



# American Economic Association

*1987 Committee on the Status of Women in the Economics Profession*

## NEWSLETTER

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NANCY M. GORDON (Chair)  
Congressional Budget Office  
2nd and D Streets, S.W.  
Washington, DC 20515  
202 / 226-2669

BETH E. ALLEN  
Department of Economics  
University of Pennsylvania  
3718 Locust Walk CR  
Philadelphia, PA 19104-6297  
215 / 898-6774

CECILIA CONRAD  
Department of Economics  
Barnard College  
New York, NY 10027  
212 / 280-3333

KAREN DAVIS  
Department of Health Policy &  
Management  
School of Hygiene and Public Health  
The Johns Hopkins University  
624 North Broadway  
Baltimore, MD 21205  
301 / 955-3625

ALAN E. FECHTER  
Office of Scientific & Engineering  
Personnel  
National Research Council  
2101 Constitution Avenue, N.W.  
Washington, DC 20418  
202 / 334-2700

HELEN B. JUNZ  
European Department  
International Monetary Fund  
Washington, DC 20431  
202 / 623-8849

SHULAMIT KAHN  
National Bureau of Economic Research  
1050 Massachusetts Avenue  
Cambridge, MA 02138  
617 / 868-3900

JUDITH R. LAVE  
Graduate School of Public Health  
University of Pittsburgh  
Pittsburgh, PA 15261  
412 / 624-0898

KATHARINE C. LYALL  
Executive Vice President  
University of Wisconsin System  
1730 Van Hise Hall  
1220 Linden Drive  
Madison, WI 53706  
608 / 262-6420

MARJORIE B. McELROY  
Department of Economics  
Duke University  
Durham, NC 27706  
919 / 684-4003

ex-officio, AEA President:  
GARY S. BECKER  
Department of Economics  
University of Chicago  
126 East 59th Street  
Chicago, IL 60637-1590  
312 / 702-8168

Membership Secretary:  
JOAN G. HAWORTH  
Economic Research Services, Inc.  
4901 Tower Court  
Tallahassee, FL 32303  
904 / 562-1211

Nancy Gordon, Co-editor  
(202) 226-2669

Katharine Lyall, Co-editor  
(608) 262-4048

Toni Foxx, Assistant Editor  
(202) 226-2650

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### WELCOME TO NEW CSWEP BOARD MEMBERS

Kathryn Morrison, New York City Health and Hospitals  
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Barbara Newell, Florida State University

## HOW SHOULD CHILDREN BE SUPPORTED?

Problems of child support and national welfare policies are of increasing research and policy concern. The following articles present contrasting views of policy research in this field. Anne R. Gordon describes research on current experiments enforcing child support payments by absent fathers. Emily Stoper proposes a different way to help welfare mothers improve their futures and those of their children.

### CHILD SUPPORT POLICY

by Anne R. Gordon, Mathematica Policy Research 1/

In recent years, there has been increasing recognition that the relatively low incomes of single-mother families are caused not only by the mother's low earnings, but also by the low levels of child support paid by absent fathers. In 1985, ten years after the creation of the federal Office of Child Support Enforcement (OCSE), only 61 percent of women with children from absent parents had child support awards. Of the women who had awards and were due child support payments in 1985, only 48 percent received the full amount, while 26 percent received partial payment, and 26 percent received no payments at all. Members of economically disadvantaged groups were much less likely to have child support awards; for example, only 40 percent of women with incomes below the poverty level, and 18 percent of never-married women had awards. The average amount of child support received by the 4.4 million women who were due payments was \$1,640 for the year, while the average amount due was \$2,500.)

#### FEDERAL AND STATE POLICIES

The central goal of child support policy has been to better the economic welfare of children in single-mother families by increasing the number of single mothers with awards, improving the adequacy of awards, and collecting a larger proportion of the amount awarded. In addition, reductions in the costs to the states and the federal government of Aid to Families with Dependent Children (AFDC), and of other support programs such as Medicaid, have been a major policy objective.

Other goals that have influenced the development of child support policies include more equitable sharing of child support responsibilities between parents and more similarity in the child support obligations of absent parents with similar incomes. It has been well documented that the standard of living of women and children declines on average following a divorce or separation, while the husband's situation typically improves. Low child support awards contribute to this inequity../ On the other hand, the traditional determination of child support on a case-by-case basis leads to a widespread

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1. This article represents the views of the author, not of Mathematica Policy Research.
  2. U.S. Bureau of the Census, Child Support and Alimony: 1985, Current Population Reports, Series P-23, no. 152.
  3. Irwin Garfinkel and Sarah McLanahan, 1986, Single Mothers and Their Children, Urban Institute Press.

perception by fathers that awards are arbitrary and unfair, which in turn reduces their compliance. These concerns helped to motivate the increasing interest in the use of guidelines for setting child support awards.

#### Title IV-D and the 1984 Amendments

In 1975, Congress passed Title IV-D of the Social Security Act, which mandated that each state and local jurisdiction establish a Child Support Enforcement (CSE) office to provide assistance with establishment of paternity; location of absent parents; and establishment, enforcement, and collection of child support awards. The federal government reimburses the states for 70 percent of the administrative costs of CSE, and provides additional incentive payments based on collections. The federal Office of CSE, also mandated by Title IV-D, sets program standards, audits state programs, and provides technical assistance to the states. It also funds research and data collection and administers the Parent Locator Service, a national database for the location of absent parents.

All child support eligible AFDC recipients are required by Title IV-D to assign their child support payments to the state (until they exceed the amount of the AFDC grant), and to cooperate with the local CSE office in its efforts to collect from the absent parent, on penalty of losing their AFDC grant. Prior to 1984, AFDC families did not gain when the children's absent parents paid child support, because the entire amount went to reduce taxpayers' costs for the AFDC program. This created a considerable incentive for the AFDC recipient to disclaim knowledge of the absent parent's whereabouts, or otherwise fail to cooperate, in return for informal (and unreported) support from him (or her). In recognition of this problem, Congress changed the law so that, since 1984, the first fifty dollars per month in child support collected has been passed on to the AFDC recipient, and disregarded in the computation of AFDC eligibility and benefits.

