Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2005

Open to Public Inspection

A For the 2005 calendar year, or tax year beginning and ending

B Check if applicable: Address change; Name change; Initial return; Final return; Amended return; Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
AMERICAN INSTITUTE FOR ECONOMIC RESEARCH

Number and street (or P O box if mail is not delivered to street address) — Room/suite
250 DIVISION ST., P.O. BOX 1000

City or town, state or country, and ZIP + 4
GREAT BARRINGTON, MA 01230

D Employer identification number
04-2121305

E Telephone number
413-528-1216

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

I Group Exemption Number ▶ N/A

G Website: ▶WWW.AIER.ORG

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

K Check here ▶ [ ] if the organization's gross receipts are normally not more than $25,000 The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return Some states require a complete return

M Check ▶ [ ] if the organization is **not** required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 4,039,124.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	608,446.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash $ 208,894. noncash $ 399,552.)			1d	608,446.
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	1,176,253.
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	
5	Dividends and interest from securities			5	343,254.
6 a	Gross rents SEE STATEMENT 1	6a	159,875.		
b	Less rental expenses SEE STATEMENT 2	6b	159,907.		
c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	-32.
7	Other investment income (describe ▶)			7	

		(A) Securities		(B) Other
8 a	Gross amount from sales of assets other than inventory	1,615,424.	8a	
b	Less cost or other basis and sales expenses	1,567,894.	8b	
c	Gain or (loss) (attach schedule)	47,530.	8c	

d	Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 3			8d	47,530.
9	Special events and activities (attach schedule) If any amount is from gaming, check here ▶ [ ]				
a	Gross revenue (not including $ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
10 a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
11	Other revenue (from Part VII, line 103)			11	135,872.
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	2,311,323.
13	Program services (from line 44, column (B))			13	2,955,399.
14	Management and general (from line 44, column (C))			14	1,044,684.
15	Fundraising (from line 44, column (D))			15	179,777.
16	Payments to affiliates (attach schedule)			16	
17	Total expenses (add lines 16 and 44, column (A))			17	4,179,860.
18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	-1,868,537.
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	64,782,996.
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4			20	3,679,971.
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	66,594,430.

Revenue / Expenses / Net Assets

SCANNED JUL 10 2006

RECEIVED APR 2 2 2005 OGDEN, UT 133

RECEIVED MAY 2 2 2006 OGDEN, UT 620

26

Part II. Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash $170,500. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22	170,500.	170,500.	STATEMENT 7	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc **	25	478,753.	261,103.	129,703.	87,947.
26 Other salaries and wages	26	1,094,947.	717,644.	337,345.	39,958.
27 Pension plan contributions	27	70,998.		70,998.	
28 Other employee benefits	28	152,541.	105,455.	40,244.	6,842.
29 Payroll taxes	29	102,128.	63,576.	31,254.	7,298.
30 Professional fundraising fees	30				
31 Accounting fees	31	27,495.		27,495.	
32 Legal fees	32	23,644.		23,644.	
33 Supplies	33				
34 Telephone	34	12,549.	9,412.	2,510.	627.
35 Postage and shipping	35	506,284.	496,387.	8,001.	1,896.
36 Occupancy	36	321,815.	218,446.	87,766.	15,603.
37 Equipment rental and maintenance	37	94,117.	60,429.	25,603.	8,085.
38 Printing and publications	38	333,929.	333,929.		
39 Travel	39	8,545.	6,409.	2,136.	
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	220,244.	154,171.	55,061.	11,012.
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 5	43g	561,371.	357,938.	202,924.	509.
44 **Total functional expenses.** Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	4,179,860.	2,955,399.	1,044,684.	179,777.

