

TRECC



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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 up 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 or small or in-between! Do share what works for you with our readers in the next issue. Please forward your experience to Sunita Kumari at kumari.sunita@spcollege.edu by August 1st, 2021.



Open Educational Resources

[Openstax](#) Principles of Microeconomics and Principles of Macroeconomics textbooks are building automatic data updates from [FRED](#). Interested in providing guidance about which data should be used, or what and how learning activities might be included? Do contact Mark Maier at mmaier@glendale.edu by August 1st, 2021.



Growth Mindset in a Pandemic?

In a Zoom or Microsoft Team session where the focus is on that one central screen, how can we ensure our students continue to have a “Growth Mindset” in the current health crisis?

Check out this [blog summary with a 10 min embedded video](#) and submit your ideas or suggestions to the question to Sunita Kumari at kumari.sunita@spcollege.edu by August 1st, 2021. Selected responses will be highlighted in the next issue.

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

Edited by [Philip Holleran](#) and [Sunita Kumari](#)

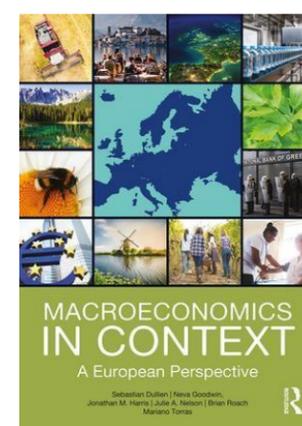
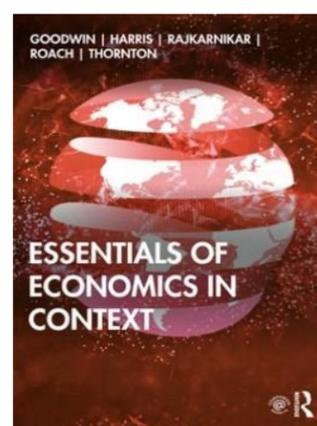
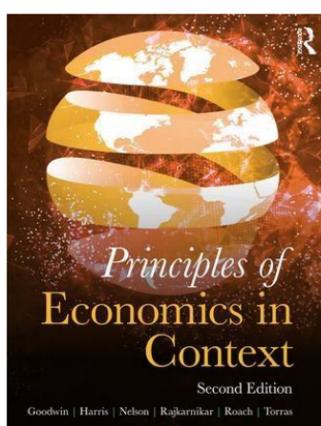
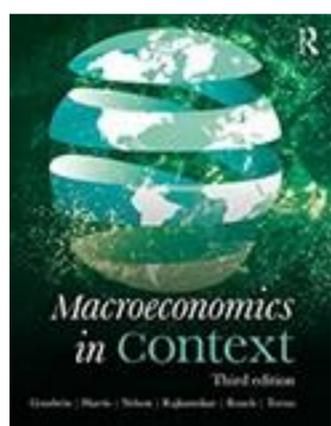
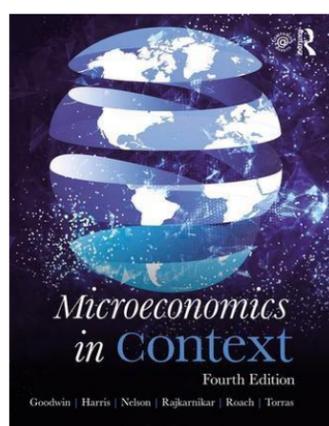
TRECC is supported by Economics in Context Initiative

ECONOMICS IN CONTEXT: UNDERSTANDING THE ECONOMIC CHALLENGES OF THE 21ST CENTURY

Economics is at an interesting stage of its development with new ideas emerging from areas such as behavioral economics, institutional economics, feminist economics, and ecological economics, among many others. Furthermore, there is growing dissatisfaction with the failure of the mainstream curriculum to address contemporary challenges such as climate change, inequality, economic instability, and globalization.

These points raise an obvious question: *How* should the economics curriculum be updated to better reflect contemporary economics and the contemporary world? Providing a practical response to this question is the central task of the [Economics in Context Initiative](#) (ECI) at the [Global Development Policy Center](#) at Boston University.

