- International trade policies
- Investment in Public Goods, especially education
- Is the tax system too progressive?
- medicare and medicaid
- Medicare Reform
- Monetary policy options; Value of Dollar options at Treasury
- more choices on how to fix healthcare; energy
- More Detail on Medicaid and/or state-federal fiscal relations
- More in depth on the current account deficit
- National Savings Rate
- Productivity
- Proposals to restrain federal spending, health savings accounts, types of tax reform
- quality of US labor force, preK-12 and college education
- Questions regarding the benefits of the forces driving the US trade deficit, to gauge whether observers are thinking beyond the size of the deficit itself.
- Regarding Question. IV C., There is no current shortfall. There is only a forecast of one.
- Social Security COLA Reform for Benefits Growth
- tax enforcement-- seems lax and uneven -Is that important?
- Tax reform
- Tax reform
- terrorism @ ports- inevitable disaster looming

(Continues)

NABE ECONOMIC POLICY SURVEY - MARCH, 2005

Table 20: Future topics: (continued)

- The economic and political impact of illegal immigration
- The need to raise taxes to assure high quality services. We never really seem to talk about this.
- This Administration's total disregard for the effects of their fiscal deficits. This creates great problems in the future, just compounding the other problems for the Medicare, Medicaid, and Social Security outlooks.
- Trade and currency policy. Alternative approaches to federal taxation.
- TRIA (Terrorism insurance coverage from govt) Significance of...
- We should probably look at the dollar next time
- What can be done to improve our education system?
- What effect are Sarbanes-Oxles and CEO prosecutions likely have on risk taking in the US economy? Could they permanently dampen "animal spirits"?
- Who will replace Alan Greenspan at the Fed, and will an inflation target be adopted?
- World Governance, Environmental Issues, Economics of Poverty Alleviation