



From the Editor

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The first three articles of this issue are based on presentations made at an NBER session at the NABE Annual Meeting. The session was “Economic Implications of Demographic Change.” James Poterba is the author of the first article, which focuses on the aging of the American population and what it means for fiscal policy, workforce participation, and human capital.

Olivia Mitchell, in the second article, examines how the negative implications of the aging population are amplified by the slow growth of personal income for those at the bottom of the income distribution, by cutbacks in employee health insurance, by the movement from defined benefit to defined contribution retirement plans, by the looming insolvency of age-related entitlement programs, and by Americans’ lack of financial literacy to help them plan properly for aging.

The third article, by Marta Tienda, looks at the implications of increasing ethno-racial diversity in the United States. Of particular concern are the gaps in human capital between demographic groups—a problem amplified by the least human capital being invested in the youngest and fastest growing of these groups. Unless these gaps are closed, there will be profound problems for the United States in maintaining healthy economic growth and global competitiveness.

The fourth article—by Irina Tytell, Lisa Emsbo-Mattingly, and Dirk Hofschire—presents the 20-year global economic outlook of the Fidelity Asset Allocation Research Team. It focuses on demographic and productivity trends and how they portend slower global growth than has been experienced in recent decades. Aging populations in advanced countries and less catch-up potential in emerging economies are among the major trends that they discuss.

Turning from macro issues to micro concerns of running a firm, many firms have been attempting to strengthen their internal analytic capabilities. Suzanne Heller Clain, Matthew J. Liberatore, and

Bruce Pollack-Johnson assess whether analytics capabilities pay off in the sense of influencing decisions and affecting the bottom line.

Turning to monetary policy, for seven years, the effective federal funds rate was at or below 0.2 percent. As of December 2015, the Federal Reserve began to nudge it upward. How much of a change constitutes a shock, and what would fed funds shocks mean to financial and foreign exchange markets? John Silvia, Azhar Iqbal, and Alex Moehring explore these questions in the final article of this issue.

This issue’s first book review is *The Courage to Act: A Memoir of a Crisis and Its Aftermath* By Ben S. Bernanke. Reviewer Charles Steindel says, “Bernanke’s role as Federal Reserve Chair, and his background as a monetary scholar who specialized in the study of the financial aspects of the Great Depression, makes this the volume of this group [of memoirs by officials prominent in the 2007–2009 crisis] that has the largest inherent interest to a readership of economists.” He concludes that the book, “is a must read for all economists wishing to gain more insight into those times.”

The second book review is *The Midas Paradox: Financial Markets, Government Policy Shocks, and the Great Depression* By Scott Sumner. The reviewer, John C. Goodman, concludes: “This is first rate scholarly work and it deserves our attention, especially as much of it applies to the recent Great Recession.” Sumner emphasizes the roles of the demand and supply of gold under the gold standard and of government policies to artificially raise wages as pivotal in causing and prolonging the Great Depression.

A Personal Note

This issue is my last as Editor of *Business Economics*. I am retiring after more than 16 wonderful years—the longest I have held any job in my professional career. My successor—already at work on the April issue with my enthusiastic assistance—is Charles Steindel. Many NABE members will know Charlie from his long and distinguished participation in NABE. He is a Certified Business Economist, a past member of the Board of Directors, a current member of *Business Economics*’

Editorial Board, and a NABE Fellow. He will be a great Editor.

Why am I retiring? I have several big personal projects that have nothing to do with economics that must either be done soon or not at all. I have to get after them. Also, on a more altruistic note, after one's 77th birthday, life becomes increasingly less certain: I do not want to leave NABE in the lurch by suddenly becoming unavailable. Thus, some months ago, I informed Tom Beers that it was time to look for a successor. That said, my health is good so far—better than most geezers, I suspect.

There are many people to thank for my enjoyable long run with *Business Economics*. I will do so more or less chronologically. First, there was Enrique Sanchez who told me that NABE was looking for a *Business Economics* Editor. I am certainly grateful to Susan Doolittle, NABE's Executive Director at the time, and Diane Swonk, NABE's President at the time, for taking a gamble that I would be up to the job. Moreover, Susan—in addition to her regular duties as Executive Director—served as copyeditor, content reviewer, and executive publisher of *Business Economics* until NABE established its current relationship with Palgrave.

The members of the Editorial Board, past and present, have served admirably in providing referee reviews of submitted papers, selecting Abramson and Mennis Award winners, and other help. I am deeply grateful for their expertise, wisdom, and willingness.

When Tom Beers succeeded Susan Doolittle, support for *Business Economics* did not lose a beat. I am most appreciative. Also, he has maintained and

augmented a most helpful and congenial staff. In particular, Colette Brissett has been my cheerful, knowledgeable, and efficient go-to resource on any and all administrative matters ever since I became Editor. Tara Munroe has been invaluable in the management of the Abramson and Mennis Awards—often acting as Jiminy Cricket to my Pinocchio in doing her best to make sure that I did the right thing when I should do it. Melissa Golding has been most helpful in obtaining transcripts of presentations at NABE meetings that often turn into *Business Economics* articles and letting the press know what is coming. Also, I appreciate the help of Pam Ginsbach and then Chris Jonas in getting items related to *Business Economics* into *NABE News* and its successor, *NABE NewsDigest*.

I would also like to thank my production editors at Palgrave—Kirsty Lockett, Julie Abbott, Michelle Lo, and James Keane. Their patience, diligence, and good humor made my job easier and made *Business Economics* better than it would have been otherwise.

Finally, a whole-hearted thank-you to all of the authors that I have had the pleasure of working with over these past 16 years. They have come from every corner of economic thought and practice—from distinguished guest speakers at NABE conferences to young professionals sharing their fresh insights in submitted papers. Keep the articles coming!

Robert Thomas Crow
Editor

E-mail: rtcrow@comcast.net