ECI provides free or low-cost teaching materials that take an innovative and interdisciplinary approach to economics, where human well-being is promoted as the central goal of economics and economic activity is analyzed within its social and environmental contexts. Our work is multi-faceted involving the development of a suite of [introductory textbooks](#), free [teaching modules](#), various [publications](#), and [free newsletters](#), all of which assist instructors in modernizing the curriculum to provide their students with a genuinely 21st century economics education that is engaging and relevant.



Our [textbooks](#) are carefully constructed to facilitate the transition from the traditional curriculum to a more 'contextual' approach by including all the traditional content but integrating them within a broader framework that considers economic activities in its social, political, historical, institutional, and environmental contexts. For example, the chapter on consumer behavior includes discussion on theory of utility maximization, but also presents recent findings from behavioral economics and perspectives on the historical, social, and environmental contexts of consumer behavior.

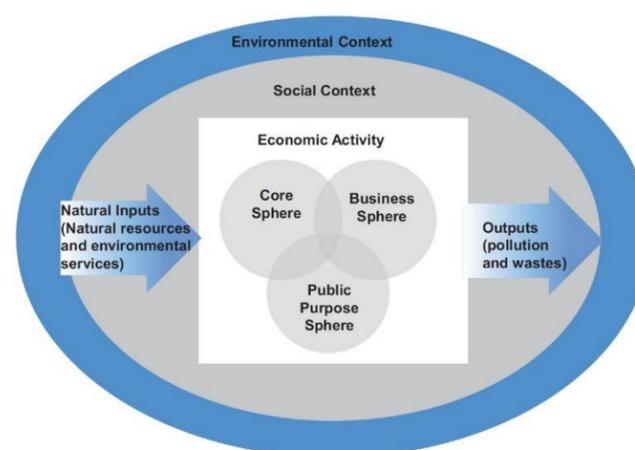
Other key features of our textbooks include:

- In-depth analysis on climate change, inequality, market power, globalization, financial instability, and ecological sustainability
- Inclusion of non-market activities in the core and public purpose spheres to account for unpaid work and benefits of public goods
- Resource management as a key economic activity to highlight the importance of physical and natural capital in building a sustainable economy
- Focus on real-world applications and policy analysis with the most up to date research
- Full set of instructor support materials including lecture slides, chapter outlines, solutions to textbook questions, and quiz banks with over 2,000 questions, along with student study guide including review questions and exercises

To allow instructors to experiment with this contextual approach, all our textbooks have several chapters made available free of charge. For example, our latest textbook, [Essentials of Economics in Context](#), has four free chapters: [Foundations of Economic Analysis](#), [Consumption and Decision Making](#), [Financial Instability and Economic Inequality](#), and [Economics of the Environment](#). Similarly, other texts, [Macroeconomics in Context](#), [Microeconomics in Context](#) and [Principles of Economics in Context](#) all have between 3 and 7 chapters that are freely downloadable. These open-access chapters allow instructors to replace one or more chapters from the textbook they are currently using and evaluate how a contextual approach works for them and their students.

Our [teaching modules](#), which are all available as free PDFs, cover several key topics on social and environmental issues in economics. These modules also allow instructors to experiment with a more contextual and pluralist approach, where instructors might substitute one or more of the chapters from their traditional textbook with a contextual module. Alternatively, a number of modules can be combined to create a bespoke course suited to particular interests. Several of the modules include discussion questions and instructor support materials. Our [newsletter](#) develops a community of practice around economics teaching, informing readers of the latest developments in economic theory, teaching resources, conferences and professional development opportunities.

ECI has a keen interest in working with the community college sector which we view as being in a strong position to provide leadership in curricular and teaching innovation. Indeed, we have recently co-published [survey work](#) and a [roundtable](#) that clearly highlights the strengths, contributions, and potential of the sector and also the need for policymakers and economists to recognize and support the important work that it does. We hope to be able to work with the community college sector and support its work in training the economists of the future.