The most recent changes in federal legislation that affect child support policy are the 1984 Child Support Enforcement Amendments. These amendments require the withholding of child support from the paychecks of noncustodial parents who are more than one month behind on their payments.

The amendments also require the states to establish and disseminate guidelines for setting child support awards, but they do not specify the content of the guidelines or require that the guidelines be used. This provision is a major step in the direction of improving the adequacy and equity of support awards, but there remains considerable variation among the states in the types of guidelines for child support awards and in whether the guidelines are presumptive (always used unless one parent shows cause why they shouldn't be) or advisory.

Child support enforcement offices have always been mandated to serve non-AFDC clients as well as AFDC recipients, in the hope of preventing low-income single mothers from becoming dependent on AFDC. The 1984 amendments created the first federal incentives for collections in non-AFDC cases, and required states to expand and publicize the CSE services available to non-AFDC clients. These changes reflect an increasing perception of child support as an entitlement of all children, not just as a way of reducing AFDC costs.

### The Wisconsin Child Support Assurance Program

Federal policy has continued to allow extensive variation from state to state in child support policy. Wisconsin's Child Support Assurance Program is the most far-reaching state initiative. It has four main components:

- A presumptive standard for child support awards, that sets awards as a fixed percentage of the gross income of the noncustodial parent. The percentage varies from 17 percent for one child to 34 percent for five or more children.
- Immediate withholding of child support payments from the wage or salary income of the noncustodial parent, without waiting for him (or her) to fall behind.
- A minimum child support award, called an "assured benefit," that will be provided by the state to the extent the noncustodial parent cannot pay enough, but will be taxed away from high-income custodial parents.
- A wage subsidy for low-income custodial parents.

Only the first two components are in place at this time. The assured benefit is scheduled to be implemented on a pilot basis in mid-1988.

### CURRENT POLICY DEBATE AND RELATED RESEARCH FINDINGS

There are several welfare reform bills before Congress that include expanded child support enforcement. Specific proposals include requiring immediate income withholding for all new child support obligations, establishing national guidelines for child support awards, and making the guidelines a presumptive standard nationwide. The advantages and disadvantages of providing a minimum child support payment to all families, along the lines of Wisconsin's assured benefit, are also being seriously debated.

The importance of the problem and the abundance of new policy initiatives have made child support a "hot" research topic. Current research focuses on documenting how support awards and payments vary by subgroup, and analyzing the impacts and cost effectiveness of new policy initiatives. A number of areas of growing policy concern, such as the effectiveness of child support enforcement in helping the children of teenage mothers, have not yet been extensively studied.

### Data Sources

Two rich new sources of data for research on child support have become available in the past decade. Beginning in 1979, the federal Office of CSE and the Census Bureau have jointly funded a special Child Support and Alimony supplement to the April Current Population Survey (CPS) roughly every two years. This file is matched with the March CPS from the same year, which provides detailed income and employment data. The 1986 data file, which is the most recent year currently available, provides data on 1985 child support payments received by mothers eligible for child support; there is no information on absent fathers.

A second source of data is the Survey of Income and Program Participation (SIPP), which provides monthly longitudinal data on all income and transfers for a nationally representative sample. Detailed questions about child support paid and received are included periodically and the most recent data now available cover 1985 and 1986. The SIPP allows one to collect representative samples of both child support receivers and payers, but it does not contain matched pairs of mothers and fathers.

### Determinants of Child Support Payments

Considerable research has been done on the extent of nonpayment of support for various groups in the population. For example, one consistent finding is that blacks are less likely than whites to have support awards, even when the effects of income and marital status are taken into account. Beller and Graham found that only about half of the large difference in black and nonblack award rates in their sample from the 1979 and 1982 CPS was related to differences in the mothers' characteristics (most notably the greater tendency for black mothers never to have been married.) Differences in award rates by marital status also persisted when other characteristics were controlled.

Recent studies using the SIPP find that noncustodial fathers with higher incomes are more likely to pay support. Of those who report paying support, higher-income fathers pay more in absolute terms, but these amounts represent a lower proportion of their incomes.S/

### Policy Impacts and Cost Effectiveness

Much of the most exciting ongoing research is in the area of policy evaluation. For example, simulations of the effects of the Wisconsin program by Garfinkel, Robins, and Wong, using the parameters of previously estimated labor-supply models, suggest that moderate improvements in both the award and the collection rate will lead the state roughly to break even--because lower welfare costs will offset direct program costs./ The simulations also predict that the poverty rate for custodial families will fall from 52 percent to 45 percent, and the rate of AFDC dependence for custodial families will decline from 46 percent to 36 percent.

Several studies using the CPS or the SIPP have tried to assess the effects of seeking and obtaining help from the CSE office on child support received, and on other important outcomes. Because those who use the CSE program tend to have more

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4. Andrea Beller and John Graham, "Child Support Awards: Differentials and Trends by Race and Marital Status," Demography 23 (May 1986): 231-245.
  5. James Peterson and C. Winquist Nord, 1987, "The Regular Receipt of Child Support: A Multi-Step Process," Final Report to OCSE by Child Trends, Inc., Table 10; Robert Lerman, 1988, "Child Support Policies as a Non-Welfare Approach to Helping the Poor," presented at the Rockefeller Foundation Welfare Reform Conference, Williamsburg, Virginia, February 16-18, Table 3.
  6. Irwin Garfinkel, Philip Robins, and Pat Wong, 1987, "The Wisconsin Child Support Assurance Program: Estimated Effects on Participants," Institute for Research on Poverty Working Paper #833-87.

difficult cases, this selection bias must be taken into account. Philip Robins' model of the joint determination of child support and AFDC participation, estimated with CPS data covering 1981, is the best example of a structural model of child support receipt and its interactions with the mother's labor force participation and welfare dependence.) Robins estimates a structural model of AFDC participation and then examines the effects of the CSE program on child support collections, controlling for both selection into AFDC and into the CSE program. He finds that, in 1981, the use of CSE services roughly doubled the probability of collecting some support (an increase from 18 percent to 38 percent). Participation in the CSE program also increased the probability of obtaining an award for AFDC families, but had no significant effect for non-AFDC families.)

