

**Comments on Roger Gordon and Gordon Dahl's
“Views among Economists:
Professional Consensus
or Point-Counterpoint?”**

Justin Wolfers
University of Michigan
Brookings, CEPR, CESifo, IZA and NBER

American Economic Association annual meeting, January 5 2013, San Diego.

Research Question

“Views among Economists:
Professional Consensus ~~vs~~ Point-Counterpoint?”
AND

“To what degree do economists disagree about key economic questions?”

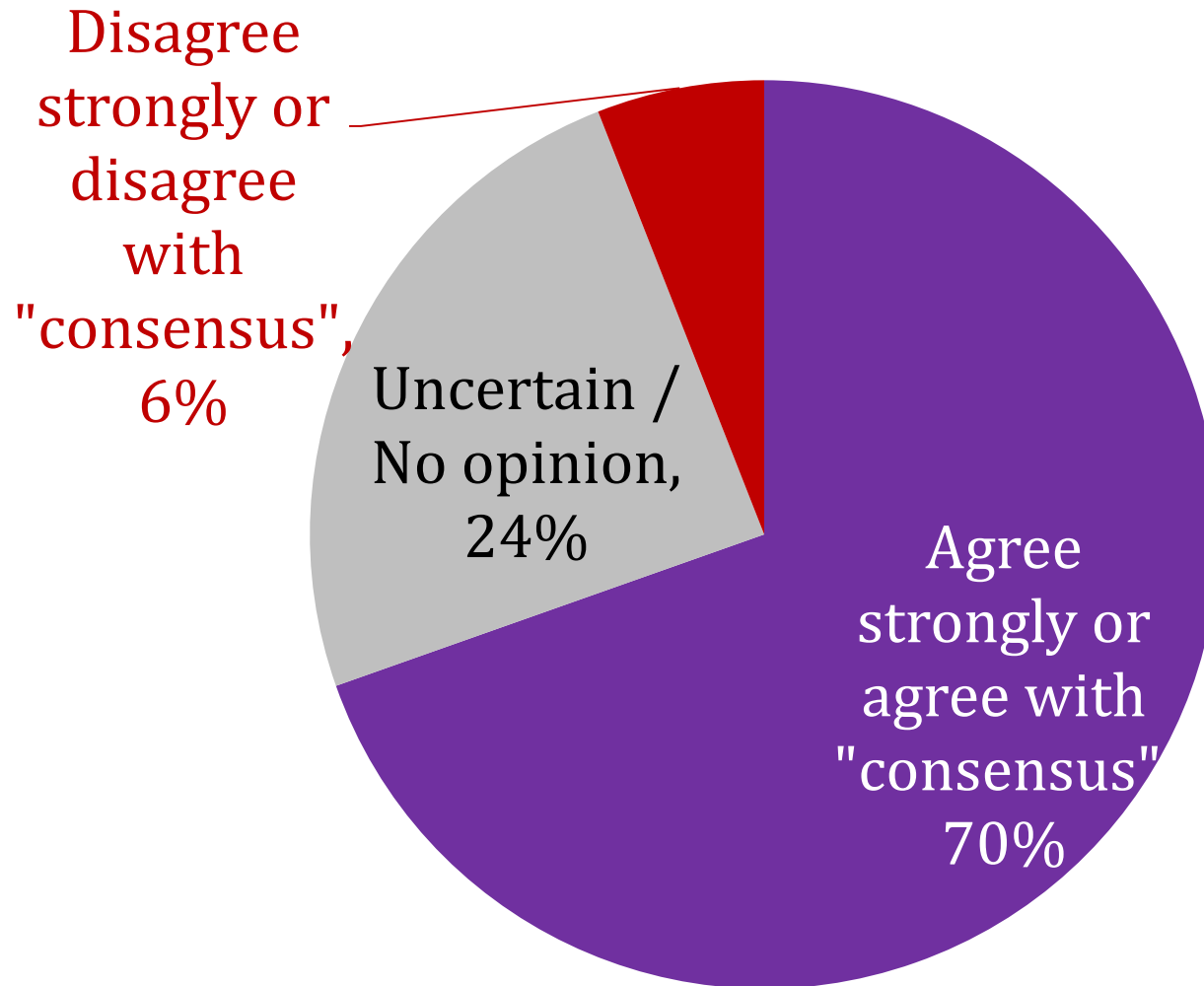
1. **Consensus**

- ▶ “Our self-image as a profession would be that our views on economic questions are based on the accumulated academic evidence”

