



Research Synopsis

Terrorist Economic Impact Forum Adam Rose

This initiative will create a mechanism for economic modelers in the terrorist field to meet and share expertise on assumptions, data, and models, to reconcile differences in approaches, and to narrow the bounds on empirical modeling results.

Modeling Area: All

Case Studies Supported: Major Case Study each year

Principal Investigator: Adam Rose, Coordinator

Institution: USC

Other Investigators: One of the CREATE economists will serve as co-coordinator each year on a rotating basis; economists will be invited from various Centers, national labs, and DHS.

Brief Description:

This new initiative will have important model development, validation, and outreach features. This project calls for establishing a CREATE Economic Impact Analysis Modeling Forum patterned after Stanford's successful Energy Modeling Forum. We would invite leading experts on economic impact modeling throughout the U.S. to meet twice a year to compare modeling approaches and results. The first session would reveal model details, assumptions, biases, and data inputs, as well as to compare model results for an application to a terrorist threat or mitigation policy. The modelers would decide on a common set of data and assumptions, eliminate model biases, and refine individual models through the exchange of ideas. The participants would then return after 6 months to compare the results of a more consistent set of models and analyses. The exercise will enhance modeling capabilities and yield a much narrower range of bounds on estimates of the impacts of a given threat or policy. The project will have major model development, validation, and outreach features (e.g., DHS staff will be among the invitees, and the results will be disseminated in book or journal volumes).

Objectives:

The objectives of this initiative are to improve economic modeling in the terrorist field and to generate more reliable estimates of modeling applications.

Interfaces to other Center Projects:

This initiative will enable CREATE modelers to demonstrate their modeling advances and refine their work.

Interfaces to non-Center Projects:

This initiative will bring other researchers to CREATE on a regular basis.

Major Products and Customers:

Each year, the Forum will publish a report on the process and results. Choice of topic for the forum to be determined in conjunction with DHS officials, so that we can focus on issues of greatest importance. Results will provide DHS with as definitive an empirical estimate as possible.

Technical Approach:

This approach has been used successfully for more than fifteen years by Stanford University in its Energy Modeling Forum. It is based on established practices of professional interaction and model tests. The Stanford exercise has led to high visibility for the organization and highly regarded published findings.

Major Milestones and Dates:

1. Identify topic and invitees--September each year
2. Circulate initial model and findings--November each year
3. Convene modelers for initial discussions--early December each year
4. Circulate written comments on models, assumptions, data and results--February each year
5. Circulate revised model results--April each year
6. Convene second session of modelers-- May each year
7. Perform final reconciliation to narrow range of results--late June each year
8. Prepare volume for publication--August each year

We chose as our first project the Economic Impacts of 9/11. We have convened 6 modeling groups, including the NY Federal Reserve Bank, REMI, INFORUM, Gordon et al. I-O Modeling, Rose et al. CGE Modeling, and Blomberg Time Series Analysis. In addition, we have engaged the support of RMS and AIR Worldwide. All of the major milestones for this project are being met, though with a 3-month lag. We have held 11 teleconferences, a first face-to-face meeting in April and are planning a second for July. We are on course for a presentation of the results on September 11. We are well positioned to provide the definitive results on this important topic.