#### Labor Supply of Absent Parents

In contrast, there has been little research on the effects of child support enforcement on the income and labor supply of the noncustodial father. Robert Lerman, who has studied the contributions of absent fathers using the National Longitudinal Surveys and the SIPP, has pointed out that child support is often perceived as a tax by noncustodial parents. The increased awards mandated by most child support guidelines may cause the perceived tax rate for noncustodial parents to exceed fifty percent. This, in turn, may lead to nonpayment of support, reductions in informal support, reductions in labor supply, or resorting to casual jobs in the "underground economy" in order to shield income.Q/

#### Child Support and Teen Parents

Another topic of increasing policy interest is the effectiveness of child support enforcement in deterring teenage pregnancy. Wisconsin, for example, recently passed a "Grandparent Liability Law," which attempts to force the parents of teenagers to take a larger role in preventing pregnancy by making them financially responsible for the children of minor children.

The Children's Defense Fund argues that paternity establishment for the children of never-married teenage mothers should be given higher priority, despite poor immediate prospects for child support collections. Even if the father cannot afford support in the near future, paternity establishment leaves open the possibility of obtaining support when the father begins to earn a higher income. Some small-scale experiments are being tried that either provide training for fathers who acknowledge paternity or offer to defer support obligations for fathers who remain in school. This is a promising area for future research.

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7. Philip Robins, 1987, "Child Support, Welfare Dependency, and Poverty," American Economic Review 76: 768-788.
  8. This result may change as non-AFDC services increase in response to the 1984 amendments.
  9. Lerman, op. cit.
  10. Barbara Savage, 1987, Child Support and Teen Parents, Children's Defense Fund Adolescent Pregnancy Prevention Clearinghouse.

## CONCLUSION

Most policy emphasis to date has been on enforcement of existing awards. Child support enforcement is an effective way for states and the federal government to offset some AFDC costs. Simulations by Robins suggest, however, that even establishing awards for all eligible mothers and fully collecting on these awards would have only a modest effect on the poverty and AFDC reciprocity rates of single-mother families. Lerman argues that increasing awards alone will not have a large impact, since many noncustodial fathers have low incomes.

Only when the size of awards, the prevalence of awards, and the collection rate all increase considerably can we expect to see major impacts on poverty and welfare dependence. This clearly is a long-range goal, that will require major changes in attitudes. The hope of many policymakers is that child support policy will foster a society in which it is a matter of course that both parents will be responsible for the support of their children.

### **RAISING THE NEXT GENERATION: WHO SHALL PAY? 11**

by Emily Stoper, California State University-Hayward

What public policies would be most helpful in assisting the 10.8 million Americans on Aid to Families with Dependent Children (AFDC) in leaving the welfare rolls as quickly as possible? This question has been tackled--with some success yet continuing frustration--by every Administration since that of Lyndon Johnson. The number of AFDC recipients today is about the same as in 1970 and about 60 percent of AFDC families are off the rolls in three years or less. Yet the view persists among the public, many politicians, and many recipients themselves that AFDC (popularly known as "welfare") is a hopeless mess. For some, being on "welfare" is perpetuated from one generation to the next.

This is not a matter of cultural choice. Like other parents, those with low incomes want their children to "do better" than they have done (Rose, 1972, p. 60). One of the main findings of Elliot Liebow's participant-observer study of poor urban blacks was that they accept the same norms as everyone else--but find them impossible to attain (1967, pp. 210-11). Clearly, policies are needed that would enable every AFDC mother to communicate to her children the kind of personal strength needed to overcome the multiple obstacles in their path. She must be able to give them a sense that it is not inevitable that they, too, follow the path of truncated education and early parenthood that often leads to the welfare rolls or to a life of low-paid casual labor, crime, and frequent incarceration. She must be able to convey to them a sense of being in charge of their own lives. The Coleman Report found that the main psychological difference between middle-class and poorer children is that the latter see themselves as victims, buffeted by events and circumstances.

This psychology of victimization is passed on from one generation to the next. Its perpetuation cannot be said to be caused by welfare mothers, however. The tendency

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11. This article is abridged from a longer piece in Ellen Boneparth and Emily Stoper, eds., Women, Power and Policy: Toward the Year 2000, 2nd edition, Pergamon Press, 1988. See it for further detail and sources.

of the poor to see themselves as hopeless victims is constantly fed by the tendency of the nonpoor to "blame the victims" for having caused their plight by their own inherent laziness, immorality, stupidity, "present-orientedness," and the like.

The poor react to this in two ways: they either accept these characterizations of themselves and sink into hopelessness- -or they turn the charges around and angrily blame their accusers for failing to change their own behavior, which has contributed to the plight of the poor. In this way, both poor and nonpoor become locked into a pattern of mutual blame, which prevents both of them from doing what needs to be done to break the cycle of poverty.

During the late 1960s and early 1970s, the National Welfare Rights Organization (NWRO) used "turning the blame back on the accusers" as its major political strategy. It accepted the view of a number of radical writers that those on AFDC were victims of a capitalist system that was so structured that it needed to maintain a group of perpetually poor people marginal to the labor force. The only logical recourse of the poor was to demand that they be supported permanently at a reasonably comfortable level. The work ethic was rejected as unrealistic for the very poor. The trouble with this approach was that it doomed the poor to a marginal and limited existence, perpetually resented by the taxpaying public. By reinforcing the psychology of victimization, it backed the poor into a corner.

The truth is that the tax burden of AFDC (some \$8.6 billion in 1985) certainly outweighs whatever benefits the existence of a welfare class might give to the capitalist economy, though this may not always have been so. Because of the minimum wage, a "welfare class" no longer functions effectively to hold down the workers' wages. Indeed, there is no systemic reason why many of the mothers now on AFDC could not be absorbed into the workforce--and it would be better for most of them if they were.

