TRECC

TEACHING RESOURCES FOR ECONOMICS AT COMMUNITY COLLEGES

WHAT IS TRECC?

TRECC is an economics newsletter focused on teaching economics at the community college level. We seek to provide resources that will help instructors provide a dynamic and meaningful experience for their students. We also seek to unite instructors from across the country and open the lines of communication between us all.

Calling all innovative educators!

Do YOU have an amazing idea that keeps your students engaged with economic content? These can be big, small, or in-between! Do share what works for you with our readers in the next issue. Please forward your experience to Sunita Kumari by August 1st, 2022.

AMERICAN ECONOMIC ASSOCIATION

Upcoming EDUCATE Workshop

The AEA Outreach Task Force and the Committee on Economic Education are pleased to announce the EDUCATE workshop to be held in conjunction with the AEA 2022 Conference on Teaching and Research in Economic Education (CTREE) in Chicago, IL. The workshop will be conducted as a face-to-face and Canvas supported workshop from Friday June 3rd, 2022, to Sunday June 5th, 2022. Contact KimMarie McGoldrick for more details.

Principles of Economics Curriculum

In 2016, Prante had compared principles of economics curriculum across U.S. colleges and universities. He reviewed the offerings as single vs. separate principles courses for Microeconomics and Macroeconomics, the sequence of the separate offerings and the level of math proficiency required to enroll in the principles courses. What are YOUR thoughts about this article and the principles curriculum? Do share with Sunita Kumari by August 1st, 2022.

Supported by the Economics in Context Initiative (ECI), National Science Foundation (NSF #1522234), and Starting Point: Teaching and Learning Economics.

Edited by Sunita Kumari

March 2022

TRECC

ISSUE 1

- THE DIGITAL NEWSLETTER -

coreecon
Economics for a changing world

Introducing CORE Insights

By Ishani Tewari, Associate Professor
Management, Curry College

The Course Open-access Resources in Economics (CORE) project is an innovative approach to teaching economics, pioneered after the financial crisis. The CORE approach emphasizes that standard economic models should be taught in the context of history, politics, and society more generally. CORE has published three textbooks and they available free online along with a vast collection of exercises, videos, slides, and other pedagogical resources. The textbooks have been adopted in over three hundred universities across over sixty countries.

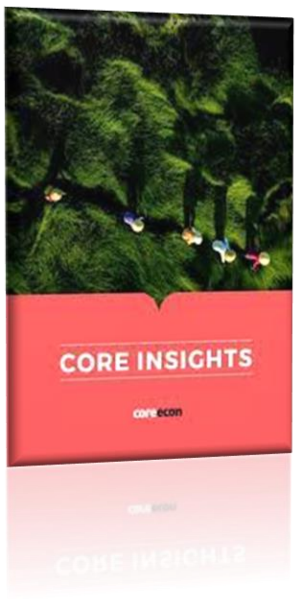
In its anchor textbook, *The Economy*, students are first presented with an observation or issue the economy, and then taught how it can be understood and examined through economic models and tools. This contrasts with traditional textbooks in which learning the models often takes precedence over learning how to apply them to relevant, modern problems. The goal of this structure is to equip students with tools to tackle today's economic challenges. Inequality, environmental sustainability, automation, and innovation are not simply special interest topics but important themes throughout the textbooks. The focus of economics curricula was redirected to attract underrepresented groups like women and minority to the field.

In 2019, faculty at Barnard College and Columbia University with funding by grants from the Hewlett and Teagle foundation, formed the CORE-USA, an outreach hub for economics professors and graduate students interested in using CORE. Recipient of a CORE-Teagle Fellowship, I worked with this group in the Spring of 2021 on a new series called "CORE Insights." These are self-contained and stand-alone readings focusing on a particular topic, authored by experts in the area and informed by research.

Some of CORE's standard high-quality learning tools including interactive questions, data and charting tools are part of the Insights. All teaching and learning resources were linked to the concepts in the CORE textbooks so that students are exposed to the CORE project's approach described earlier. The Insights were written and designed so that they can not only complement a standard undergraduate economics course, but they can also be used in a Masters-level or professional development course.

> Also on the *CoreEcon* site: An ***interactive online tool*** for visualizing global income inequality to find out more about the trends in income and income inequality over the past few centuries, how to measure inequality, and policies that can address economic inequality visit with more information provided at the Economic Inequality pathway .

