ECONOMICS FOR NON-ECONOMISTS*

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ABSTRACT

It’s an exciting time to be an economist. The discipline is expanding, becoming richer through the work of allied disciplines, particularly psychology. However, basic economic texts look about the same as they did in the ‘80s when many of us were graduate students (probably because most are written by people who were graduate students in the ‘80s). This approach to economics is not popular among students – only a very small percentage of undergraduates choose to major in economics. Our largest audience is students who will never become economists, but they need some economics. This paper suggests additions to our curriculum and innovative assignments to expose these students to the excitement of economics, the interdisciplinary work in which economists are engaged, and a way to take economics beyond their own classroom with a service learning project. It also reports student reactions to these innovations in the classroom.

Keywords: economic behaviour, service learning, curriculum design.

JEL classification: A22

1. INTRODUCTION

It’s an exciting time to be an economist. New ideas always emerge from challenges to conventional wisdom. And people both inside and outside the profession are raising questions about economics as usual.

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The *Wall Street Journal* reported in October, 2011 that Federal Reserve Chairman Ben Bernanke, a man not prone to hyperbole, announced, “The unemployment situation we have, the job situation, is really a national crisis” (Wessel, 2011). And this came after months and months of creative monetary policy that apparently hasn’t worked even yet. In *The Chronicle of Higher Education*, Berrett (2011) reported that critics blame mainstream economics and its narrow ideological focus for the onset and continuation of the economic crisis. More recently Stephen B. Young (2012, p.20), the Global Executive Director of the Caux Global Round Table wrote:

> Modern micro and macro economic analysis depends on mathematics for its analysis and its predictions. But use of mathematics, in turn, favors assumptions about human nature that are too simplistic and not in line with emerging anthropological and neurological understandings.

Even academic economists have joined in the criticism. Yoram Bauman’s comical but insightful critique from the AASA meetings in 2007 is posted on YouTube. In a short, less than five-and-a-half minutes, Bauman “translates” Mankiw’s ten principles of economics for the uninitiated. The first seven are micro principles – the way in which economists are “wrong about specific things,” and the final three are macro principles – the way in which economists are “wrong about things in general.” He boils the macro principles down to “blah, blah, blah” citing economists’ predictions of “nine of the last five recessions.” It’s comedic, but hits a nerve. In a more serious setting, Nobel laureate Joseph Stiglitz commented in August, 2011 at the Lindau meeting on Economic Sciences, “This is not a golden moment for macroeconomics” (Carmichael 2011).

This call to reconsider opens the door for a creative response, a chance to reinvigorate the discipline. We as economics educators must respond. We cannot continue to uncritically teach what’s been in the textbooks for decades.

Professors and students know that the standard economics curriculum for majors has become inadequate. Students at the University of Paris in 2000 and at Cambridge in 2001 called for a “post-autistic” economics, an economics with a soul. The Teagle

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1 See [http://www.youtube.com/watch?v=VVp8UGjECT4](http://www.youtube.com/watch?v=VVp8UGjECT4).
2 Nobel laureates meet in Lindau, Germany every year to converse informally with students and researchers in their fields.
Discussion, Re-evaluating the Undergraduate Economics Major: Educating Economists, written by economics professors, challenges those who teach the standard litany of economic theory to undergraduate students majoring in economics (Colander & McGoldrick, 2009). Students are aware of the problems too. Seventy students walked out of Mankiw’s introductory macroeconomics class at Harvard in November, 2011 commenting:

Today, we are walking out of your class, Economics 101, in order to express our discontent with the bias inherent in this introductory economics course. We are deeply concerned about the way that this bias affects students, the University, and our greater society.³

(Delreal 2011)

If we don’t respond, the consequences will be severe:

If Harvard fails to equip its students with a broad and critical understanding of economics, their actions are likely to harm the global financial system. The last five years of economic turmoil have been proof enough of this.

(Isidore 2011)

It’s time to expand the economics curriculum, not just for majors but for our huge audience of students who don’t choose economics but must take it because it’s a required core course. Between 1960 and 2006 the percent of undergraduate students who majored in economics ranged between 1.5% and 2.5% (Flynn & Quinn 2010, p. 62). And in 2004 a mere 9.2% of the CEOs at S&P 500 companies graduated with degrees in economics (Flynn & Quinn 2010, p. 66). Our responsibility to train non-econ majors in economics is huge. Economics is a powerful discipline, but most people don’t perceive it that way.