Paradoxically, in order for AFDC recipients to be able to do what they need to do to get off the rolls, both they and the public must accept the legitimacy of their being on the rolls. Only if both welfare and employment are acceptable can the poor choose freely between the two. And that choice is the key element of the psychology of responsibility.

There are several persuasive reasons for accepting the legitimacy of some people being on welfare. The most obvious is the scarcity of jobs that pay more than AFDC and its supplements (food stamps and Medicaid) and that can be obtained by the kind of adults who are usually on AFDC. Typically, welfare recipients are

- women: only one AFDC home in ten has a father present and a third of these fathers are incapacitated;

- who are poorly educated: half have not completed high school; 13 percent have not gone beyond the 7th grade;

- often in poor health;

- who are members of minority groups: some 44 percent are black and about 15 percent are Hispanic;



and who have little or no job experience: a quarter of the women on welfare have never been employed; another quarter have been employed only in unskilled jobs.

The main factor influencing whether AFDC mothers become employed is the ratio of potential wages to benefits. AFDC mothers may be as likely to work as other women when there are jobs available at adequate wages. In the six major "guaranteed annual income" experiments conducted in the 1970s, it was found that even the provision of a guaranteed income reduced the amount of employment of female heads of households by only 14 percent--and of married men by only 6 percent (though factors unique to these experiments may have made the work reductions artificially low). In short, in most cases, if AFDC mothers are not working, the cause is more likely to be their poor job prospects than the disincentives of welfare itself. For uneducated women with several pre-school children who would have to be placed in child care, it is particularly irrational to seek employment.

Given the bleakness of their job prospects, AFDC mothers have adapted to their situation of low income and nonstandard families by developing an elaborate network of mostly female kin and friends who offer each other vitally needed goods, services, and emotional support. This adaptation makes their lives bearable, if not exactly pleasant, and enables them to develop the self-esteem and confidence so crucial to the psychology of responsibility that is needed to break out of the welfare system.

The adaptation to their circumstances made by AFDC mothers is a source of paradox. Carol Stack in All Our Kin illustrates this paradox when she shows that the network of kin and friends works well--so well, in fact, that a woman who wants to attempt a stable traditional marriage must almost always move out of the neighborhood where her network lives. Otherwise, the network and the man would compete for her resources and services, while at the same time his female kin would compete with her for his resources and services.

There is evidence that AFDC may encourage or facilitate the breakup of marriages in high-grant states and also that it may decrease pressure on a woman to marry or remarry. Public policy has taken two approaches to this problem: refraining from penalizing fathers who stay at home, and forcing deserting fathers to contribute financially. Since 1961, the federal government has permitted the states to pay benefits to families in which an unemployed father is present--and about half the states have chosen to do so--but this change has had little or no impact on the rate of paternal desertion.

A second approach, greatly intensified since the 1970s, has been to step up efforts to track down absent fathers and force them to reimburse the government for welfare payments to their wives and children. This presumably discourages an employed or employable father from deserting in order to shirk his financial responsibilities. The government can now attach his Social Security checks, tax refunds, and wages. This program has saved the government some money, but there is no evidence that it has had any impact on the rate of desertion.

The probable reason for the failure of such efforts is that the welfare system is not the primary cause of the difficulty poor people have in establishing or maintaining traditional families. The primary cause is the inability of men in these circumstances to obtain steady employment and thus to fulfill the traditional breadwinner role that

fathers have filled, combined with the reluctance of women in these circumstances to have nonearning men in their households.

But how can a woman get off AFDC if she has little chance of marrying a man with a steady income? An obvious alternative is for her to get one of the few jobs available to her that pay much more than AFDC plus its supplements. At any given time, some 18 percent of the women on AFDC are employed, but their jobs tend to be low-paid and not secure. Policies in the 1970s with respect to employment of AFDC mothers were intended to eliminate work disincentives (by permitting recipients to keep part of their earnings rather than reducing their AFDC checks dollar for dollar). In contrast, in the 1980s, states were given the option to implement mandatory "workfare" programs that would require some recipients to work off benefits at jobs that often lacked a training component. This is obviously not the policy that an AFDC mother herself would adopt if she decided to get herself "off welfare." Instead, she would begin by taking a hard look at which of her disadvantages in the labor market were permanent and/or beyond her control and which were not, and begin removing those that were within her control. Having small children at home is beyond her control but it need not be permanent, if she controls her fertility. Contrary to popular belief, most AFDC mothers are already doing this. Seventy-four percent of AFDC families contain one or two children; about 90 percent have three or fewer children. The widespread belief (held by half the public in one survey) that "welfare mothers" have one "illegitimate" child after another in order to increase the size of their check is not backed up by research evidence.

Just as the presence of small children is temporary, so too can be the absence of skills and education. While it would be absurd to expect a large percentage of AFDC mothers to go out and get well-paid jobs tomorrow, it would not be absurd to expect a great many of them to begin the process of acquiring the skills and education needed to make their labor-force participation rewarding, both financially and personally. Once the psychology of victimization is shaken off, getting well-paid jobs could become a realistic goal.

Public policy can help the AFDC mother, not so much by providing special job training programs--many of which have a poor track record of actually placing people in jobs--as by providing needed services (such as child care, counseling, and public transportation) so that she can use available high school equivalency courses, community college courses, union apprenticeship programs, employer-sponsored training programs, and whatever other training resources exist in the community.

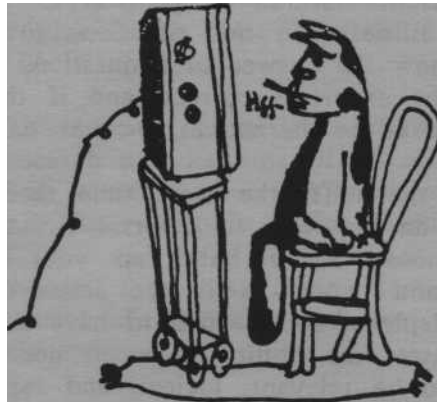
Public policy can also refrain from reinforcing the psychology of victimization and focus instead on changing those obstacles that are largely beyond the control of individual women. In the first category are policies that demean mothers on AFDC, such as rudeness, long waits and arbitrary actions at the AFDC office, mandatory workfare in jobs that involve no training, unwarranted interference in the mother's personal life, and rhetoric by politicians that encourages the public to see AFDC mothers as lazy cheaters. Reduction of the stigma attached to AFDC does not necessarily undermine the motivation to seek employment. On the contrary, according to research, AFDC recipients with the longest employment records are the least likely to feel that "welfare" is scorned.