Following are the three CORE Insights available:



- *A World of Differences: An Introduction to Inequality:* Students will learn about the meaning, measurement, and implications of economic inequality. This Insight is an excellent complement to a class textbook because most introductory economics textbooks do not contain a robust treatment of inequality beyond discussion of redistribution. This reading is thought-provoking as it makes students critically think about concepts like inequality of opportunity vs. inequality of outcomes.

- *Financing the American Government*: This CORE Insight explains how the US Department of Treasury finances government spending and how the US Federal Reserve System conducts monetary policy both during times of normalcy and during economic crises. One aspect of this text that I liked is that it describes how the Treasury operationalizes federal government borrowing. "Buying and selling T-bills" is not just a vague description, but students learn (with just the right amount of detail) how, for example, the New York fed auctions securities. All graphs and data are up to date through the pandemic, and interactive activities were embedded within the reading.

- *Too Big to Fail: Lesson from a Decade of Financial Sector Reforms*: This CORE Insight looks at what happened during the global financial crisis and how regulatory reforms since then aim to address the problems that arise when banks become too big to be allowed to fail.

New Insights continue to be developed, many at the brand-new James M. and Cathleen D. Stone Centre on Wealth Concentration, Inequality and the Economy at University College of London. I welcome questions or collaborative discussions on using this new resources in the classroom. Feel free to reach out to me at ishani.tewari@curry.edu.

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THINGS TO DO

UPCOMING CONFERENCES

Click to learn more about each conference:

38th Annual NABE Economic Policy Conference
National Association for Business Economics
Mar 20-22, 2022, The Ritz-Carlton, Washington, D.C.

86th MEA Annual Conference
Middle Economics Association
Mar 25-27, 2022, Hyatt Regency, Minneapolis, MN

11th Annual AEA Conference on Teaching & Research in Economic Education (CTREE)
CTREE Conference 2022
June 1-3, 2022, Chicago, IL

2022 SEA 92nd Annual Meeting
Southern Economic Association
Nov 19-21, 2022, Fort Lauderdale, FL

Helpful Resources

Click to learn more about each resource:

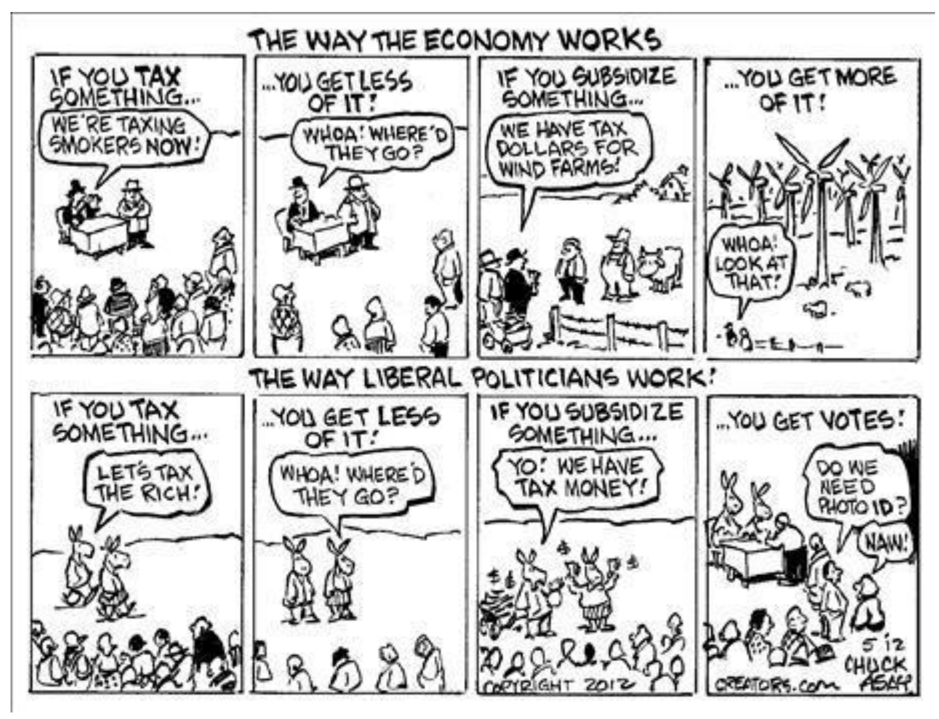
Best Practices for Economists by AEA
Building a more diverse, inclusive, and productive profession. Check out the section on "Serving as Colleagues" for networking or collaborating ideas.