Contextual Model of the Economy

THINGS TO DO

UPCOMING CONFERENCES

Click to learn more about each conferences:

[37th Annual NABE Economic Policy Conference](#)

National Association for Business Economics
Virtual: Mar 22-23, 2021

[85th MEA Annual Conference](#)

Middle Economics Association
Virtual: Mar 22-26, 2021

[2020 Annual AEA Conference on Teaching & Research in Economic Education \(CTREE\)](#)

Virtual: June 2-4, 2021

[ASU+GSV 2021 Virtual Summit](#)

August 9 - 11, 2021

[2021 OLC Accelerate](#)

Online Learning Consortium (OLC)
Virtual: Sept 20-24, 2021
On-Site: Oct 5-8, 2021 Washington D.C.

[2021 SEA 91st Annual Meeting](#)

Southern Economics Association
Nov 20-22, 2021 Houston, TX

Helpful Resources

Click to learn more about each resources:

[Best Practices for Economists by AEA](#)

Building a more diverse, inclusive and productive profession. Check out the section on "Working with Students" for new engagement 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.

[2021 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 kumari.sunita@spcollege.edu by August 1st, 2021 so that we can share in the next issue.

Innovation in the Classroom

"TiLTing @ Economics"



By Philip Holleran, MBA
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"I understand it just fine when we go over it in class, but I just can't seem to get it on the test." Some students, of course, do not really "understand it just fine" during the class presentation; they heard and saw the words, but never actually made sense of the ideas. But for other students, the problem may lie elsewhere.

Many community college students are at a disadvantage because they come to us lacking an understanding of the unwritten rules of how to "do college." Some students may not know how to "take" tests, while others have acquired that skill early in their schooling. Socioeconomic, first generation, and other factors can create systemic inequities in students' educational outcomes. These inequities are only exacerbated by current circumstances which move most learning and instructional activities online.

One approach to addressing these inequities is through **Transparency in Learning and Teaching (TiLT)**. "The Transparency in Learning and Teaching project aims to advance equitable teaching and learning practices that reduce systemic inequities in higher education . . ." by "promoting students' conscious understanding of how they learn" (tilthighered.com; a wealth of information regarding the TiLT project can be found at this site; see also Winkelmes, Mary-Ann, Allison Boye, and Suzanne Trapp, editors. *Transparent Design in Higher Education Teaching and Leadership*. Stylus Publishing, 2019.)

An assignment that follows TiLT principles is transparent, with clear expectations for what students will do. A transparent assignment design template includes three elements:

- 1) statement of the **Purpose** of the assignment. How is the assignment connected to learning outcomes? What knowledge will students gain from completing the assignment? What skills will students practice in completing the assignment?;
- 2) clear description of the **Task**. What will students actually do to complete the assignment? What steps should they follow? What should they avoid?;
- 3) explicit **Criteria for Success**. This could be a rubric or checklist given to students in advance, so that they know how they will be evaluated. It could also take the form of examples of what excellence looks like.

In June 2020 my college provided me with student success rates in my courses, broken down by various demographic and other characteristics. The numbers were clear and, at least initially startling: certain groups of students had much lower success rates in my courses than did others. As I reflected upon particular students that fell into one or more of those groups, I could recall instances where it seemed as though they just didn't get how to go about doing things. And so when I learned about TiLT later that month, it struck me as something well worth trying.

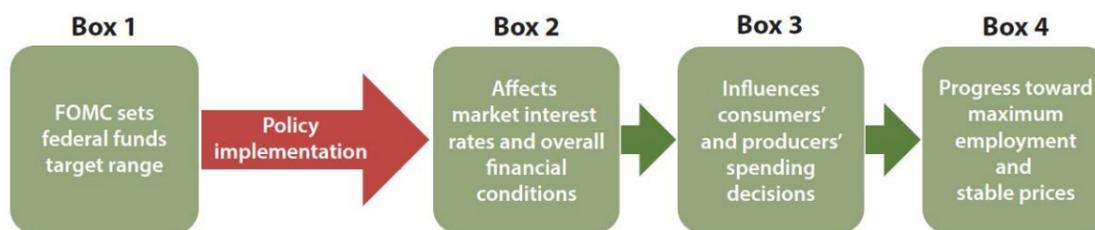
Buoyed by research findings that implementing as few as two TiLT assignments per course can have significant positive effects on academic confidence, retention rates, and collaboration and writing skills, I decided to ease TiLT into my courses. My approach was to incorporate the TiLT approach into two Problem Set assignments in each of my Principles of Micro and Principles of Macro courses in the Fall 2020 semester. ...**continued on pg. 5.**