Joint Costs. Check ▶ ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs $ N/A , (ii) the amount allocated to Program services $ N/A ,

(iii) the amount allocated to Management and general $ N/A , and (iv) the amount allocated to Fundraising $ N/A

Form **990** (2005)

** SEE STATEMENT 6

523011
02-03-06

Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ ECONOMIC RESEARCH

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a SEE STATEMENT 8	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	0.
b SEE STATEMENT 9	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	2,403,685.
c FELLOWSHIP PROGRAM - FELLOWS ARE SELECTED FROM PROMISING COLLEGE OR GRADUATE LEVEL STUDENTS OF ECONOMICS OR FINANCE TO ATTEND SEMINARS AND CONDUCT INDEPENDENT RESEARCH AND STUDY AT AIER AS A SUPPLEMENT TO THEIR REGULAR CURRICULUM.	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	310,141.
d FELLOWSHIP AWARDS IN ABSENTIA - AIER ALSO EXTENDS FINANCIAL AID TO QUALIFIED STUDENTS OF ECONOMICS OR FINANCE TO ASSIST THEM IN THEIR GRADUATE LEVEL STUDIES AT THEIR REGULAR UNIVERSITIES. DURING THIS YEAR, 21 STUDENTS RECEIVED THIS AID.	
(Grants and allocations $ 170,500.) If this amount includes foreign grants, check here ▶ ☐	170,500.
e Other program services (attach schedule) SEE STATEMENT 10	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	71,073.
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	2,955,399.

Part IV Balance Sheets *(See the instructions.)*

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only*

				(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing		469,075.	45	116,106.
	46	Savings and temporary cash investments			46	
	47 a	Accounts receivable	47a 20,646.			
	b	Less allowance for doubtful accounts	47b	219,872.	47c	20,646.
	48 a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees			50	
	51 a	Other notes and loans receivable	51a			
	b	Less: allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use		136,219.	52	132,093.
	53	Prepaid expenses and deferred charges		122,746.	53	33,352.
	54	Investments - securities STMT 11 STMT 13 ▶ ☐ Cost ☒ FMV		136,529,177.	54	140,934,080.
	55 a	Investments - land, buildings, and equipment: basis	55a			
	b	Less: accumulated depreciation	55b		55c	
	56	Investments - other		0.	56	0.
	57 a	Land, buildings, and equipment: basis	57a 5,347,772.			
	b	Less accumulated depreciation	57b 1,516,176.	4,015,106.	57c	3,831,596.
	58	Other assets (describe ▶ INVESTMENT IN SUBSIDIARY)			58	624,701.
	59	**Total assets** (must equal line 74). Add lines 45 through 58		141,492,195.	59	145,692,574.
Liabilities	60	Accounts payable and accrued expenses		231,762.	60	323,883.
	61	Grants payable			61	
	62	Deferred revenue		568,163.	62	350,736.
	63	Loans from officers, directors, trustees, and key employees			63	
	64 a	Tax-exempt bond liabilities			64a	
	b	Mortgages and other notes payable			64b	
	65	Other liabilities (describe ▶ SEE STATEMENT 12)		75,909,274.	65	78,423,525.
	66	**Total liabilities.** Add lines 60 through 65		76,709,199.	66	79,098,144.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶** ☒ and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		14,478,870.	67	13,282,246.
	68	Temporarily restricted		50,304,126.	68	53,312,184.
	69	Permanently restricted			69	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	**Total net assets or fund balances** (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		64,782,996.	73	66,594,430.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73		141,492,195.	74	145,692,574.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements			a	6,020,067.
b	Amounts included on line a but not on Part I, line 12				
1	Net unrealized gains on investments	b1	231,197.		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify): SEE STATEMENT 14	b4	3,477,547.		
	Add lines b1 through b4			b	3,708,744.
c	Subtract line b from line a			c	2,311,323.
d	Amounts included on Part I, line 12, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify)	d2			
	Add lines d1 and d2			d	0.
e	Total revenue (Part I, line 12). Add lines c and d ▶			e	2,311,323.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			a	4,179,860.
b	Amounts included on line a but not on Part I, line 17				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify):	b4			
	Add lines b1 through b4			b	0.
c	Subtract line b from line a			c	4,179,860.
d	Amounts included on Part I, line 17, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines d1 and d2			d	0.
e	Total expenses (Part I, line 17). Add lines c and d ▶			e	4,179,860.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 15		426,597.	52,156.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 13			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control?	75c		X
	Note. Related organizations include section 509(a)(3) supporting organizations. If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization			
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
ROLLO L HANDY 250 DIVISION STREET GREAT BARRINGTON, MA 01230	0.	31,419.	0.	0.
EDWARD P WELKER 250 DIVISION STREET GREAT BARRINGTON, MA 01230	0.	33,914.	0.	0.