The first female winner of the John Bates Clark Medal,⁴ Susan Athey, did not begin college thinking about economics. She was a math and computer science major who happened to get an internship with Robert Marshall. Then Athey, after seeing that “economic theory could change the world” was “completely sold” (Roberts 2008,

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³ Ideology drives economists’ conclusions, whether they acknowledge it or not. Mankiw’s brand of economics is still accepted and taught by the mainstream majority, but this paper contends it’s time for more balance.

⁴ The John Bates Clark Medal was awarded biennially to the most promising economist under 40 from 1947 until 2010. In 2010 the awards became annual. Twelve winners have gone on to win Nobel Prizes. Susan Athey won the medal in 2007. See Whitehouse (2007).
p.183). The second woman to receive the John Bates Clark Medal, Esther Duflo (in 2010), remembers her early reaction to economics: “I hated economics. I thought it was moronic” (Parker 2010, p. 83). How could a bright, math-oriented, undergraduate history major find economics not just distasteful, but “moronic”? If you don’t self-select into the discipline where “[i]ndividuals act to make themselves as well off as possible . . . maximize their own utility . . . [by] implicitly weigh[ing] the costs and benefits of everything” (Wheelan 2010, pp.6, 10) then, as Daniel Kahneman would say, you are a “human” rather than an “econ” (Kahneman 2011, pp.411-415). And humans don’t wonder why economics has failed, to them it’s obvious. The world is not populated predominantly by econs. But economics can be a lot more than econs. Once Duflo saw that “economics had potential as a lever of action in the world” (Parker 2010, p.83), she become a human economist.

Even before Duflo’s comment and the recent crisis, Knoedler & Underwood (2003, p.706) understood the problem: “Nonetheless, many economically centered issues remained important to many students - discrimination and poverty, social strife, exercise of economic power, the environment - but the standard catalog description of Principles will not signal to students that economics can provide important insights into these issues”. In Regis College’s catalogue, the description for the required economics class for non-economists reads:

Examine the history and development of the market economy and the effectiveness of relatively free markets in allocating society’s scarce resources to their best uses. Discusses other economic systems and the role of government in correcting shortcomings of the market system including externalities, cyclical instability, and income distribution.

(Regis University 2011-12)

The descriptions for the basic micro and macro courses required for economics and business majors are even less broad and less appealing to students who are concerned about the big problems of environmental degradation and increasing inequality.

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5 This may be deliberately general to accommodate a variety of teachers who teach this course, but it also reflects what is taken for granted as being core to economics and what isn’t.

6 The Regis College Catalogue can be viewed at http://www.regis.edu/content/sr/pdf/rceconomics.pdf.
PRINCIPLES OF MACROECONOMICS (EC 320): Introduces macroeconomics, emphasizing the forces that determine the level of national product and national income, and the fiscal and monetary policies that are designed to influence their level. Explores the areas of public finance, money and the banking system, economic growth and international trade.

PRINCIPLES OF MICROECONOMICS (EC 330): Studies microeconomics, supply and demand. Examines the causes of different market structures, their influence on market conduct and performance, and issues of public policy towards a variety of different kinds of market behavior.

(Regis College Catalogue)

How do we convince our undergraduates who are prone to finding economics “moronic” that it’s a useful discipline and that this is a really exciting time to be an economist? How do we enrich our introduction to economics classes with the exciting panoply of ideas in economics, and with the work of young economists like Athey and Duflo who are changing the world? How do we begin to share ideas like those of Daniel Kahneman, a psychologist, who won the Nobel Prize in economics in 2002, when no introductory text includes the breakthroughs of academics in other fields that have made an impact on economics? Economics does not have to be moronic. It is a powerful tool to change the world. The more than 97% of college students who take only one economics class must be exposed to economics in a deeper, more relevant way.

This paper discusses readings and assignments used to enrich the curriculum of the mandatory undergraduate course for non-econ majors at Regis College in the United States. The intent of these aberrations from a standard textbook presentation is to give students a greater appreciation for the liberal arts foundations of economics and the relevance and evolution of the discipline.

2. AN INNOVATIVE CURRICULUM

It’s not that students don’t need the basics of neoclassical economics. You can’t move past what you don’t understand. But students need more . . . and less. The student learning outcomes for the economics course for non-economists at Regis College, listed in Appendix I, include the basics, but also include challenges to and changes in the way people are thinking about economics and its assumptions.

See http://www.regis.edu/content/sr/pdf/rc_economics.pdf.
Appendix II summarizes the activities our students engage in to accomplish these objectives and indicates how they feed into assessment.

Regis College is particularly fertile ground for these challenges. Its mission is “to provide value-centered undergraduate and graduate education, as well as to strengthen commitment to community service” \(^8\) and this lends itself to the kinds of innovations discussed in this paper. The central questions for Regis students, “How ought we to live?” and “How can we serve others?” support a broader perspective on economics than a pure neoclassical approach can provide.