MONETARY POLICY HAD CHANGED, HAS YOUR INSTRUCTION?

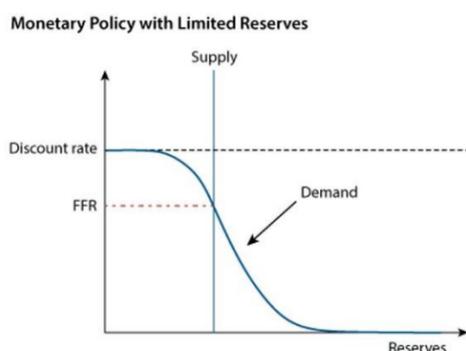
BY JANE IHRIG & SCOTT WOLLA

The Federal Reserve, the central bank of the United States, has a Congressional mandate to promote maximum employment and price stability. It works to achieving these goals by conducting or setting monetary policy. As shown in the flow diagram, the Federal Open Market Committee (FOMC) sets a target range for the federal funds rate (FFR) and this setting transmits to financial markets and affects consumer and producers' decisions. While the goals were articulated in 1977, the approach and tools used to implement those objectives (shown by the red arrow) have changed over time.



Monetary Policy with Limited Reserves

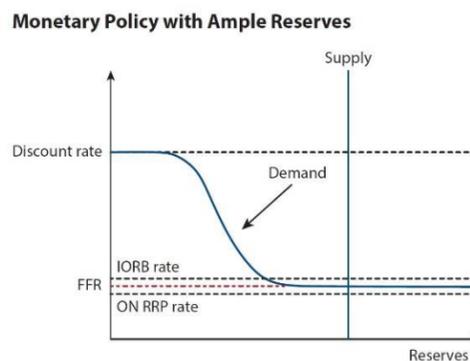
Prior to the Global Financial Crisis of 2007-09, the Federal Reserve adjusted the federal funds rate (FFR) by shifting the money supply curve right and left using open market operations.



- To raise the FFR, the Fed decreases the supply of reserves in the banking system by selling U.S. Treasury securities in the open market. The decrease in reserves shifts the supply curve left, resulting in a higher FFR.
- To lower the FFR, the Fed increases the supply of reserves in the banking system by buying U.S. Treasury securities in the open market. The increase in reserves shifts the supply curve right, resulting in a lower FFR.

This approach was used by the Federal Reserve for decades. Reflecting this fact, our assessment of popular textbooks shows that it is still the standard framework presented when discussing monetary policy (Ihrig & Wolla, 2020) with the graphical representation of monetary policy still looks something like the image above.

Monetary Policy with Ample Reserves



Since the Global Financial Crisis of 2007-09, the Fed has been operating in a new framework with many more reserves in the banking system. And, the Fed no longer leans on open market operations as its key tool to steer the FFR to the

desired level.

Instead, the Fed operates with ample reserves and uses interest on reserve balances (IORB) as its primary tool to implement policy. It is important for educators and students to understand this new approach since it is in use today and the Federal Reserve has stated it plans to continue in this manner over the longer run.

This shift in framework was spurred on by actions during the global financial crisis. Between 2008 and 2014 the Fed conducted a series of large-scale asset purchase programs to lower longer-term interest rates, ease broader financial market conditions, and thus support economic activity and job creation. These purchases not only increased the Fed's level of securities holdings but also increased the total level of reserves in the banking system from around \$15 billion in 2007 to about \$2.7 trillion in late 2014. At this point, reserves were no longer limited but instead became quite plentiful, or "ample."