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization ▶ AMERICAN INVESTMENT SERVICES, INC. and check whether it is ☐ exempt or ☒ nonexempt			
81 a	Enter direct or indirect political expenditures (See line 81 instructions.) 81a 0.			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

Part VI Other Information *(continued)*

			Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) — 82b: N/A			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
85	*501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year			
c	Dues, assessments, and similar amounts from members — 85c: N/A			
d	Section 162(e) lobbying and political expenditures — 85d: N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e: N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f: N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h		
86	*501(c)(7) organizations* Enter: **a** Initiation fees and capital contributions included on line 12 — 86a: N/A			
b	Gross receipts, included on line 12, for public use of club facilities — 86b: N/A			
87	*501(c)(12) organizations* Enter: **a** Gross income from members or shareholders — 87a: N/A			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) — 87b: N/A			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301 7701-3? If "Yes," complete Part IX	88	X	
89 a	*501(c)(3) organizations* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. , section 4912 ▶ 0. , section 4955 ▶ 0.			
b	*501(c)(3) and 501(c)(4) organizations* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.			
d	Enter. Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.			
90 a	List the states with which a copy of this return is filed ▶ MA, PA			
b	Number of employees employed in the pay period that includes March 12, 2005 — 90b: 29			
91 a	The books are in care of ▶ CORPORATION Telephone no ▶ 413-528-1216 Located at ▶ DIVISION STREET, GREAT BARRINGTON, MA ZIP + 4 ▶ 01230			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		X
	If "Yes," enter the name of the foreign country ▶ N/A. See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts			
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c		X
	If "Yes," enter the name of the foreign country ▶ N/A			
92	*Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041**- Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92: N/A			

Form **990** (2005)

523162
02-03-06

Part VII Analysis of Income-Producing Activities *(See the instructions.)*

Note: *Enter gross amounts unless otherwise indicated*	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a SALES OF PUBLICATIONS					503,315.
b RESEARCH REPORTS					672,938.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	343,254.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	-32.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	47,530.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a REIMBURSE FACILITIES			03	12,020.	
b GAIN ON INVESTMENT I					
c SUBSIDIARY					123,852.
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		402,772.	1,300,105.

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 1,702,877.

Note: *Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93	SALES OF BOOKLETS AND SUBSCRIPTIONS TO DESSIMINATE RESEARCH EFFORTS

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
AMERICAN INVESTMENT	%			
SERVICES	100% %	INVESTMENT ADVISOR	1,484,596.	957,927.
	%			
	%			

Part X Information Regarding Transfers Associated [redacted]

(a) Did the organization, during the year, receive any funds, directly or indirectly [redacted]

(b) Did the organization, during the year, pay premiums, directly or indirectly, o[redacted]

Note: *If "Yes" to* **(b)**, *file Form 8870* **and** *Form 4720 (see instructions)*

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including acc[redacted] correct, and complete. Declaration of preparer (other than officer) is based on all inf[redacted]

▶ Shawn A. Buckler 5[redacted]

Signature of officer Date[redacted]

Paid Preparer's Use Only

Preparer's signature ▶ Ken McGrath, CPA [redacted]

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ BST ADVISORS, LLC
26 COMPUTER DRIVE WEST
ALBANY, NEW YORK 12205 [redacted]

523163 02-03-06

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2005

Name of the organization: AMERICAN INSTITUTE FOR ECONOMIC RESEARCH

Employer identification number: 04 2121305

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
GAIL ROGER 250 DIVISION ST., P.O. BOX 1000, GREA	DIR. OF ADMIN. SVCS 40.00	91,167.	13,171.	
LAWRENCE PRATT 250 DIVISION ST., P.O. BOX 1000, GREA	SENIOR ECONOMIST 40.00	82,385.	12,212.	
DAVIS MORGAN 250 DIVISION ST., P.O. BOX 1000, GREA	ECONOMIST/DIR. OF IT 40.00	82,036.	12,457.	
FRED HARWOOD 250 DIVISION ST., P.O. BOX 1000, GREA	PLANT MANAGER 40.00	79,126.	11,994.	
JON SYLBERT 250 DIVISION ST., P.O. BOX 1000, GREA	PUBLISHING 40.00	64,212.	4,357.	
Total number of other employees paid over $50,000 ▶	4			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None" See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over $50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V-A, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) SEE STATEMENT 16	3a	X	
b	Do you have a section 403(b) annuity plan for your employees?	3b		X
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c		X
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box)