The second category of assistance involves positive forms of help, such as family planning services; child care and other backup services for mothers who are employed,

in school, or in training programs; and the vigorous enforcement of laws against discrimination on the basis of sex and race. Unfortunately, in almost all of these areas, the Reagan administration has cut back rather than enhanced federal efforts. This means that AFDC mothers must rely more on their own resources and those of their communities and their states.

To mobilize these resources, a new welfare movement is needed, stressing the potential power of AFDC mothers over their own lives. Such a movement could play a vital role in helping the underclass break out of its sense of helplessness and despair. A shift in attitudes by the general public toward AFDC could greatly contribute to such a breakthrough--a shift more toward European attitudes about assisting families with children. AFDC could be thought of as a legitimate subsidy for raising children in difficult economic circumstances. AFDC recipients and policymakers could then make decisions about both broad policies and individual cases in an atmosphere of clarity and responsibility rather than mutual blame, contempt, and anger.

**SSSSS**



**More Sylvia by Nicole Hollander**

**CHOOSING A CAREER PATH AS A PROFESSIONAL ECONOMIST:  
WOULD YOU PREFER WORKING IN GOVERNMENT,  
FOR A CORPORATION, OR IN ACADEMIA?**

by Nancy Hays Teeters, IBM

As part of our continuing series of job-related articles, Nancy Teeters shares her thoughts on the role of professional economists in government, corporations, and academia.

Most of my jobs have involved being a staff economist for a variety of government/nonprofit entities and a corporation. I have found that the role of a staff economist is surprisingly similar, whether for the government or the private sector. A staff economist has three broad areas of responsibility:

Information gathering and interpretation, including forecasting, for some economists;

Research; and

Firefighting.

Information gathering and interpretation is extremely important. The breadth of one's responsibilities depends on the size of the total economics staff. The larger the staff, the more specialization there is. You are expected to be thoroughly conversant with the most recent developments in your area; to interpret the effect of those developments on the broader mission of your organization; and to report those events concisely in understandable English to your superiors. In some jobs, you are directly responsible for the creation or maintenance of a data series. In addition, you are expected to keep track of current research in your area. The smaller the staff, the broader your areas of responsibilities. In this situation, you need to know where the experts are, so if you don't know the answer to a question, you can find it. You also have to satisfy yourself that the expert is correct, and if there is not a single correct answer, you have to find and present the alternatives.

Generally speaking, the larger the staff, the more time there is for research; whereas, on small staffs, you must rely on the work of others. I was fortunate in being able to alternate between these situations. You build up your intellectual capital in the research-oriented environment and expend it in the action-directed ones. There have been times when I have felt depleted and needed to have time to catch up with where I had been. But in both cases, the ability to write understandable English is vital. Obviously, your research has to be relevant, logical, and reproducible, but if you can't communicate, it is almost useless. Similarly, most decisionmakers you are addressing are not professional economists so your information must be conveyed clearly, without using any jargon.

Firefighting is coping with an emergency. Emergencies usually occur when something unexpected happens (which is generally defined as anything that is radically different from the forecast, is not anticipated, or has never or rarely happened before). The October stock market crash is an excellent example. What did it do to the probable course of the domestic/international economies; what about the demand for your

company's product; what is the likely public policy response? Firefighting is exciting--after the fire is damped down, you remember it vividly.

In either government or the corporate sector, a professional economist may move into a decisionmaking capacity, which is a very different role, even in a collegial group. All that information is aimed at you. Even though the analysis of the information is concisely presented in understandable English, there is so much of it. You are always behind in your reading. I had three in-boxes--one that required immediate attention, one that had to be absorbed before the next meeting, and one that was important information. You are constantly caught in an information dilemma. On one hand, you have almost too much information; on the other, there is never quite enough. If there is enough time, you can wait for more data or ask for more information and analysis. Waiting and/or asking can help, but rarely does it completely clarify the issues. Asking can also touch off major research projects by others, sometimes inadvertently.

Decisionmaking is difficult, yet no action is a decision, too. Either way, you know you are affecting people's lives. You are never sure you are right. A collegial decisionmaking group is comforting, but also time consuming. If you collectively make a mistake, there is some consolation in knowing it was thoroughly discussed.

The nonacademic jobs for economists that I am familiar with have required me to apply my professional training and knowledge to evaluating current problems or pending decisions. (Usually, there is not much time or demand for developing new theories, although in some cases there was no other way to find a solution to a problem.) There is often an element of teaching, especially when explaining how your analysis led to certain conclusions. For example, when the House and Senate Budget Committees came to the very first Conference meeting to iron out the differences in their Budget Resolutions, they had used different economic forecasts. One had higher real growth, lower unemployment, and higher inflation than the other. The staff economists from the two Committees were stunned when the Members of the Conference Committee began picking the "best" numbers from each forecast. We had a hard time talking them out of it!

Thus, nonacademic jobs often represent a mix of activities that can overlap with--but also be broader than--the research and teaching of an academic. Another difference is obvious. In the nonacademic world, one is expected to be in the office when the business day begins, to be available not only during normal office hours, but sometimes longer. On the other hand, you can leave the work at the office, most of the time. It should be remembered, though, that these comparisons are based on two years as a teaching fellow at the University of Michigan and one year as an instructor with the University of Maryland Overseas.