With ample reserves, the most significant policy implementation tool is IORB i.e. interest paid on reserves that banks hold in their accounts at a Federal Reserve Bank. So, as shown in the figure, instead of relying on open market operations to fine tune the supply of reserves, the Fed now keeps the supply of reserves ample and sets the IORB rate to steer the FFR to the desired level.

Because IORB offers banks a risk-free investment option, it serves a reservation rate. In other words, because banks can deposit their funds at a Federal Reserve Bank overnight, they will not be willing accept a lower rate for their funds. And because these banks always have access to IORB, banks can arbitrage differences with other short-term rates. For example, if the rate being offered in the federal funds market is 2%, but the Fed is offering 2.25% on reserve balance deposits, banks could borrow in the federal funds market (at 2%) and deposit the funds at their Reserve Bank (at 2.25%) and earn a profit on the difference. As more banks participated in arbitrage, the increase in demand in the federal funds market would put upward pressure on the FFR. This would continue until banks no longer see an opportunity to profit. In short, this action will pull the FFR up toward the IORB rate. The action works the other way too. ...continued on pg. 5.

- THE DIGITAL NEWSLETTER -

TiLTing @ Economics ...continued from pg. 3.

Results from my first semester of incorporating TiLT assignments are encouraging if anecdotal. I have the sense that these assignments have enhanced student performance on these assignments in two ways. One improvement is that students are more likely to provide full explanations for their answers, rather than attempting to explain something in a sentence or even a single word. As part of TiLTing the assignments, I explicitly indicate expectations for a complete answer. In many cases, I specify minimum word counts. Pre-TiLT (and still in my non-TiLT assignments), I just assume that students will know what a complete explanation entails. A second improvement is that students do a better job of incorporating the “technical terms” of Economics vocabulary into their completed assignments. In making up the assignment, I explicitly state that part of the purpose of the assignment is to practice using the technical terms correctly and appropriately. A third benefit of this approach to the assignments is that it forces me to be clear that what I ask students to do aligns with course learning outcomes and objectives.



As I noted above, these are my qualitative perceptions. The one bit of sort-of quantitative data I have comes from a survey I administered to my one section of Principles of Macro in the Fall 2020 semester. When I assigned the “Functions of Money” Problem Set, I also showed students the non-TiLTed version of that assignment that I previously used. Of the 18 students who completed the assignment, 15 preferred the TiLTed version for its clarity of expectations; 2 thought the old and new versions were equally clear (or unclear, maybe?); and 1 student said the TiLTed version “looked too long and had too many words” and thus preferred the non-TiLTed version. A copy of my TiLTed “Functions of Money” Problem Set will be uploaded at the [Starting Point](#) site soon.

The TiLT template can be applied at each level of the curriculum: an entire program of study; an individual course; an assignment within a course; a particular class session. As noted above, incorporating as few as two assignments following the TiLT template can have significant positive effects on student outcomes. The research found that while these gains accrued to all demographic groups, the gains were largest for traditionally underrepresented groups of students.

Some instructors might object that their assignments are already clear, even if they don’t explicitly follow the TiLT template. One way to check that is to assign students the task of evaluating the assignment: Can they determine its purpose? Do they know what to do and how to do it? Do they know how they will be evaluated? Some may object that this template provides *too much* help. Assignments that follow this template may inhibit the development of critical-thinking and problem-solving skills. This is a legitimate concern. One way to address this concern is to provide fewer specifics in assignments as the course progresses; that is, initial assignments may follow the TiLT template completely, while later assignments follow the template less closely. Another way to address this concern is to provide less-transparent directions with the proviso that one specified purpose is for students to struggle with the process.

I am doing the same in the Spring 2021 semester. I plan to continue using the TiLT approach, gradually increasing the number of assignments that use this approach each semester. I would be more than happy to share more details of my experiences, or answer questions, or take suggestions about TiLTing at Economics. Please email me any comments or thoughts at pholleran@mitchellcc.edu

Monetary Policy has changed, has your instruction? ...continued from pg. 4.