5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 ☐ A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶ ______

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

12 ☐ An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in **(1)** lines 5 through 12 above, or **(2)** sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization ▶ ☐ Type 1 ☐ Type 2 ☐ Type 3

Provide the following information about the supported organizations (See page 6 of the instructions)

(a) Name(s) of supported organization(s)	**(b)** Line number from above

14 ☐ *An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)*

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting.**
Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting*

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	696,483.	1,219,724.	114,909.	666,684.	2,697,800.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose	1,101,543.	1,026,841.	1,210,802.	1,091,124.	4,430,310.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	388,342.	330,202.	190,122.	278,114.	1,186,780.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	11,089.	12,187.	SEE STATEMENT 17 3,531.	12,757.	39,564.
23 Total of lines 15 through 22	2,197,457.	2,588,954.	1,519,364.	2,048,679.	8,354,454.
24 Line 23 minus line 17	1,095,914.	1,562,113.	308,562.	957,555.	3,924,144.
25 Enter 1% of line 23	21,975.	25,890.	15,194.	20,487.	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 78,483.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 1,086,014.

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ 26c 3,924,144.

d Add Amounts from column (e) for lines 18 1,186,780. 19 ______ 22 39,564. 26b 1,086,014. ▶ 26d 2,312,358.

e Public support (line 26c minus line 26d total) ▶ 26e 1,611,786.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 41.0736%

27 **Organizations described on line 12:** a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" **Do not file this list with your return.** Enter the sum of such amounts for each year: N/A

(2004) (2003) (2002) (2001)

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year N/A

(2004) (2003) (2002) (2001)

c Add Amounts from column (e) for lines 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c N/A

d Add Line 27a total ______ and line 27b total ______ ▶ 27d N/A

e Public support (line 27c total minus line 27d total) ▶ 27e N/A

f Total support for section 509(a)(2) test Enter amount on line 23, column (e) ▶ 27f N/A

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g N/A %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant **Do not file this list with your return** Do not include these grants in line 15

NONE

Part V **Private School Questionnaire** (See page 7 of the instructions) N/A
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions) N/A
(To be completed ONLY by an eligible organization that filed Form 5768)

Check ▶ a ☐ if the organization belongs to an affiliated group Check ▶ b ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table -	41		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

If the amount on line 40 is -	The lobbying nontaxable amount is -
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

Caution *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B **Lobbying Activity by Nonelecting Public Charities**
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received N/A

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
RELATED PARTY RENTAL INCOME	1	159,875.
TOTAL TO FORM 990, PART I, LINE 6A		159,875.

FORM 990 RENTAL EXPENSES STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
RENTAL EXPENSES		159,907.	
- SUBTOTAL -	1		159,907.
TOTAL TO FORM 990, PART I, LINE 6B			159,907.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 3

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALE OF SECURITIES	1,615,424.	1,567,894.	0.	47,530.
TO FORM 990, PART I, LINE 8	1,615,424.	1,567,894.	0.	47,530.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	231,197.
CHANGE IN VALUE OF SUBSIDIARY	123,852.
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS	3,008,058.
PRIOR PERIOD ADJUSTMENT	-28,773.
CHANGE IN CURRENT YEAR FINANCIAL STATEMENT PRESENTATION	345,637.
TOTAL TO FORM 990, PART I, LINE 20	3,679,971.