**WHAT ECONOMISTS DO IN INDUSTRY**  
by Audrey Freedman, The Conference Board

**What economists do in industry is as broad and varied as the full scale of managing a firm's operations, excepting only scientific specialties such as engineering. Some very large corporations still have a staff function carrying the "economics" label, but far more economic analysis occurs in line management positions. Economists are also found in staff departments handling marketing, business planning, finance, government relations, and even purchasing and operating logistics.**

**Economists have been trained to evaluate and weigh several optional courses of action, and predict their near-term and more distant consequences. Marina Whitman, Vice President of General Motors, referred to "our taste for analytical abstraction and quantitative empiricism" in the October 1986 issue of Financier. Less elegantly, this is hardheaded business acumen essential to line management in industry. It is the kind of capability that fits the jobs now held by some Wellesley graduates in economics mentioned in recent newsletters:**

- **President of a construction firm;**
- **Contract negotiator and administrator for a telecommunications firm;**
- **Analyst for real estate operations;**
- **Marketing managers and analysts;**
- **Advertising and public relations advisors; and**
- **Designers of business strategies with varied titles in a wide range of both manufacturing and service industries.**

**All of these jobs might also be filled by a chemist or a cellist. However, training in economic methods is better preparation than any other, for an operating-level business management job. Line managers constantly allocate and re-allocate resources to optimize the firm's profits or opportunities--they are the "practical economists" no matter what their title or educational background.**

**A more conventional way to determine "what economists do in business" might be to:**

- **Identify all Ph.Ds. in economics working in private, profit-making, nonfinancial firms; and**
- **Survey this group, which is likely to be small because of the exclusions, to find out what their titles and functions are.**

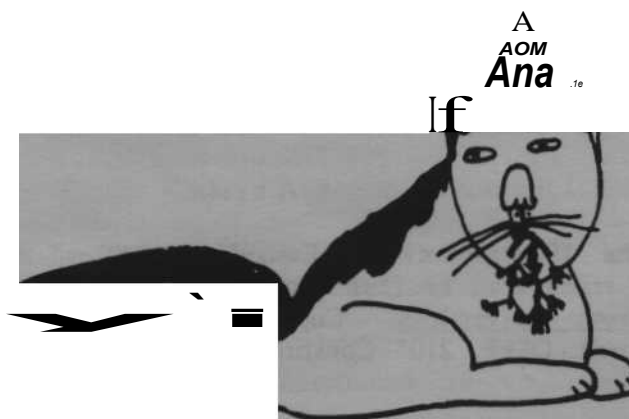
**It is likely that the results would show companies with some staff economists and "strategic planners" at the headquarters level, though fewer than in the 1970s. Their roles, described in a 1975 Conference Board report The Corporate Economist, are heavily weighed toward the production of forecasts. Forecasts of U.S. and world economic activity, prices, and specific commodity information are still expected, though they may attract less interest and reliance by top management.**

Another part of the job of corporate economist has to do with government and the public opinion environment. The economist may provide advice on and prepare the firm's public position on legislation covering, for example, new toxic emissions controls, tax policy, minimum wage regulations, trade restrictions, or antitrust action.

A third part of the corporate economist's job may be gathering data about the competitive situation in each of the firm's product lines, and analyzing them to find out what the company might do to adapt. Perhaps, the economist will be asked to seek out new lines of business, or other responses to a changing environment. In fact, such competitive and strategic planning may have supplanted general forecasting as the economist's greatest responsibility. However, there is no protection from competition to be found in having a Ph.D. in economics. Executives trained in the "what if" planning techniques of business schools may do their own competitive analysis without the help of a titled professional economists.

Which gets us back to where I began. Being an economist is not the narrowly professionalized niche occupied by, for example, a corporate medical director. Just as a lawyer can "practice law" in corporate legal department--but also use analytic skill as a line executive--so an economist can "practice economics" in the corporate economics department, but also use hardheaded business acumen as a general line manager in nearly every area of industrial activity.

**SSSSS**



**More Sylvia by Nicole Hollander**

## STATISTICAL PROFILE OF DOCTORATE RECIPIENTS IN ECONOMICS, 1986

Number in Field	<b>861</b>
Male (percent)	<b>81</b>
Female (percent)	19
Median Age at Doctorate (years)	31.5
Median Time Lapse from Baccalaureate to Doctorate	
Total Time (years)	8.4
Registered Time (years)	6.3
Employment Activity after Doctorate	
Primary Activity (percent)	
R&D	43.4
Teaching	<b>41.5</b>
Administration	2.9
Professional Services	4.8
Other	1.9
Secondary Activity (percent)	
R&D	37.2
Teaching	22.3
Administration	6.5
Professional Services	2.9
Other	1.0
No secondary activity	24.6
Activity(ies) Unknown (percent)	5.5
Region of Employment After Doctorate (percent)	
New England	<b>8.1</b>
Middle Atlantic	16.5
East North Central	13.4
West North Cental	4.3
South Atlantic	19.6
East South Central	2.6
West South Central	4.3
Mountain	3.1
Pacific and Insular	6.2
Foreign	19.5
Region unknown	2.4

From "Highlights from the 1986 Survey of Earned Doctorates." A more detailed presentation of the survey results can be found in Summary Report for 1986: Doctorate Recipients from United States Universities. Copies are available without charge from the National Research Council, OSEP, 2101 Constitution Avenue, N.W., Washington, D.C. 20418.

SOURCE: CWAE, Committee on Women in Agricultural Economics Newsletter, April 1988.



## **CSWEP COCKTAIL PARTY AT THE WEA MEETINGS**

If you will be attending this year's Western Economic Association's meeting in Los Angeles, CSWEP invites you to a cocktail party on Friday, July 1st, from 6 to 7:30 p.m., at the Los Angeles Hilton. (See your registration packet for the exact location.)

As anyone who attended the cocktail party last year can attest, it's a great opportunity to network with women economists and others interested in issues of women in the economy. Hors d'oeuvres and complimentary wine will be served.

## **CSWEP ACITVPITFS AT THE SOUTHERN ECONOMIC ASSOCIATION MEETING**

San Antonio, Texas  
November 20-22, 1988

CSWEP-South will sponsor two sessions at the Southern Economic Association (SEA) meeting, as well as a business meeting and a cocktail party--time and place to be announced.