Our adventure in economics starts with learning the basics of micro and macroeconomics from Charles Wheelan’s *Naked Economics* (2010). Students like it because it’s written in a lively tone, and Wheelan is very good at telling funny stories with economic punch lines. The students learn the economist’s vocabulary and the way economists think. They learn that scarcity means trade-offs and opportunity costs. They read about diminishing marginal utility, maximization of utility and profit, and supply and demand in a non-threatening format. We discuss externalities and the government’s role in managing them. They learn how economists measure the macro economy and discuss the problems with the basic measures of inflation, GDP, and unemployment. They also discuss how policymakers manage the economy, gaining an understanding of the difference between monetary and fiscal policy, and who is responsible for making these policies. We put this into context by following data releases and policy proposals as discussed in the popular press. They are exposed to the aggregate supply and aggregate demand model, but don’t delve deeply into its derivation or the Keynesian multiplier. Their first exam and first paper test these basics and the results are pretty good. Without the detail of mathematical models, the basic principles of economics are pretty user friendly.

In the fifth week we begin to read challenges to the basic assumptions of neoclassical economics. Is it really true that we are all utility maximizers? Is Wheelan’s (2010, p.6) explanation, “Individuals act to make themselves as well off as possible” accurate? Reading Raj Patel’s *The Value of Nothing* (2009) pushes students to consider whether this standard neoclassical assumption about behaviour might be too simplistic. Patel uses lots of research-generated data to support...

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the notion that people often behave altruistically and that altruism is not just another form of utility maximization, i.e., you can’t just add another parameter to the utility function because altruistic behaviour involves a different part of the brain than self-interested behaviour. Even John Stuart Mill (1873, p.39) who wanted to explain human behaviour the way physicists explain particles, commented in his autobiography:

Those only are happy who have their minds fixed on some object other than their own happiness: on the happiness of others, on the improvement of mankind, even on some art or pursuit followed not as a means, but as itself an ideal end. Aiming at something else, they find happiness by the way.

Patel also challenges students to think more deeply about externalities. Though Wheelan discusses externalities at length, Patel shifts the focus. Using the example of the $200 hamburger, he makes the point that externalities are not just something the government can make right, but that the government often causes externalities by forcing bigger rifts between market prices and the social costs of goods. In the case of the hamburger, he highlights subsidies for corn and “welfare” ranching as examples. Indeed, someone is paying the price, and Patel emphasizes that it usually isn’t the more fortunate. Patel challenges students to think about the environmental degradation suffered in less developed countries in the process of providing developed-country consumers with more and cheaper stuff.

After Patel whets the students’ appetites for the consideration of inequality and market failure, they read a small sampling of Arthur Okun’s *Equality and Efficiency* (1975). Okun asks them to reconsider their view of the labour market, arguing that at least three of the four, and maybe all four, of the factors that make one successful in the labour market are neither earned nor deserved. Surely, initial endowments, acquired assets, and relative supplies and demands for our talents are arbitrary. And perhaps there is even a “lazy” gene. If there is, that negates the “fairness” of the work-ethic argument that those who succeed in the labour market are those who deserve success because they choose to work hard. Okun is unsettling for students. They want to believe that the labour market is fair, but Okun demonstrates clearly that it is not. But he also justifies market economies by noting that they provide political freedom, one person
one vote, which he values higher than economic equality.\textsuperscript{9} This leads into Okun’s discussion of redistribution. After all, if the labour market isn’t “fair,” maybe the government should transfer some of the spoils from the lucky to the unlucky. But we must consider, in good economist-style, the opportunity cost of creating more equality. The students face the reality of opportunity costs – there are trade-offs and economists though they like to shy away from them, must make value judgments. Normative economics is as important as positive economics.

Patel also gets students to start thinking about the environmental costs of affluence. The students’ next reading, \textit{Deep Economy} by Bill McKibben, makes the costs explicit. Using a wealth of data from many sources, McKibben illustrates the environmental costs of continued economic growth in the already-developed world. “We’re running out of planet,” he writes (McKibben 2007, p.18). McKibben also makes it clear using lots of data that economic growth, while destroying the planet, is generating greater inequality (a link to Okun) and is not making us happier. McKibben highlights the social costs of the quest for more: greater inequality and less-happy “hyper individualists.” McKibben doesn’t just expose problems. He offers a solution for the students to consider – local economies and community.