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONSULTING FEES	73,073.	44,235.	28,838.	
ECONOMIC SEMINARS	52,724.	52,724.		
ENVIRONMENTAL REMEDIATION	62,654.	0.	62,654.	
INVENTORY CHANGE	-3,450.	-3,450.		
MISCELLANEOUS	19,226.	10,533.	8,184.	509.
NAME RENTAL	106,346.	106,346.		
PERIODICALS AND SUBSCRIPTIONS	11,285.	11,285.		
PUBLIC RELATIONS	66,879.	4,099.	62,780.	
REFUNDS	4,976.	4,976.		
SENIOR VISITING FELLOWS	127,190.	127,190.		
TRUSTEE REIMBURSEMENT	40,468.	0.	40,468.	
TOTAL TO FM 990, LN 43	561,371.	357,938.	202,924.	509.

FORM 990 OFFICER COMPENSATION ALLOCATION STATEMENT 6
PART II, LINE 25

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
CHARLES E. MURRAY	185,074.	23,707.	0.	208,781.
A. PROGRAM SERVICES	111,045.	14,224.		125,269.
B. MANAGEMENT AND GENERAL	55,522.	7,112.		62,634.
C. FUNDRAISING	18,507.	2,371.		20,878.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
KERRY A. LYNCH	123,077.	12,758.	0.	135,835.
A. PROGRAM SERVICES	123,077.	12,758.		135,835.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
SHAUN A. BUCKLER	118,446.	15,692.	0.	134,138.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	59,223.	7,846.		67,069.
C. FUNDRAISING	59,223.	7,846.		67,069.

TOTAL PROGRAM SERVICES	261,104.
TOTAL MANAGEMENT AND GENERAL	129,703.
TOTAL FUNDRAISING	87,947.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B	478,754.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
	21 FELLOWSHIP AWARDS		NONE	170,500.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				170,500.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 8

DESCRIPTION OF PROGRAM SERVICE ONE

RESEARCH REPORTS - PREPARATION AND DISTRIBUTION OF BIWEEKLY ECONOMIC REPORTS WHICH DISCUSS SELECTED TOPICS IN THE AREAS OF FISCAL AND MONETARY ECONOMICS. THESE REPORTS REFLECT THE ONGOING RESEARCH OF THE PROFESSIONAL STAFF AND ARE DISTRIBUTED TO MEMBERS AND TO OTHERS. DURING THIS YEAR, APPROXIMATELY 12,000 INDIVIDUALS, INSTITUTIONS AND PUBLISHERS RECEIVED THE REPORTS. (THIS REPRESENTS THE AVERAGE NUMBER OF SUBSCRIBERS TO RESEARCH REPORTS.)

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		0.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 9

DESCRIPTION OF PROGRAM SERVICE TWO

ECONOMIC EDUCATION BULLETINS - PREPARATION AND DISTRIBUTION OF OCCASIONAL BOOKLETS IN THE AREAS OF FISCAL AND MONETARY ECONOMICS, REFLECTING DETAILED ANALYSIS OF PARTICULAR SUBJECTS WITH SOME EMPHASIS ON PERSONAL ECONOMIC PROBLEMS. RESEARCH AND PRODUCTION IS INTEGRATED WITH RESEARCH REPORTS (LINE A ABOVE). APPROXIMATELY 148,336 WERE DISTRIBUTED TO SUSTAINING MEMBERS OR SOLD ON AN INDIVIDUAL BASIS DURING THIS YEAR.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B		2,403,685.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 10

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
VISITING SENIOR FELLOWS - DURING THE SUMMER, THE INSTITUTE INVITES PROMINENT INDIVIDUALS IN THE FIELD OF FISCAL, MONETARY, AND PERSONAL ECONOMICS TO LECTURE AND DISCUSS TOPICS IN THESE FIELDS WITH THE SUMMER FELLOWS.	0.	71,073.
EDUCATIONAL CONFERENCES - THIS PROGRAM CONSISTS OF HOSTING PERIODIC CONFERENCES THAT INVOLVE LEADING SCHOLARS FROM HERE AND ABROAD, AND PUBLISHES THE RESULTS OF SUCH ACTIVITIES.		
TOTAL TO FORM 990, PART III, LINE E		71,073.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 11

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITIES	FMV	2,922,674.			2,922,674.
FIXED INCOME INVESTMENTS	FMV		6,104,099.		6,104,099.
TO FORM 990, LINE 54, COL B		2,922,674.	6,104,099.		9,026,773.

