The Daily Dish

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Senate Majority Leader Reid is now "open to anything" on the Keystone pipeline that will help move forward a separate energy efficiency bill in the Senate. Politico is reporting, "The most likely option is to hold a standalone vote, pro-Keystone vote next week, rather than as an amendment to the Shaheen-Portman bill." This is a surprising about-face by the Democratic leader who has historically opposed the pipeline despite numerous economic benefits.

New AAF research- Rising Tide of Education Rules Increase Costs: AAF today released new research on the growing burden of higher education regulations and the cost of tuition. AAF found the Department of Education currently imposes 85 million hours of paperwork at a cost of $2.7 billion annually. For students filing for financial aid, regulations impose 26.1 million hours of paperwork to comply with the 15 forms. AAF's research also found that the costs of higher education has risen 28 percent over the last 10 years while the number of staff for post-secondary institutions has increased 31.5 percent, and payrolls have gone up 61.9 percent.

Join AAF's Education Google Hangout- Today AAF will be hosting a Google Hangout with education experts to discuss the policy implications of AAF's recently released national survey on higher education. The event begins at **2PM** and you can join by

Eakinomcs: Boring is not Enough

Neil Irwin had a (typical) smart and thought provoking piece in yesterday's *New York Times.* In it he argues that "The economy has gotten boring, and that's fantastic news — even if it would be even better news if that underlying growth path were a bit stronger." I certainly agree that the economy is boring. And I would put considerably more emphasis on growth than "a bit stronger."

It is hard to disagree with the notion that it takes less adrenalin to get through each day when it does not also contain an economic near-death experience. The onset of financial market failures in 2007, the weekly cataclysms — Bear Stearns, Lehman Brothers, Merrill Lynch, Countrywide, AIG, Fannie Mae, Freddie Mac — and free-fall in 2008 put every American on a constant state of economic high alert. Putting that in the rear view mirror makes life less exciting —in a good way.

But we could do even better. For the past couple of years, the notion of a “new normal” has been bandied about. This notion is composed of one part spin — the administration has worked overtime to convince America that *this* really is what one should expect in a recovery; one part secular stagnation theory — the engine of innovation is dead, the U.S. can no longer solve big problems, the headwinds of debt and demography are too strong; and one part amnesia regarding American exceptionalism — the U.S. is the greatest force for prosperity and freedom in the history of the globe and I defy you to name one non- U.S. corporation in the past 30 years with game changing characteristics on par with Microsoft, Apple, Google, Amazon, Oracle, Walmart, or others. There is simply no reason to accept 2.0 to 2.5 percent annual growth, or to reel in anticipation at the possibility of ramping up to 3 percent.

Boring may be better. Boring, rapid growth is way better.

I believe that an economist *is* that guy who can find the dark lining for any silver cloud. So as a matter of playing to type, it is important to add a note of caution: there is nothing preventing another recession. This expansion has reached middle-age — it is past the average length of post-war expansions — and bad things happen all the time. Usually recessions have reflected monetary tightening and related policy errors, but adverse economic events are a common occurrence. They are also much easier to absorb if the economy is growing rapidly than if it is hovering near stall speed. So while recession risk is always present, accepting the new normal raises its odds.

One cheer for the current lull in the drama. But no reason to celebrate too much.