After McKibben, the students read selections from Tim Jackson’s \textit{Prosperity without Growth} (2009). Jackson’s arguments are very similar to McKibben’s, but they are formalized, embedded in an economic model. Jackson’s TED talk,\textsuperscript{10} reinforces his ideas. Again Jackson refutes the accepted rationale that economic growth is necessary, that as Margaret Thatcher said, “There is no alternative” abbreviated TINA. But he does it in a deeper way acknowledging what seems to be an “impossibility theorem” – economic growth (in already prosperous countries) is environmentally unsustainable, but economic growth contributes mightily to social stability. As he says in his TED talk, “We’re either trashing the planet or crashing the system.” But Jackson has concrete solutions for a “new economy,” one based on more public investment in clean energy and public

\textsuperscript{9} Okun also acknowledges that capitalist market economies are efficient producers of materialistic wealth.

\textsuperscript{10} Jackson’s (2010) Technology, Entertainment, Design (TED) talk can be viewed at \url{http://www.ted.com/talks/lang/en/tim_jacksons_economic_reality_check.html}.  

spaces, job sharing, less carbon-intensive production and heretically, perhaps less technological advance.

Next the students read an article from *Psychological Inquiry* titled “Some Costs of American Corporate Capitalism: A Psychological Exploration of Value and Goal Conflicts.” The authors, Tim Kasser, Steve Cohn, Allen D. Kanner, and Richard M. Ryan (2007) – all psychologists – provide a well-documented and biting critique of the psychological effects of what the authors label “American Corporate Capitalism.” Their key argument is that the American corporate capitalist society norms us to be in conflict with our basic nature. Our basic nature is generous and community oriented, but the American-style market system teaches us to be competitive, self-interested, wealth-seeking utility maximizers. In the end, we are psychologically troubled because of this conflict.

At the end of the semester after a long list of male authors, we spend the last two classes discussing two female winners of the John Bates Clark Medal – Susan Athey and Esther Duflo. These women share a passion for economics because they both see it as a tool for change. The students read about Athey’s work from the lay summary on her website\(^{11}\) and learn about her career as an economist from John Roberts’ (2008) tribute to her in the *Journal of Economic Perspectives* when she received the award. They learn about Duflo’s work from an article in *The New Yorker* (Parker 2010) and her TED talk.\(^{12}\)

Athey’s work is much more mainstream than Duflo’s. Much of her work, whether it is applied or highly theoretical, contributes to ways to improve market-based (auction-market) outcomes. Again, Athey uses economics to change her world. On the other hand, Duflo’s ultimate goal is to eradicate poverty, though she is adamant about taking just one proven step at a time, rather than simply throwing money at the problem and hoping for the best. Borrowing from medical research she uses randomized experiments to find solutions to pieces of the poverty puzzle. Both women illustrate the unearned advantages that make for success in the labour market. They are beneficiaries of what Okun calls favorable initial endowments, acquired assets, and the windfall of a short supply of female

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\(^{11}\) See [http://kuznets.fas.harvard.edu/~athey/GeneralAudienceSummary.htm](http://kuznets.fas.harvard.edu/~athey/GeneralAudienceSummary.htm).

economists. But they also demonstrate the power of economics and the roles of passion and hard work in success.

This is an eclectic set of readings that start out with the mainstream basics then challenge its assumptions. The students, all of whom have chosen a Jesuit liberal arts college, come from a variety of majors and all four years of the college experience. They learn to challenge assumptions and think critically rather than draw graphs and solve equations for a final exam. Given the data on retention of specific knowledge, this seems a good trade-off, especially for those who are not going to become economists but need some basic economics. The assignments for the class reinforce these skills.

3. ASSIGNMENTS

The assessment structure for the course requires students to complete four assignments. The first is a paper that is patterned after Robert Frank’s “economic naturalist.” The students find a paradox and explain it as an economist would. This gives them practice using the standard economic vocabulary and reasoning presented in Wheelan’s *Naked Economics*. They are required to turn in a draft for this paper to give the students who have trouble internalizing basic economic principles the necessary feedback and a second chance to go back and apply what they’ve learned.

The second assignment is a paper that asks the students to consider whether human behaviour is more complex than the activity of maximizing utility (the instructions for this paper are outlined in Appendix III). Students are required to observe either their own behaviour (by keeping a diary) or that of others (by eavesdropping) and to decide whether the simple assumption that people are always maximizing utility is a good enough explanation of the world.

The third assignment is a longer paper based around an experiential learning exercise. The assignment asks students to challenge the most basic economic assumption that “more is better” (the instructions for this paper are shown in Appendix IV). Students interview at least two people who are “demographically different” and compare and contrast the responses to each other and to their own answers. They pick from three choices, all grounded in the semester’s reading: 1) Is more better if it does not lead to more happiness? 2) Is more better if it’s not distributed equally? How much efficiency are we willing to sacrifice to more evenly distribute the more? 3) Is more better if it is killing the
planet? They may also construct an assignment of their own, though few students take advantage of this option.