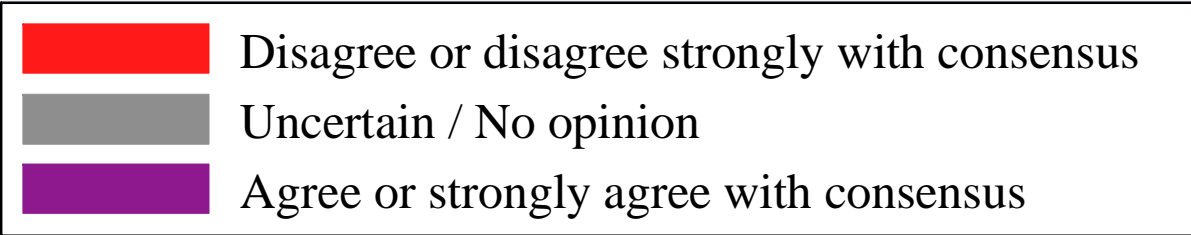
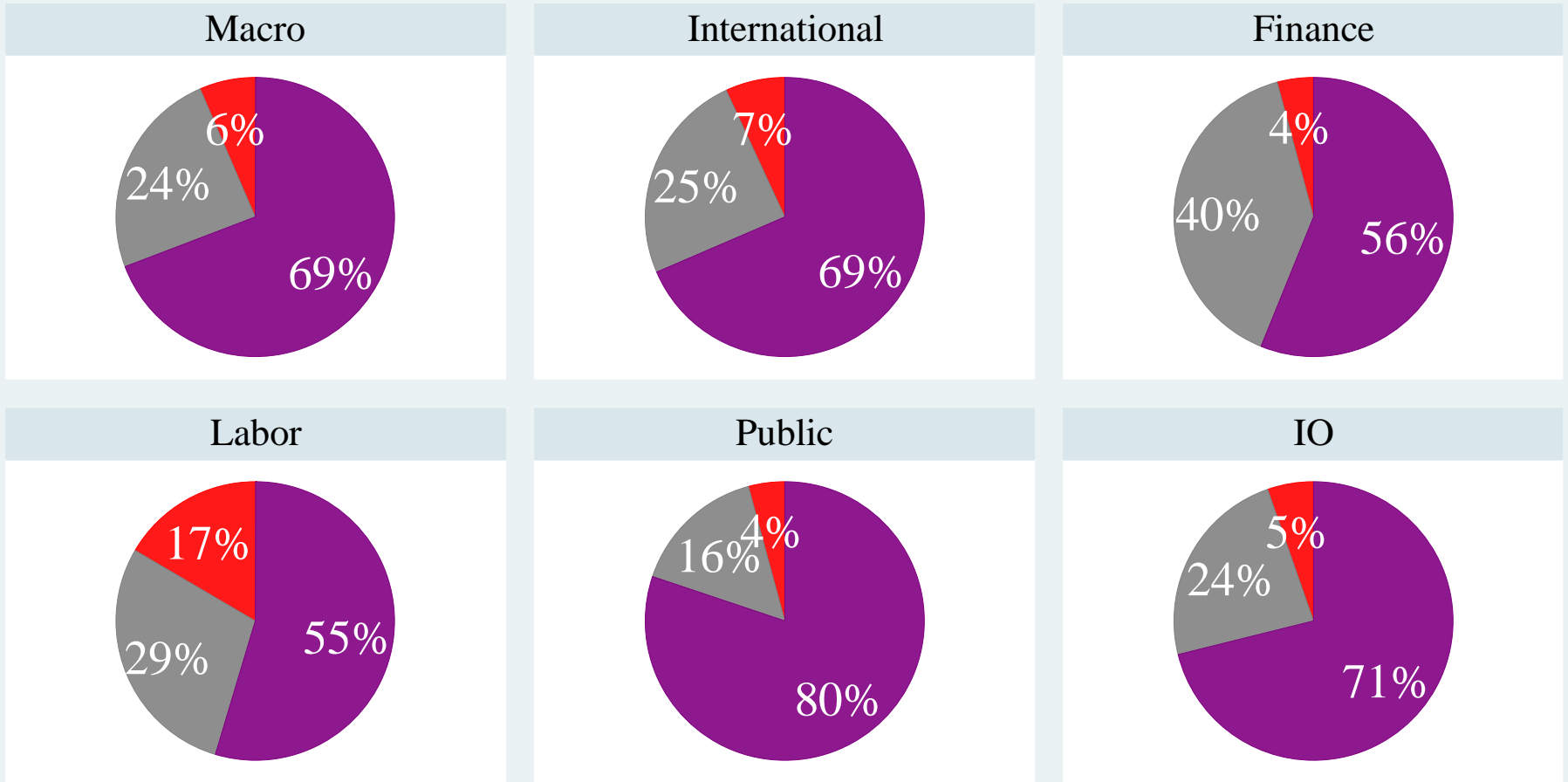
2. **Point-Counterpoint**