### **Culture Diversity in Approaches to Economics, A Panel Discussion**

Chair: Robert W. Clower, University of South Carolina

#### Panelists

Barbara R. Bergmann, American University  
Susan F. Feiner, Virginia Commonwealth University  
Donald N. McCloskey, University of Iowa  
Karen Vaughn, George Mason University

### **Marriage and the Family in Developed and Developing Countries**

Chair: Kathryn Anderson, Vanderbilt University

"A MIMIC Model of Mental Health: Implications for Marital Dissolution," Kathryn Anderson, Vanderbilt University; J.S. Butler, Vanderbilt University; and Jean M. Mitchell, Florida State University

"Gender Differences in Parental Investments in Children," M. Anne Hill, Rutgers University

"Change in the Status of Women Across Generations in Asia: Marriage, Education, and Labor Force Participation," Elizabeth King, The World Bank

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## SWAPPING CHILD CARE AT THE AEA MEETINGS

Several AEA/CSWEP members have expressed a desire to share child care with other parents at the AEA/ASSA Winter Meetings and CSWEP is happy to operate as a clearinghouse. If you know you'll be attending and want to swap child care during the meetings, send

- Your name, address, and telephone number;
- The number and ages of your children;
- The age ranges of children you'd consider caring for; and
- **If** possible, two self-addressed stamped envelopes.

Mail to: CSWEP/Child Care, c/o Shulamit Kahn  
Boston University, School of Management  
704 Commonwealth Ave, Boston, MA 02215

Because some parents will make their plans contingent on whether child care is available, we'll send all respondents a complete list of other respondents' information both in the late Summer and again in the late Fall. Information about parents who respond to a similar notice that will appear in the Fall Newsletter will be incorporated in the second list.

Please note that this is a voluntary, cooperative arrangement among the participants and that the AEA can assume no liability related to it.

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## WE'RE NOT LOONEY! WE'RE NOT CRAZY!

But, we do need to know your correct address to make sure that you all actually receive your Newsletters and that a lot of copies are not being wasted.

That's why it is so important that you return your mailing label to us if it is correct, or that you send us your new address. We really need a confirmation or a correction.

Also, if the Newsletter you received does not have your name on it and you have a correct address for the addressee, we would appreciate receiving that information. If you would like to receive your own copy of the Newsletter, send us your name and address.

The mailing list is maintained by:

Joan Haworth, Membership Secretary  
CSWEP  
4901 Tower Court  
Tallahassee, FL 32303

## UPCOMING EVENTS OF INTEREST

### June 17-18, 1988

"Breaking Down the Barriers," sponsored by the National Center for Fair and Open Testing. Howard Law School, Washington, D.C. \$30 (reception free). Contact Monty Neill, 617/864-4810.

### July 31, 1988

"Build Better Communication Skills to Advance Your Career," sponsored by the Committee on Women in Agricultural Economics. Participants will attend workshops that focus on developing their negotiating skills, radio and television interviewing skills, job interviewing skills, teaching skills, and publishing skills. AAEA Annual Meeting, Knoxville, Tennessee. \$46 (\$33 for students), including lunch and coffee breaks. Contact: Nancy Schwartz, 202/786-1610.

**A special "Thank You" is extended to the Federation of Organizations for Professional Women,** for allowing us to publish material from their newsletter, ALERT. Some of the items throughout this issue were extracted from their March 1988 issue.

## HELP! HELP!

All readers are invited to send notes, articles, and information for possible inclusion in the newsletter. Please also send news about yourself and others: job moves, promotions, awards, books, and changes in family composition are all of interest to your friends and colleagues.

For those who would like to contribute such information, we publish three issues each year -- Winter, Spring, and Fall. Our schedule is:

	<u>Coin Deadline</u>	<u>Mailing Date</u>
Winter Issue	January 10	February 15
Spring Issue	April 10	May 15
Fall Issue	September 10	October 15

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## RECENT PUBLICATIONS OF INTEREST

**Challenge to Leadership: Economic and Social Issues for the Next Decade,** Isabel V. Sawhill, ed. Available from The Urban Institute Press, 4720A Boston Way, Lanham, MD 20706, for \$12.95 (paperback).

**Child Care: A Workforce Issue,** Report of the Secretary's Task Force, April 1988, U.S. Department of Labor. Single copies available from the Office of Information and Public Affairs, 3rd and Constitution Avenue, N.W., Washington, D.C. 20210.

**Trends in Family Income: 1970-1986,** February 1988. Single copies available from the Congressional Budget Office, United States Congress, Washington, D.C. 20515.

U.S. Department of Commerce, Bureau of the Census, Household Economic Studies, Series P-70:

- No. 10, "Male-Female Differences in Work Experience, Occupation, and Earnings: 1984;"
- No. 11, "Educational Background and Economic Status: Spring 1984;" and
- No. 12, "Pensions: Worker Coverage and Retirement Income, 1984."

Single copies available from Daniel Kasprzyk, Population Division Bureau of the Census, Room 2025-3, Washington, D.C. 20233.

**Financial Aid A Partial List of Resources for Women,** fourth edition, issued by The Project on the Status and Education of Women of the Association of American Colleges. The 18-page paper provides information on funding sources for educational purposes.

**The History of Women and Science, Health, and Technology. A Bibliographic Guide to the Professions and the Disciplines,** edited by Susan E. Searing and Rima D. Apple, for the Women's Studies Librarian of the University of Wisconsin System. Single copies are available at no charge. Contact: Susan E. Searing, Women's Studies Librarian, 112A Memorial Library, 728 State Street, Madison, WI 53706.

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**More Sylvia by Nicole Hollander**

## JOB OPENINGS

For academic positions, the information is usually presented in the following order: university and person to contact; level of position (such as associate or visiting professor); specialization; whether the position is tenure track/tenured or not; whether a Ph.D is required; and deadline for applications. When several people are the contacts at single university, the appropriate one is listed at the end of each job description. Descriptions of other positions follow this order as closely as [possible](#). [NA](#) means that the information is not available.

### ACADEMIC POSITIONS

Emory University, Department of Economics, Atlanta, GA 30322

-- any rank; industrial organization, especially anti-trust; open; until filled;  
Contact: Professor Beverly Schaffer, Chair.