Finally, the students participate in the Banking on Our Future program (BOOF - as it’s fondly called). The intent of this program is to provide financial literacy to students in less-advantaged schools. In this context BOOF is an expansion of the usual economics curriculum to take students beyond autistic economics and out into their community. The students pair up and teach one module of the four-module course in a Denver public school. I use this project because it provides a very basic foundation for the students’ own financial literacy (and they will not take any other courses with similar content), Regis is a Jesuit school with an emphasis on service learning, and it has worked well in other classes (inclusion in Business Finance and Money & Banking classes represents another example of expanding curriculum, in this instant for business students, beyond its standard autistic boundaries). The students write a lesson plan before teaching and a reflective essay afterward.

4. STUDENTS RESPOND

The first paper initiates students into economics. Student success varies. Most find thinking about trade-offs in a world of scarcity makes sense. But for some, the vocabulary of economists is just too strange. For example, many students struggle to internalize the basic notion of opportunity cost. Because they think of “opportunity” as always being positive, some have difficulty learning that “cost” is the key word in the phrase and “opportunity” is describing the kind of cost in contrast to a monetary cost.

The second paper, challenges them to think about economists’ assumptions about the rationale behind individuals’ choices. They readily accept the notion of utility maximization as presented by Wheelan, but are then challenged by all the data Patel uses to refute the assumption that all behavior can be explained so easily. We discuss the notion that even if people don’t consciously think about behaving this way, but actually do behave this way, maybe it’s a good enough model. That’s the old challenge to bicycle riders who have no idea how they stay upright, but do anyway. But we also question the value of assuming so simplistically that all behaviour is utility maximizing. If we just say, “We choose this rather than that because it’s what we want,” how rich a picture do we have of choice? What have we learned about decision making? What about the story of the
Good Samaritan? Was it just pure utility maximization? Patel’s data say “No”.

One bright senior on her way to medical school, had not even thought to question Wheelan’s assumption. The beginning of her paper read:13

At the onset of EC 200, I will have to admit that I fully agreed with Charles Wheelan’s (2010) assertion in Naked Economics that “Individuals act to make themselves as well off as possible” (p. 6). Put another way, human beings seek “…to maximize their own utility, which is a similar concept to happiness, only broader.

At the end of her paper she comes to a different conclusion. Hence, Wheelan’s assertion that we all seek to maximize our own utility does not sit well with me for a few reasons. First, some of our decisions have very little to do with our own well-being, but rather involve making someone else happy. Similarly, I did not know that I would enjoy going to my boyfriend’s guitar concert, but I decided to go anyway [and enjoyed it].14

The longer experiential learning paper has a big impact on some students, especially those who choose to consider the relationship between economic status and happiness. Most college students are going to college to make more money after they graduate. Why else would many be willing to take on so much debt? The idea that more material success might not equate to more happiness is at odds with their culture. One student began her paper:

The belief that more is better and that a high income is associated with good mood is widespread but mostly illusory.

But this is not what she believed at the beginning of the semester. Later in the same paragraph she wrote:

Prior to taking this course, even I believed that material success was more important than anything else.

Lots of evidence in the readings changed her mind. By the time she did her project, she was able to see through the answers of her interviewees. Talking about one workaholic father, she wrote:

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13 The use of this student work was approved by the Regis University Institutional Review Board, and students signed release forms agreeing that their work could be used anonymously. For this reason there are no cited references for their work.

14 Because bright students ascertain what teachers want to read, these comments do not carry the weight of independent and anonymous assessment.
It puzzled me that his daughters were at the top of the list of what made him happy because he definitely spends more time working than he does spending time with [them].

She saw the disconnect in a society that is immersed in materialism, but doesn’t realize the emphasis is not in sync with more basic human wants. She saw how the assertion of the Kasser et al. (2007) paper played out in life.

In addition to feedback from the content of assignments, students also completed a survey (reproduced in Appendix V) assessing whether or not the experiential learning assignment met its key goals. The results are summarized in Table 1. These results reflect the answers from two 23-student classes, one in spring 2012 and one in fall 2010. Over 50% of the students indicated that the assignment accomplished all of the goals, with the exception of the oral communication goal. Importantly, the students overwhelmingly agreed that the assignment prompted them to explore their own values and attitudes. And for many, the assignment was personally satisfying and increased their understanding of economics.