- ▶ “An alternative perception...is that economists coalesce into different camps, to a degree reflecting a liberal/conservative divide”

Summarizing all Responses: Substantial Consensus



Consensus by topic area



A Remarkable Consensus

□ More remarkable because:

▶ The panel is designed to be heterogeneous:

“our panel was chosen to include distinguished experts with a keen interest in public policy from the major areas of economics, to be geographically diverse, and to include Democrats, Republicans and Independents as well as older and younger scholars.”

▶ Any measurement error looks like discord

- Example Question: Education vouchers would help kids

- Only 19% disagreed. An example:



“Maddeningly sweeping! Some students would benefit and the average effect might indeed be positive. But some students would surely be harmed.”

Is this the right dataset to test for “Consensus”?

- A founding idea of the IGM Expert Panel seems to be to **showcase the consensus** among economists:

THE WALL STREET JOURNAL.

U.S. EDITION ▾ Monday, November 21, 2011

ECONOMY | November 21, 2011

Economists Get a Platform for Policy Debates

By DAVID WESSEL

- ▶ “We're doing this because we think economists have a distorted role in policy debates,” said Brian Barry... When experts fight about minor points they get much more attention than when they broadly agree about important ones. And when they disagree about big issues, the reasons don't often come through clearly,” he said. “Sometimes, ideas that are shaky or on the fringe get passed off as mainstream.”

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Point-Counterpoint

□ Research question:

- ▶ Do: “economists coalesce into different camps, to a degree reflecting a liberal/conservative divide”?

□ Dahl and Gordon:

- ▶ **Research design:** Can the pattern of responses in the IGM Economic Experts Panel be explained by:

- Gender, cohort, field, current university, PhD, service in Washington

- ▶ **Conclusion:** “There are certainly some idiosyncratic views expressed, but we found no evidence of different camps.”

□ But these variables are a poor proxy for the “liberal/conservative divide”

Two Separate Questions

1. **Consensus**

Are your views similar to those of other economists?

2. **Point-Counterpoint**

Is your vote similar to that of your ideological mates?

Do: “economists coalesce into different camps, to a degree reflecting a liberal/conservative divide”

Authors conclusion

“There are certainly some idiosyncratic views expressed, but we found no evidence of different camps.”

Dahl and Gordon's approach

Can the pattern of responses in the IGM Economic Experts Panel be explained by:

- ▶ Gender
- ▶ Cohort / experience
- ▶ Field
- ▶ Current university
- ▶ University of PhD
- ▶ Service in Washington (and on what side)?

But do these variables describe the
“liberal/conservative divide”?

Was the stimulus worth it?

“Taking into account all of the ARRA’s economic consequences – including the economic costs of raising taxes to pay for the spending, its effects on future spending, and any other likely future effects – the benefits of the stimulus will end up exceeding its costs.”

- ❑ Agree strongly: Cutler, Eichengreen, Obstfeld, Thaler
- ❑ Agree: Auerbach, Autor, Deaton, Goldberg, Goldin, Goolsbee, Greenstone, Holmstrom, Maskin, Nordhaus, Rouse, Saez, Schmalensee, Stock, Udry
- ❑ Uncertain: Acemoglu, Bertrand, Chevalier, Curry, Duffie, Fair, Hall, Judd, Kashyap, Klenow, Scheinkman
- ❑ Disagree: Shin, Zingales
- ❑ Disagree strongly: Alesina, Hoxby, Lazear