FORM 990 OTHER LIABILITIES STATEMENT 12

DESCRIPTION	AMOUNT
LIABILITIES UNDER SPLIT INTEREST AGREEMENTS	76,961,836.
DUE TO RELATED PARTY	19,152.
SPLIT INTEREST TRUSTS DISTRIBUTIONS PAYABLE	1,442,537.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	78,423,525.

FORM 990 OTHER SECURITIES STATEMENT 13

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
MONEY MARKETS	FMV	190,750.
RESTRICTED TRUST ASSETS UNDER SPLIT INTEREST AGREEMENTS	FMV	131,716,557.
TO FORM 990, LINE 54, COL B		131,907,307.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 14

DESCRIPTION	AMOUNT
RENTAL EXPENSES	159,907.
SPLIT INTEREST TRUST	3,317,640.
TOTAL TO FORM 990, PART IV-A	3,477,547.

FORM 990 PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 15

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CHARLES MURRAY, PHD 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	CEO/PRESIDENT 40.00	185,074.	23,706.	0.
SHAUN BUCKLER 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	CHIEF FINANCIAL OFFICER 40.00	118,446.	15,692.	0.
KERRY LYNCH, PHD 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	DIR. OF RESEARCH & EDUC 40.00	123,077.	12,758.	0.
EDWARD ADOLPH 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
ANTHONY C. BREUER 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
V. GEORGE CASTLE 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
RICHARD DONCASTER 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
W. BLAKE FOSTER 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
MARJORIE GREER 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
PETER LEE 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
WILLIAM PEIRCE 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.

SIDNEY ROSE 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
JOHN WILSON, JR. 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
EDWIN THOMPSON 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	CHAIRMAN 1.00	0.	0.	0.
C. LOWELL HARRISS 250 DIVISION ST., P.O. BOX 1000 GREAT BARRINGTON, MA 01230	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		426,597.	52,156.	0.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 16
PART III, LINE 3A

FELLOWSHIP AWARDS - AIER EXTENDS FINANCIAL AID TO QUALIFIED STUDENTS OF ECONOMICS OR FINANCE TO ASSIST THEM IN THIER GRADUATE LEVEL STUDIES AT THEIR REGULAR UNIVERSITIES. DURING 2005, 21 STUDENTS RECEIVED THESE AWARDS.

SCHEDULE A OTHER INCOME STATEMENT 17

DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT
REIMBURSE FACILITIES	11,089.	12,187.	3,531.	12,757.
TOTAL TO SCHEDULE A, LINE 22	11,089.	12,187.	3,531.	12,757.

Form 8868 (Rev December 2004)
Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

OMB No. 1545-1709

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ▶ [X]
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers) However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www irs.gov/efile.*

Type or print	Name of Exempt Organization AMERICAN INSTITUTE FOR ECONOMIC RESEARCH	Employer identification number 04-2121305
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P.O. box, see instructions. 250 DIVISION ST., P.O. BOX 1000	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. GREAT BARRINGTON, MA 01230	

Check type of return to be filed (file a separate application for each return):

[X] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ CORPORATION
  Telephone No ▶ 413-528-1216 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) ____ If this is for the **whole** group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until AUGUST 15, 2006 .
to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 2005 or
▶ [ ] tax year beginning ____, and ending ____.

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions $

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit $

c **Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions $ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

American Institute for Economic Research
EIN 04-2121305 - Form 990 - 12/31/2005
Attachment to Page 4 - Fixed Assets

Fixed Assets	*Restated* 12/31/2004	Additions	Deletions	12/31/2005
Land	13,946			13,946
Buildings and improvements	4,033,883	27,607		4,061,490
Driveway and sewer	244,141	44,443		288,584
Equipment	918,329			918,329
Vehicles	65,423			65,423
Less: accumulated depreciation	(1,280,412)	(235,764)	0	(1,516,176)
Property ~~and equipment~~, net	3,995,310			3,831,596