<table>
<thead>
<tr>
<th>Assignment Criterion</th>
<th>% Agreed or Strongly Agreed</th>
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<tbody>
<tr>
<td>Increased my understanding of economics</td>
<td>70</td>
</tr>
<tr>
<td>Improved my oral communication</td>
<td>39</td>
</tr>
<tr>
<td>Increased my confidence in discussing economics</td>
<td>65</td>
</tr>
<tr>
<td>Helped me explore my attitudes and values</td>
<td>93</td>
</tr>
<tr>
<td>Motivated me to work hard</td>
<td>59</td>
</tr>
<tr>
<td>Was personally satisfying</td>
<td>74</td>
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*Banking on Our Future* can also leave a significant imprint on students. In her reflective essay, one student started by writing:

Economics has always been a difficult subject for me to wrap my head around. In grade school the term would get brought up from time to time, but I never really knew much about the subject; it all seemed very confusing. In high school, I took an economics class, but I feel I left the class even more confused than I had originally been.

But that same student finished with this observation:
Overall I really enjoyed this assignment. I learned that helping the students learn more about economics also helped me learn more about economics. I learned more about teaching. It is important to be patient and work around obstacles you may encounter. I would definitely suggest this project for future classes and students.

Students in the spring of 2012 also completed a survey assessing the impact of BOOF (reproduced in Appendix VI). The results are shown in Table 2. Overall, BOOF was seen by these students as successful in accomplishing its goals. A majority of students agreed that it was effective in supporting the Regis mission, “In service to others,” and 74% agreed that it increased their understanding of financial concepts. Disappointingly only 68% recommended the exercise be continued. This, in part, may reflect that many Regis students work and some don’t have cars. Others are involved in athletics and some share a significant burden for tasks in their large families. Balancing all these obligations may have made BOOF just one more thing that’s difficult to schedule.

### Table 2: Student Assessment of the Banking on Our Future Program

<table>
<thead>
<tr>
<th>Aspect of the Program</th>
<th>% Agreed or Strongly Agreed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supports Regis’ mission</td>
<td>95</td>
</tr>
<tr>
<td>Improves oral communication</td>
<td>68</td>
</tr>
<tr>
<td>Illustrates social responsibility</td>
<td>68</td>
</tr>
<tr>
<td>Develops job skills</td>
<td>58</td>
</tr>
<tr>
<td>Improves understanding of finance</td>
<td>74</td>
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</tbody>
</table>

5. FINAL STUDENT COMMENTS

At the end of the semester, each student chose to take either a final exam similar to their other two exams (eight short answer questions and three essays) or to write an essay summarizing the semester’s work. The description of this “Tour of EC 200” final is reproduced in Appendix VII. Nineteen of 26 students chose this open-ended final.

Though quotes from these exams don’t pass the test of complete objectivity or statistical reliability, they are indicative of the students’ judgments about their experiences. Many of them wrote that they did
not know much about economics coming into the class despite having taken an economics course in high school:

When I first walked into my EC 200 class, I didn’t know much of anything about economics. I had taken it in high school, yes, but I had forgotten nearly everything I had learned. Other than supply and demand, my mind was blank.

And many of them discussed how the readings challenged them and made them change their minds. The same student quoted above wrote:

... really do need to change our thinking, finding a way to flourish within the limits ...

Another wrote:

This class and the authors we read have caused me to rethink my actions and beliefs and to become more aware of my impact on the environment and the importance of building a strong community. I used to see economics as boring and pointless. Thank you, Dr. Jacobson, and all the authors for proving me wrong.

The same sentiment was expressed in this exam:

I didn’t think much of the class the first couple of days ... This course made economics understandable, inspirational, and will help me make knowledgeable decisions and actions in the future.

Other students described economics as “affecting our daily lives” and “actually being quite interesting.” They also described themselves as “more knowledgeable” and “aware of community” rather than “focusing on self.” The class for some was “impressively informative.” Finally, a young woman, hoping to be a veterinarian, wrote, “I never would have thought an economics class would have such a powerful effect on my beliefs.”

Though we used contemporary thinkers to raise awareness of the importance of community and the moral underpinning necessary to make economies work, the idea is not new. Adam Smith who in introductory economics usually gets billed as the “Father of Capitalism” and a promoter of the idea that “Greed is good” wrote in *The Theory of Moral Sentiments* (1759, III.1.73):

The great source of both the misery and disorders of human life seems to arise from over-rating the difference between one permanent situation and another. Avarice over-rates the difference between poverty and riches: ambition, that between a private and a public station: vain-glory, that between obscurity and extensive reputation. The person under the influence of any of those extravagant passions,
S. Jacobson

is not only miserable in his actual situation, but is often disposed to disturb the peace of society, in order to arrive at that which he so foolishly admires.

