From the Editor

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Published online: 9 June 2021

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This issue, like the ones of the past year, has pieces on topics stemming from the pandemic and its aftermath, though a number of articles address different subjects.

There have been outspoken concerns by figures such as Lawrence Summers that the recently enacted American Rescue Plan has created a substantive risk of inflation taking off. Professor Ray Fair uses his well-known model to examine the specific size of the risk. Fair finds that inflation is quite likely to increase in the near term, no matter what actions the Federal Reserve might take. Indeed, he sees a nearly one-third chance that the inflation measure he focuses on (an index of prices charged by business—not the CPI or PCE) will be above 6% in 2022.

Recent decades have seen numbers of hurricanes and other major storms devastate parts of the US. Jeffrey Fisher and Sara Rutledge's article examines the impact of these storms on commercial real estate values, using detailed individual-site data. They find it takes roughly 5 years following a major storm for returns on investment in these properties to be equal to those made in other regions.

Immigration is another hot-button issue. It is often noted that immigrants are, on average, more entrepreneurial than native-born US residents. Nabamita Dutta, Saibal Kar, and Russell Sobel propose an intriguing explanation, for which they find support from micro-data: basically, US firms undervalue the value of the education immigrants have received in foreign institutions. With immigrants perceiving the wages they are offered (and receive) as being low, they are motivated toward self-employment.

The pandemic created demands for new types of data. The two *Focus on Statistics* articles describe efforts to satisfy some of these. One ongoing concern has been the fate of small businesses. The Census Bureau has introduced two products to track small businesses: the Small Business Pulse Survey and the weekly and monthly Business Formation

Statistics. The paper, written by a team largely consisting of Census staff, describes the products and what they have been indicating.

Another point of discussion has been the distinction between “essential” and “frontline” workers—those who needed to be kept on the job, even during the worst of the pandemic—and the rest of the labor force. Those are descriptive terms; when push comes to shove, how many workers are in these groups? The paper by Francine Blau, Josefine Koebe, and Pamela Meyerhofer goes into detail into how one would compute this; they find that more than half of the nation's jobs can be plausibly put into these groups (though they don't mention it, probably a much smaller share of the jobs filled by economists!).

In the book reviews, Yoram Bauman discusses three works on climate change. The book by Robert Metcalf is lauded for its sound economic reasoning in support of carbon taxes, but criticized for not addressing the political and practical issues involved in implementing the policy. Bauman finds that the book by Aranoff *et al.*, is a good exposition of the command-and-control alternatives to carbon taxation, though he is critical of this approach. Finally, he is unsympathetic to Bjorn Lomborg's book, which he finds unconvincingly blames the “media” for overly focusing on climate concerns, and overstates the costs and understates the benefits of addressing climate change, though at least Lomborg is an advocate of carbon taxes.

Harvey Rosenblum recommends Mitchel Abolafia's book on the Federal Reserve during the Great Financial Crisis. Abolafia relies heavily on FOMC transcripts for his account. Rosenblum attended most of the meetings during that period, and as Dallas Fed Research Director was privy to all material prepared for the ones he didn't go to, and attests to the accuracy of Abolafia's recounting of them.

Pia Orrenius reviews Anne Case and Angus Deaton's *Deaths of Despair*. The book has received major praise since its publication (Deaton gave a memorable presentation on the results at a NABE meeting). Orrenius begs to differ with its call for increased government intervention into the economy as a way of improving job prospects and

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limiting the demand for opioids. She notes the opioid epidemic peaked at a time the economy was also peaking, and cites work contending that supply factors—such as aggressive marketing—have been the main causes of the massive increase in opioid use.

Diane Lim looks at Michael Strain's book on the American Dream. She criticizes Strain for rather arbitrarily determining the metrics that he views as showing that the "Dream" is alive and well. Importantly, for a variety of reasons, many of these measures are likely to not take full account of disadvantaged groups. Lim calls on economists to be less wedded to these types of statistics, and to be more sensitive to what people communicate as to their vision of the American Dream.

Sara Rutledge finds that Michael Luca and Max Bazerman's book on experimentation in economics is a good guide to this subject. Much of the work is devoted to recounting how firms, especially in the tech sector, use experiments as a guide to decision-making, though there is some discussion of how experimentation has been applied to public policy (notably in the UK).

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