Starting Point : Teaching & Learning Economics
Looking at pedagogies external to, but applicable to the economics discipline.

Economics at Community Colleges
This site has webinars and workshops catered specifically to the two-year community colleges.

2022 Webinars
The Council for Economic Education offers webinars on personal finance and economics.

Do YOU have a book, video, blog, or podcast that keeps you engaged in Economics with our readers or your students? Please forward your recommendations to Sunita Kumari at by August 1st, 2022, so that we can share in the next issue.



Source: International Liberty Blog, Dan Mitchell

Do you use comic as a teaching tool in initiating discussion in class or virtually? If so, do share ***how*** you use it? How is it received by students? And/or share other tips to incorporate humor in classroom or virtual teaching modalities? Please forward your thoughts and suggestions to Sunita Kumari at by August 1st, 2022, so that we can share in the September 2022 issue.

Source: Economic Puns, https://www.coolpun.com/topic/economic

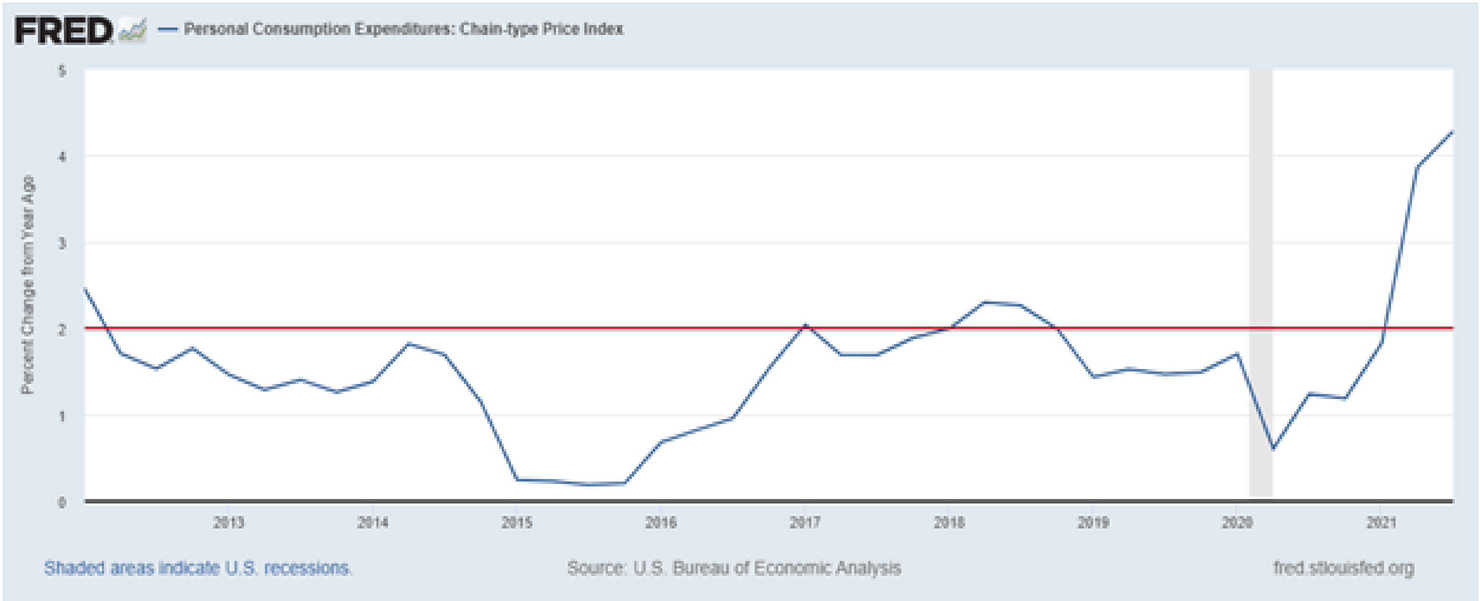
THE FED'S STANCE ON MONETARY POLICY: MANAGING BOTH SIDES OF THE DUAL MANDATE

TEACHING & LEARNING WITH FRED DATA

The Federal Reserve (the Fed) has a dual mandate from Congress of price stability and maximum employment. The Federal Open Market Committee (FOMC) sets monetary policy to move the economy toward these goals. Since March 2020, the Fed has set the target range for its policy rate near zero and has been purchasing securities to help keep financial conditions very accommodative. This policy stance has allowed, over the past year and a half, the economy to recover from the depths of the coronavirus pandemic. Here we will look at the two sides of the mandate, look at how the data associated with these criteria have evolved in recent months and discuss what this means for the Fed's setting of monetary policy in the months to come.