In short, the IORB rate serves as a reservation rate for banks, and arbitrage ensures that the FFR does not deviate very far from the IORB rate. In fact, arbitrage is what makes IORB an effective tool for guiding the FFR.

The Fed leans on two other interest rates that it sets to help ensure that the FFR remains in the FOMC’s target range – the overnight reverse repurchase agreement (ON RRP) facility and its associated rate (which serves as a floor for the FFR), and the discount rate (which serves as a ceiling for the FFR). You can find a complete description of all the Fed’s tools and the details of how they work in the articles listed at the end of this article, but here are the key points to teach.



- To raise the FFR, the Fed increases the IORB rate (and ON RRP offering rate and discount rate). The increase in these Fed administered rates pulls the FFR higher.
- To lower the FFR, the Fed decreases the IORB rate (and ON RRP offering rate and discount rate). The decrease in these Fed administered rates pulls the FFR lower.

Teaching tools and other reference materials,

- Browse the [Teaching the New Tools of Monetary Policy](#) webpage maintained by the Federal Reserve Bank of St. Louis.
- Read [The Fed’s New Monetary Policy Tools](#) (2020). **Page One Economics®**, Federal Reserve Bank of St. Louis. By Jane Ihrig and Scott Wolla and/or
- Read [Let’s close the gap: Revising Teaching Materials to Reflect How the Federal Reserve Implements Monetary Policy](#) (2020). **Finance and Economics Discussion Series**, Board of Governors of the Federal Reserve System. By Jane Ihrig and Scott Wolla.

Jane Ihrig is Senior Adviser at the Federal Reserve Board of Governors.

Scott Wolla is Economic Education Coordinator at the Federal Reserve Bank of St. Louis.

(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.)

- THE DIGITAL NEWSLETTER -

Getting to Know Betsey & Justin



Betsey Stevenson and Justin Wolfers recently published their very first Principles of Economics textbook and launched a podcast called "Think Like An Economist". [Betsey Stevenson](#) is a professor of public policy and economics at the University of Michigan. She served as a member of the Council of Economic Advisers from 2013 to 2015 where she advised President Obama on social policy, labor market, and trade issues. She served as the chief economist of the U.S. Department of Labor from 2010 to 2011. Post the 2020 Presidential Election, she was part of President Joe Biden's Transition team. [Justin Wolfers](#) is a Professor of Economics and a Professor of Public Policy at the University of Michigan and a Visiting Professor of Economics at the University of Sydney. He was recently named by the IMF as one of the "25 economists under 45 shaping the way we think about the global economy." Sunita Kumari reached out to them with some questions about their textbook, podcast and pedagogical tips for the current pandemic.

SK: (Looking at Cost) Given the push to reduce textbook cost and move to OER, why did Betsy and you decide to write a new textbook now?

JW: The field has changed so much in the past 25 years. Economics used to be about widget factories, about inputs and outputs. Today, economists are more concerned with actual human behavior. This once-in-a-generation teaching opportunity requires teaching materials that start with the premise that economics is useful for a broad range of people in the ordinary business of life. We wanted a book that would help students develop their economic intuition, and show them how to use it. So we wrote one.

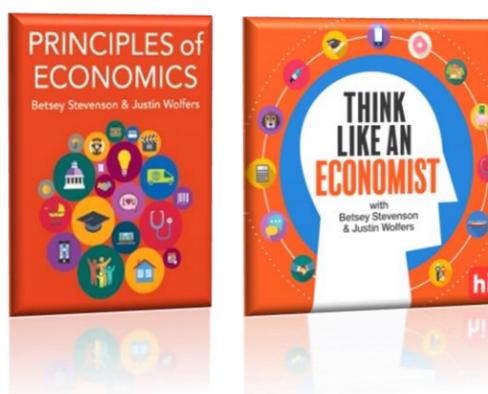
SK: (Looking at Pedagogy) How is this textbook different than those by Krugman, Mankiw, McConnell & Brue, etc.?