Economics is exciting. Adam Smith is still relevant. But psychologists who are studying human decision making are making our discipline richer with creative ideas born on the edges where disciplines collide. Young economists are changing the world. Exciting interdisciplinary work is pushing us beyond standard texts and computer-generated multiple choice assignments. To challenge students with diverse ideas, new research, world-changing ideas of young economists, and relevant projects demanding involvement we need to expand our curriculum.

REFERENCES


APPENDIX I: LEARNING OBJECTIVES OF REGIS COLLEGE’S ECONOMICS FOR NON-ECONOMICS COURSE

This course will help you understand:
1. How economists approach problems;
2. The basics of microeconomics – markets and choices;
3. Why markets sometimes fail and what government can do about it;
4. The basics of macroeconomics – measurement and management of the economy as a whole;
5. Why the macro-economy can be unstable and how government intervenes to decrease instability;
6. Why there is a trade-off between equity and efficiency;
7. Why people are questioning fundamental economic assumptions that people are rational and economic growth is good;
8. Some of the work of prominent, cutting-edge economists;
9. The current challenges in the global economy and how governments are reacting.

APPENDIX II: REGIS COURSE ASSESSMENT STRUCTURE

Here’s how your grade will be determined.

**Attitude: 10%**

“Attitude” includes, but is not limited to, preparation, participation, enthusiasm, and collegiality. This is subjective. I’d rather your grade were dependent on things that can be easily measured with numbers. But life’s outcomes depend on how we interact with colleagues, subordinates and bosses. This piece of your grade reminds us that we are all members of an academic community and that membership entails responsibility. Absence from class is an abdication of your responsibility.

**Quizzes: 10%**

There will be a one-question quiz at the beginning of every class. It will be based on the discussion questions for each assigned reading. These discussion questions will be posted on our Desire to Learn site – [https://online.regis.edu](https://online.regis.edu) – in files appropriate for each of the course readings. Your discussion question files will be dated. You should come prepared to answer these questions in class, but you do not have to turn in written answers. The daily quiz will test whether or not you have done the reading and thought about the questions. If you have, you will get the one-question quiz right and earn three points. If you do not get it right, you will get one point for attending class. If you are absent, you will get a zero. If you are late, you will get one point for coming to class. Please do not come late to class and ask to take the quiz.

**Papers: 20%**

You will write two short papers, each worth 10% of your grade. We will discuss these papers when they are assigned.
**Experiential Learning: 10%**
You will go out into the community and explore one of the “big ideas” we discuss during the semester. Then you will write about what you have learned and how it has affected your understanding of and attitude toward this question. There will be a menu of choices, so that you can pick a topic you’re really interested in. You may also design your own assignment if you have an idea related to the course content. The assignment is posted on the web, and we will talk more about this later in the semester.

**Banking on our Future: 10%**
You will participate in Operation Hope’s program called *Banking on Our Future*. The goal of this program is to teach financial literacy to children in grades four through 12. We will discuss this project in class on February 9th. It is imperative that you be in class on that day. You will write a lesson plan a short evaluative paper for this project.

**Two Exams: 20%**
The exams are scheduled for February 23rd and March 27th. There will be no make-ups, so mark your calendar now. The exams will be short answer and essay. They will test your ability to use the concepts we have learned.

**Final: 20%**
The final exam will be on Tuesday May 1st from 1:15 to 3:15 PM. There will be no early or late exams. Mark your calendar now. The exam will be comprehensive – an attempt to synthesize the material from the entire semester and will be heavily weighted toward essay.

**APPENDIX III: INSTRUCTIONS FOR PAPER 2**
EC 200 – Jacobson, Spring 2012
Paper #2 – Human Nature
Optional Draft DUE: 10:30 AM on March 22, 2012
Final Paper DUE: 10:30 AM on April 5, 2012

The class ID = 4761555
The enrollment password = ec200jacs12

Wheelan (2010) writes, “Economics starts with one important assumption: Individuals act to make themselves as well off as possible. To use the jargon of the profession, individuals seek to maximize their own utility…” (p. 6). Mill writes, as quoted in Patel (2009), “Just in the same manner [as geometry] does Political Economy presuppose an arbitrary definition of man, as a being who invariably does that by which he may obtain the greatest amount of necessaries, conveniences, and luxuries, with the smallest quantity of labor and physical self denial…” (pp. 5-6).