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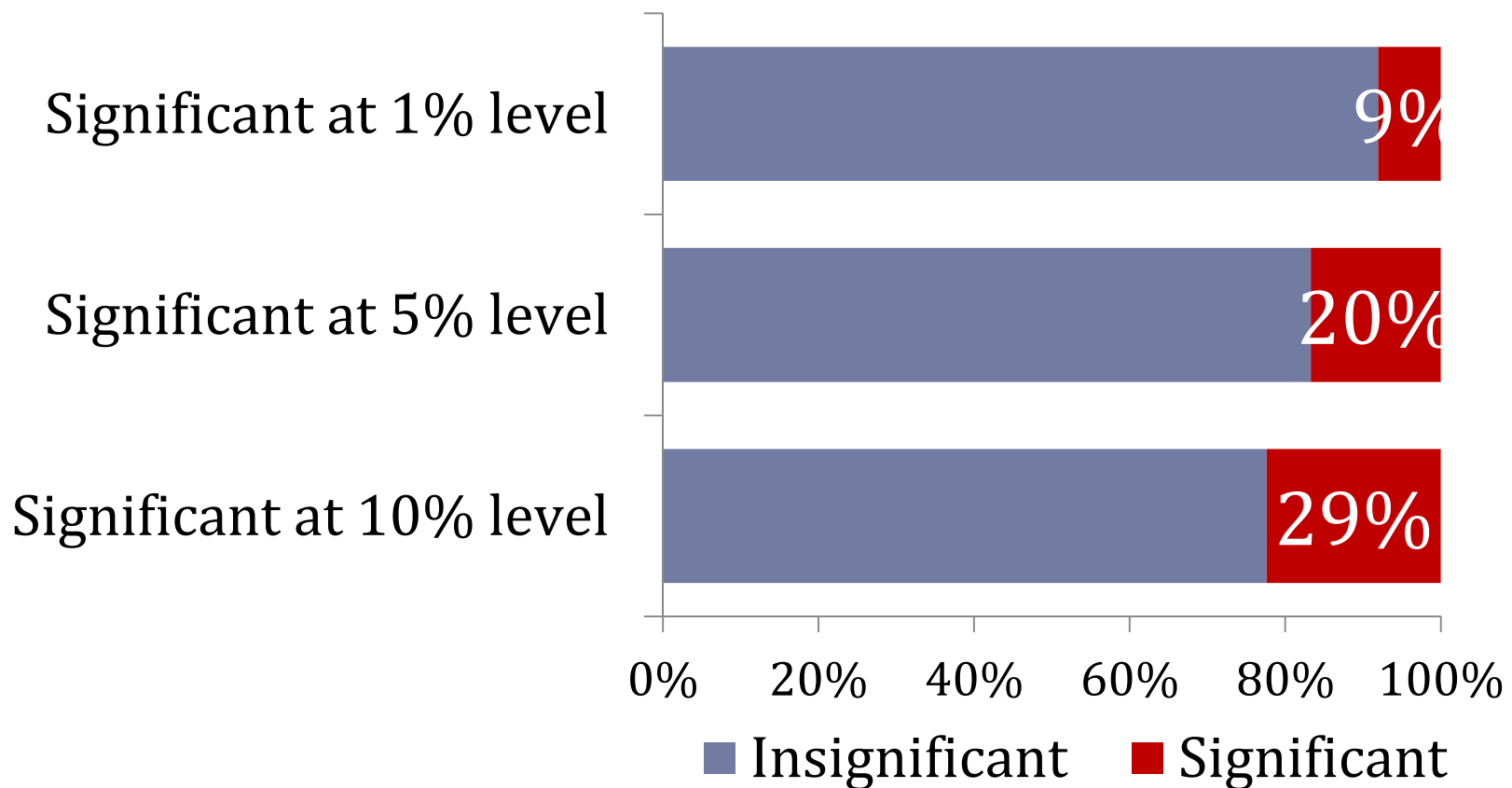
| Response | Average ideology score (0 =average economist; +1 = 1 SD to the left; -1 = 1 SD to the right) |
|-------------------|---|
| Agree strongly | +1.1 |
| Agree | +0.5 |
| Uncertain | -0.2 |
| Disagree | -0.8 |
| Disagree strongly | -2.1 |

Ordered Probit:

Opinion = 1.3 * Ideology score (t-stat = 4.8)

Generalizing the analysis

- ❑ Repeat the analysis on every question asked:
- ❑ Ordered probit: $Response = \alpha + \beta \text{ Ideology score}$