JW: Many economists these days view what we are teaching not so much as a specific subject matter but as a set of analytic tools that are relevant beyond the relatively standardized production and pricing decisions of the business world. This perspective has led modern economists to study families, education and health, much as they study business strategy, politics, and finance. We designed our book to reflect this shift among economists, and also to address the realities of teaching the principles course.

Less than one-tenth of the students who take an introductory economics class will major in economics. Among that select group, less than one in 100 become economists. And across the board, not enough women or ethnic and racial minorities are studying economics. Yet everyone can benefit from learning the tools of economics, no matter who they are, or what their career aspirations. This can happen only if instructors focus on showing how their tools can help people from all walks of life rather than on training the tiny sliver of students who will become economists. My own view is that this can be a particularly powerful approach for students at 2-year institutions.

SK: Podcasts are becoming more popular especially in the current COVID-19 pandemic. Tell us a bit about your podcast, "Think like an Economist".

JW: Betsey and I enjoyed being guests on NPR's Planet Money Summer School last year. That experience gave us the idea to launch our own show, which we did last fall. In each episode, we have a conversation with an economics journalist and break down an economic concept. It's not the usual "chat around the microphone" podcast; it's a carefully produced audio course, in we work through the big ideas in each chapter in a 15-minute, bite-sized episode.



During Covid, many of our students complained about spending too much time in front of screens, and so we actually used the podcast as assigned pre-class "reading," but told our students that they should go for a walk or run outside while doing their "readings." It worked really well: More students did the reading, more of them got outside, and more of them came to class prepared. The podcast has been much more successful than we anticipated and we're getting great feedback from them.

SK: Given your background and expertise in both economics and teaching, what tips would you give to faculty transitioning from in-class to online modality since March 2020?

JW: I think the starting point of all good teaching is empathy. It's so easy feel overwhelmed by the technology. I have to remind myself: This is not about me, it's about the student at the other end. What do they need? What will make them feel included? How can I form a connection to them? How can I help them feel less alone, less isolated, and more part of an active learning community? My first bit of advice is to work to make the human connection, because if the student doesn't feel connected to you, they won't feel connected to the material.

Set up your camera so that you're looking them in the eye. Zoom is great, because it lists the students' names, so use their names as much as you can. The students are craving connection with you, but the screen flattens our personalities, so my advice is to be yourself, but be 120% of yourself. Learning economics is hard, but learning it in a community is easier, so I put students in breakout rooms when I can.

Realize that attention spans are short, and structure your class accordingly. One trick I used was to break my 80-minute lectures up into a series of 4-5 "episodes." In between, I would randomly choose one of them to play "two truths and a lie", and use the Zoom polls to get everyone involved. It seems goofy, but gave students a much needed break and helped them get to know each other.

Onto the more serious pedagogical stuff, my biggest takeaway was that there were things we could do online that we couldn't do in a physical classroom. Online polling is a lot easier, for instance. I ran a lot more online experiments, using Google Sheets, because, well... the students were already in front of their computers. So running small "pretend markets" and the like worked really well.

SK: What are your thoughts about the "Flipped Classroom" pedagogy? How can this be modified to work for the online modality?

JW: I never formally flipped my classroom, but it turns out that as my teaching evolved, I'd integrated a lot of the methods of flipped classrooms. So rather than thinking about it as an all-or-nothing huge upfront investment, I encourage you to think about flipping as a continuum, and perhaps as a goal to work towards. Maybe you have the students do some reading, listen to "Think Like An Economist" or work on a quiz before class. The goal shouldn't be to be a slave to one teaching methodology or another, but to keep students engaged. That means engaging them before class. And it means using post-class carrots and sticks -- including short quizzes, and tests -- to keep them engaged.

By the way, all of this is critical to online learning, where if students are working through the textbook before class, or listening to a podcast, then it's likely that they're learning more.

(Disclaimer: Sunita Kumari is piloting the Principles of Microeconomics textbook by Stevenson & Wolfers this spring 2021.)