Price Stability

Price stability does not mean there is no inflation. Instead, the Fed has stipulated that its longer-run inflation objective is 2 percent, as measured by the personal consumption expenditures price index (PCEPI). In 2020, the Fed released a Statement on Longer-Run Goals and Monetary Policy Strategy that said this objective can best be met by seeking to achieve inflation that averages 2 percent over time. Pursuing inflation that averages 2 percent over time helps ensure longer-run inflation expectations—remain well anchored at 2 percent. Inflation expectations are just what they sound like—expectations that households and businesses have about future inflation. If households and businesses expect 2 percent inflation, and make decisions based on those expectations, their actions contribute to the realization of a 2 percent inflation.



Source: FRED®, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/graph/?g=KOdp

The figure above shows how PCEPI inflation (the blue line) has evolved over the past few years relative to the FOMC's 2 percent target (the red line). From 2012 through 2020, inflation was below the Fed's 2% target. In the past year or so, supply and demand imbalances related to the pandemic and to the reopening of the economy have contributed to elevated levels of inflation, which has moved quite a bit above 2%. Recall that the FOMC wants inflation that averages 2 percent. There is no timeframe specified for this average but looking back over the recent years, one could conclude the Fed met its price stability criteria.

Maximum Employment

The Statement on Longer-Run Goals and Monetary Policy Strategy characterizes the Fed's maximum employment goal as broad-based and inclusive. This wording tries to convey the message that the Fed seeks to foster economic conditions that benefit everyone. As a result, there is no one measure of employment that the Fed uses. In fact, the Federal Reserve Banks of Kansas City and Atlanta produce labor market indicators that track many indicators, from the unemployment rate to wages. For simplicity, let us consider the unemployment rate. ***...continued on pg. 6.***

- THE DIGITAL NEWSLETTER -

Getting to Know Mark Maier

Mark Maier teaches economics at Glendale Community College (California) since 1988. He earned his Ph.D. in economics from the Graduate Faculty, New School for Social Research in 1980. Besides authoring five books, Dr. Maier has been the Principal Investigator or co-Principal Investigator on eight National Science Foundation projects, including six in collaboration with the Science Education Resource Center (SERC).

One of the accomplished projects is "Starting Point: Teaching and Learning Economics" portal that supports this e-newsletter, TRECC. This national economics pedagogic portal highlights innovative pedagogical practices developed both inside and outside of economics for use in undergraduate economics courses (**DUE #081738 -** Developing an Economics Pedagogic Portal). Mr Maier will be retiring in December this year. Sunita Kumari reached out to him with questions about his journey in teaching and learning economics as well as for advice and suggestions for the current and future community college economics faculty whom he fondly calls "community college economists."

SK: In your lifetime of teaching economics at community college, please describe trends that you have observed.

MM: I am leaving the profession at a propitious time for community colleges. We are getting more attention nationwide. And, within the American Economic Association (AEA), there is growing recognition that support is needed for community college economists for many reasons:
1) we are source of potential majors;
2) we are a source of diversity for the profession; and
3) improved content and pedagogy in community college courses will raise economic literacy for millions of students.

SK: What have you noticed about students taking the principles of economics courses?

MM: Other instructors will note different changes in student characteristics over the years. At my college, students are younger. I have been tracking political attitudes in a confidential survey as students begin the course. On policies ranging from government regulation to government spending, students consistently have taken strong liberal positions. At the same time students often designated themselves as conservative, more so during the Trump administration.

SK: What can we do as community college economics faculty?

MM: Together as community college economists we are an untapped force for improving the profession and helping our students. I got involved in economics education when I wrote a letter of protest to the AEA about the lack of helpful sessions at their annual meeting. We can be a force within the AEA, but we need to participate and make our voices heard. Other groups within the economics profession have become political forces. We can too!

The AEA has a new webpage for community college faculty. I would like this newsletter's audience to review the website and send in their suggestions to me. The Committee on Economic Education representatives would appreciate ideas for new content (contact James Peyton our community college representative on the Committee on Economic Education). Finally, consider attending CTREE, the Conference on Teaching and Research in Economic Education. Unlike the Allied Social Science Associations (ASSA) annual meeting, CTREE is a friendly environment with great engaging and collaborative sessions.