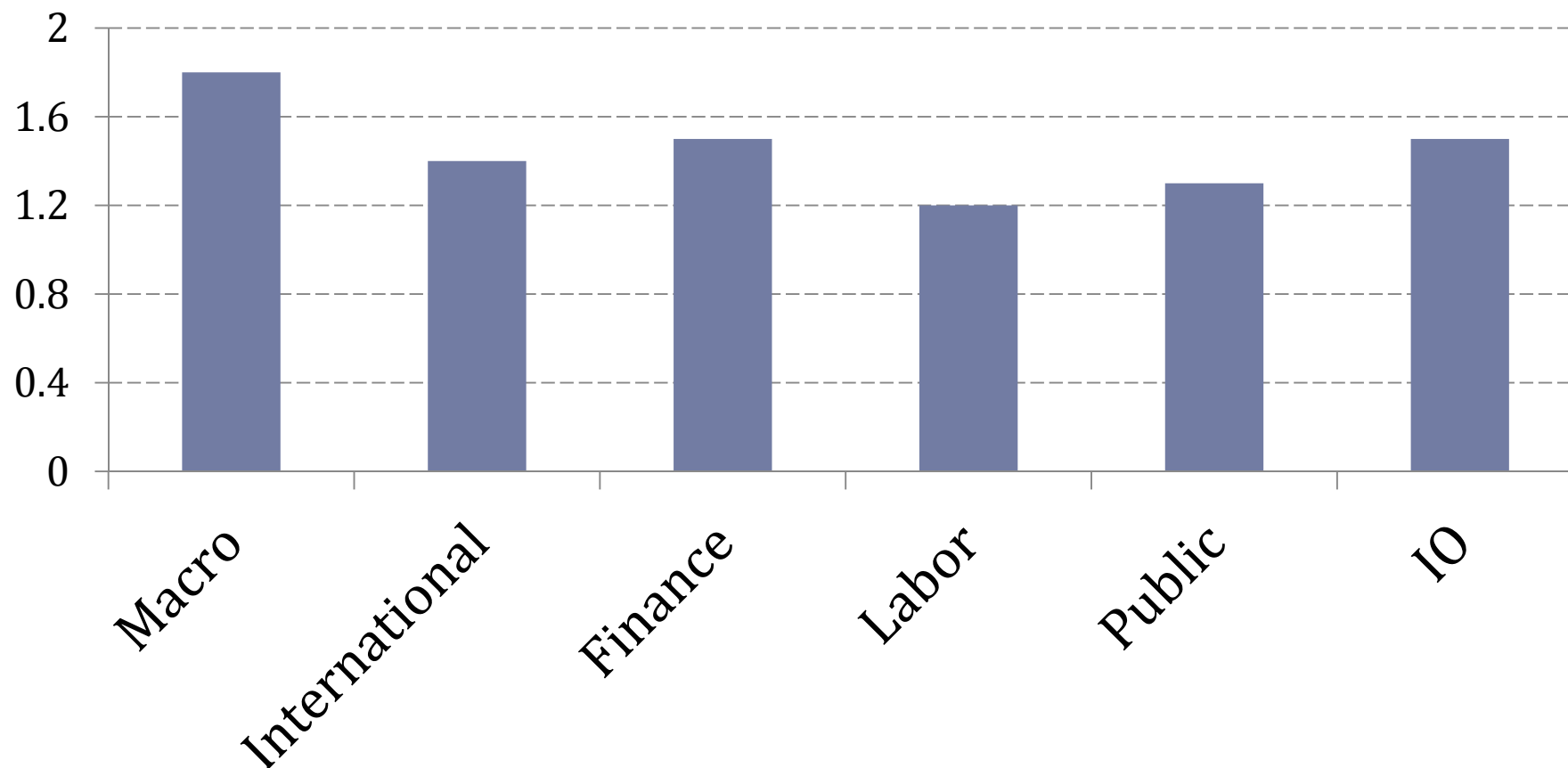
When does ideology matter?

- For each topic, run an ordered probit:
$$\text{Opinion} = \alpha + \beta \text{ Ideology score}$$

| Topic | T-statistic on <i>Ideology</i> |
|----------------------------|--------------------------------|
| Economic stimulus worth it | 4.7 |
| Economic stimulus helped | 3.7 |
| Europe | 3.7 |
| Money market funds | 3.3 |
| Gas prices | 3.2 |
| Fiscal cliff | 3.0 |
| Buy American | 2.8 |
| Executive Pay | 2.5 |
| QE3 | 2.5 |
| Education | 2.4 |

The role of ideology by field

Average value of t-statistic
Response = a + b Ideology Score



What explains ideology?

- ❑ Ideology is not well-explained by the observable variables studied by Dahl & Gordon:

| Variable | Adjusted R ² from bivariate regression: <i>Ideology = a + b*Variable</i> |
|-------------------------------------|--|
| Gender | -0.01 |
| Served in Washington | 0.02 |
| Field | -0.00 |
| Where your PhD is from | -0.12 |
| Current university | 0.22 |
| Cohort | 0.02 |
| Served in Washington for a Democrat | 0.24 |

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