-- associate or full; macroeconomics, especially forecasting; NA; NA; until filled;  
Contact: Professor Peter Aranson, Chair.

**Montana State University**, Ronald N. Johnson, Chairperson, Search Committee, Department of Agricultural Economics and Economics, Bozeman, MT 59717-0002; assistant or associate; macro/money; yes; yes; May 16 or until filled.

**Sangamon State University**, Professor Kathleen Vinehout, Chair, Search Committee, Health Services Administration, Springfield, IL 62794-9243; assistant; health economics; yes; yes; until filled.

**South Dakota State University**, Dr. C. E. Lamberton, Chairman, Search Committee, Economics Department, Box 504A, Brookings, SD 57007-0895; assistant; agricultural economics or economics; yes; yes; April 15, 1988 or until filled.

**State University of New York at Buffalo**, Richard Manning, Chair, Department of Economics, 608 O'Brian Hall, Amherst, NY 14260; associate or full; microeconomics or industrial organization; yes; yes; May 31, 1988.

**University of Pittsburgh, Graduate School of Public Health, Nathan S. Kline Institute for Psychiatric Research**, Dr. Carole Siegel, The Epidemiology and Health Services Research Laboratory, Orangeburg, NY 10962; research economist; health or health policy research; NA; yes; until filled.

**The University of Iowa**, Andrew J. Policano, College of Business Administration, Iowa City, IA 52242; Associate Dean and Director of MBA Programs; economics, finance, etc.; yes; yes; April 15, 1988 or until filled.

**University of Minnesota**, Chair, Search Committee, Division of Health Services Research and Policy, 420 Delaware Street SE, Box 729, Minneapolis, MN 55455; instructor/assistant; health economics; yes; yes; May 15, 1988.

## OTHER POSITIONS

**Christensen Associates**, Carl Degen, 4610 University Avenue, Madison, WI 53705-2164; an economic research and consulting firm that specializes in analysis of regulated industries including utilities, transportation, communications, and postal services; seeking to fill several openings:

senior economist; econometrics, public utilities, energy; Ph.D required.

senior economist; industrial organization, labor, econometrics; Ph.D required.

economist; general economic theory, econometrics, economics of technical change; MS required.

**Federal Reserve Bank of New York**, Dr. Charles Pigott, Research Recruiting Officer, International Research Department, 33 Liberty Street, New York, NY 10045; several positions for experienced Ph.D economists with strong publication records and interests in policy-oriented research on a wide range of domestic and international financial and macroeconomic issues; until filled.

**Public/Private Ventures**, PAD Search Committee, 399 Market Street, Philadelphia, PA 19106; Director of Public Affairs to develop and implement strategies for maintaining the organization's connections with professionals and policymakers in the employment/training and education fields. Must have undergraduate degree and extensive background in education, employment, training, or other human services field. Position open until filled.

You may notice some vacancy announcements whose deadlines have recently passed. They are included intentionally because deadlines are often extended and such announcements can provide information about the general state of the job market.

**IF YOU WOULD LIKE COPIES OF JOB NOTICES RECEIVED AFTER PUBLICATION OF THIS NEWSLETTER**, send a large (9" x 12") self-addressed envelope (with 65 cents postage) to: Job Notices List/CSWEP, ATTN. Toni Foxx, Congressional Budget Office, Room H2-418A, 2nd & D Streets, S.W., Washington, D.C. 20515.

NOTE: Additional information is provided in **Job Openings for Economists (JOE)**. It is available bimonthly to AEA members and institutions that agree to list their openings. Check with your department, library, or personnel office or subscribe (for \$15 a year) by contacting the AEA, 1313 21st Avenue South, Nashville, TN 37212.

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# CSWEP

## *The Committee on the Status of Women in the Economics Profession*

**CSWEP depends on all of its dues-paying members to continue its activities.** In addition to publishing the Newsletter, we maintain a Roster of women economists that is used by members, employers, organizations establishing advisory groups, and the like. We also organize sessions at meetings of the AEA and the regional economics associations, introduce women's points of view in the Committee work of the AEA (where women are now quite well-represented), and publish an annual report on the status of women in the profession.

Please note that we have changed our membership year to be consistent with our fiscal year (July 1 - June 30). **If you have not paid your dues for the current membership year, we urge you to do so.**

If you have, please pass this newsletter on to a student, friend, or colleague and tell them about our work.

Thank you!

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**NOTICE: STUDENTS DO NOT HAVE TO PAY MEMBERSHIP DUES!!!  
JUST SEND IN THIS APPLICATION**

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To become a dues-paying member of CSWEP and receive our Newsletter and Roster, send this application, with a check for \$20 (tax deductible), made out to CSWEP to:

CSWEP, c/o Dr. Joan Haworth  
4901 Tower Court, Tallahassee, FL 32303

NAME \_\_\_\_\_

**MAILING ADDRESS** \_\_\_\_\_

**CITY, STATE, ZIP** \_\_\_\_\_

Check here if currently an AEA member

a student: \_\_\_\_\_

INSTITUTION \_\_\_\_\_

**CSWEP: PEOPLE TO CONTACT**

General Policy Matters	Nancy M. Gordon, Congressional Budget Office, 2nd & D Streets, S.W., Washington, D.C. 20515
Items for Newsletter	Katharine C. Lyall, University of Wisconsin System, 1220 Linden Drive, Madison, WI 53706
Dues, Change of Address, Roster	Joan Haworth, Membership Secretary, 4901 Tower Court, Tallahassee, FL 32303
CSWEP East	Beth E. Allen, Dept. of Economics, University of Pennsylvania, 3718 Locust Walk CR, Philadelphia, PA 19104-6297
CS W EP South	Marjorie B. McElroy, Department of Economics, Duke University, Durham, NC 27706
CSWEP West	Shulamit Kahn, School of Management, University of Boston, 704 Commonwealth Avenue, Boston, MA 02215
CSWEP Mid-West	Katharine C. Lyall, University of Wisconsin System, 1220 Linden Drive, Madison, WI 53706

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