So, let us pay more attention to the AEA. Membership is relatively inexpensive and offers choices about journal subscriptions (my favorite is the *Journal of Economic Perspectives*).

SK: How else can we keep things moving ahead for community college economics faculty?

MM: One area that I think is underdeveloped is scholarship on teaching and learning at community colleges. We have a repertoire of data and experience that could contribute to our knowledge about economic education.

I found such to be enormously rewarding. After retirement, I will continue as a co-editor of College Teaching journal that provides an interdisciplinary academic forum on issues in teaching and learning at the undergraduate or graduate level. I would be happy to talk with anyone about publication ideas.

We also have important projects underway—but they require our help to sustain them. For instance, this newsletter – TRECC - needs ongoing financial support. The mailing list needs to be updated.

Other areas include, replicating successful regional workshops (see Webinars and Workshops at Starting Point). What about presence in the social media outlet? These projects need champions to review and sustain. What are this newsletter's audience interests and thoughts? Please let me know.

SK: What about funding - where can funds come from to provide monetary incentives?

MM: The National Science Foundations has supported us with grants, and I would be happy to work with anyone who has an idea for a new proposal. To be successful, projects will need to have multiple leaders across institutions. Every time I have appealed for collaborators, they have stepped up to work together, including some from this newsletter audience. Also, Federal Reserve Districts have provided support for workshops (e.g., Speaker Bureau from St. Louis FED). I am curious to hear what other project, events, or activities might community college economists like to initiate in their District?

SK: Your concluding thoughts?

MM: I am thrilled to share thoughts with my community college economics colleagues as I contemplate retirement from classroom teaching this year. Even so I will stay in touch with the economist friends I have made across the country. So, please stay in touch and contact me at mmaier@glendale.edu.

SK: Thank you, Mark and best wishes for the retirement journey ahead.

The Fed's Stance on Monetary Policy …continued from pg. 4.

Source: FRED®, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/graph/?g=KNUm

The figure above shows that from 2012 through 2019 the unemployment rate was declining as the economy was recovering from the Global Financial Crisis and experiencing the longest expansion in U.S. history. But in April 2020, when the pandemic hit, the unemployment rate spiked to a high of 14.7 percent. Because of quick responses by the Fed and fiscal authority, policies put in place allowed the unemployment rate to recover quite quickly as of December 2021 the unemployment rate stood at 3.9 percent. This level is well within the longer-run level expected by FOMC participants.[1]

Recall the Fed's goal is broad-based, and the unemployment rate is only one way to evaluate how well the labor market is performing. But, at least using this metric, the data suggests the Fed is getting close to this goal.

Monetary Policy Going Forward

What do these data mean for monetary policy? Chair Powell said in his January Congressional testimony "It is really time for us to begin to move away from those emergency pandemic [policy] settings to a more normal level."[2] Recall that the FOMC is tapering the size of its asset purchases that it began around the onset of the pandemic. At the current pace of reduction, these purchases should end in March.[3] Fed watchers have turned their attention to when the FOMC will raise the target range for the federal funds rate. Chair Powell has stated the Committee expects to raise the policy target range above near zero sometime in 2022 and for there to be a gradual pace of policy firming over the next few years.[4] Markets are looking to the mid-March FOMC meeting as the possible time for the first interest rate hike. Actual policy actions will depend on incoming economic data, including prices and employment.

Teach remotely with FRED resources:

- FRED in the Classroom Newsletter: Past issues and Subscribe
- Page One Economics: Inflation Expectations, the Phillips Curve, and the Fed's Dual Mandate
- FRED Interactive modules (self-paced, auto-graded): econlowdown.org
- Blog: The FRED Blog

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(The opinions expressed in this article are those of the authors and not those of the Federal Reserve Board of Governors, the Federal Reserve Bank of St. Louis, or the Federal Reserve System.)

[1] FOMC Projections materials, December 15, 2022. https://www.federalreserve.gov/monetarypolicy/fomcprojtabl20211215.htm
[2] Nomination Hearing, United States Senate Committee on Banking, Housing, and Urban Affairs, Tuesday January 11, 2022. https://www.banking.senate.gov/hearings/01/04/2022/nomination-hearing
[3] Board of Governors of the Federal Reserve System. "FOMC Press Conference Transcript, December 15, 2021." https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20211215.pdf
[4] Board of Governors of the Federal Reserve System. "FOMC Press Conference Transcript, December 15, 2021." https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20211215.pdf