But Mill also writes, as quoted in Patel (2009), “Those only are happy (I thought) who have their minds fixed on some object other than their own
happiness, on the happiness of others... (p. 38). Patel (2009) also gives examples of experiments that demonstrate man’s benevolence: “In no cultures where these games have been played do people behave 100% selfishly” (p. 31).

Pick one of the following two options to explore which view of human behavior seems to fit observations:

1. Sit for at least half an hour in a public place. Observe the actions of three individuals. Think about what you think motivates each individual’s behaviour. Is it better explained as rational maximization of that person’s own utility or is it more in tune with the way Patel describes human behaviour? Write a paper describing these three actions and how you would explain each action. Conclude with a reflection on your own view of which approach better describes observable human behaviour.

2. Keep a diary for one day. Record the major decisions (at least three) you make during the day. Think about what motivates your behaviour. Is it better explained as rational maximization of your own utility or is it more in tune with the way Patel describes human behaviour? Write a paper describing your decisions and explain the motivation for each one. Conclude with a reflection on your own view of which approach better describes observable human behaviour.

This paper should be about 1,000 words. For each decision you describe you should use at least one quote from the authors you have read to support your explanation. Explicitly tie your explanations to your readings, and use in-text cites to show clearly where the quotes come from. Also include a “Works Cited” list. Don’t forget to use the final paragraph to summarize your own views about describing human behavior.

Works Cited:

If you need help citing, check out this website: http://owl.english.purdue.edu/owl/resource/560/01/.

Here’s how your paper will be graded:

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Possible Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice of interesting decisions / behaviours</td>
<td>2</td>
</tr>
<tr>
<td>Explanations of these decisions</td>
<td>3</td>
</tr>
<tr>
<td>Using your reading / using quotes</td>
<td>3</td>
</tr>
<tr>
<td>Mechanics – logical flow spelling, grammar, punctuation, sentence structure, cites (in-text and works cited list)</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>
APPENDIX IV: INSTRUCTIONS FOR PAPER 3
EC 200 – Jacobson
Spring 2012
Experiential Learning Assignment
DUE: 10:30 AM on April 23, 2012 at turnitin.com

The class ID = 4761555
The enrollment password = ec200jacs12

This assignment challenges you to question the basic economic assumption that more is better. It counts for 10% of your grade and requires thought and time, so get started on it right away. I’m hoping each of these options will require you to get out of your comfort zone, listen to a new point of view and rethink something about which you already have an opinion. You will do just one of these options – the one that’s most interesting to you. If none of these interests you, devise your own assignment related to one of the big ideas we’ve discussed in class and craft a challenging assignment that pushes you beyond your normal boundaries. Then bring it to me, and we’ll decide how to make it work. (Credit and thanks are due Scott Brown in the Service Learning Office who helped formulate this assignment.)

Regardless of the option you choose you will talk to at least two people who are outside your usual circle of social interaction. These two people should be different from each other, and from you, in at least one demographic characteristic. (Demographic characteristics include age, race, gender, income, disability, education, status, and geographic location.) Take careful notes. Make sure your final paper reports your experiences and fleshes out all the issues discussed in the option you chose.

Option #1: Is more better if it doesn’t make you happy?

- Ask your two interviewees:
  - What makes you happy?
  - Do you agree or disagree with the statement by Ben Okri, “Material success has brought us to a strange spiritual and moral bankruptcy”?
  - Explain.
  - Do you think an increase in economic status would make you happy?
  - Explain why or why not.
  - What would you be willing to do to gain economic status? Would you be willing to:
    - violate your ethical/moral/religious standards?
    - break the law?
    - move your family to an undesirable geographic location?
    - leave your family to work away from home?
    - spend less time with your family because you need to work overtime a lot?
    - take a job that you didn’t have much interest in?
Explore why the people you are interviewing respond as they do to these questions. Ask them why they would or would not do these things.

Now answer the questions for yourself. Be honest.

Report the three sets of responses (including your own).

Analyze these responses (three sets including yours) in light of Jackson’s chapter 9 and Kasser’s essay.

Summarize what you have learned from asking yourself these questions and listening to others’ responses. How has this assignment changed or not changed your aspirations?

Option #2: Is more better if it leads to greater inequality?

Reread pages 91 through 95 in Okun’s *Equality and Efficiency*.

Explain the “leaky bucket” experiment to your two interviewees (include this explanation in your paper).

Then, ask them, “How much leakage would you accept when federal taxes are going to be used for federal welfare programs such as Medicaid?” (This answer will be a percent.)

Ask your interviewees to explain their answers. Ask them, “Why would you accept that much or that little leakage?”

Ask, “How much leakage would you accept if you were donating money to a charity? Explain.

Why are these two numbers the same or different?”

Ask yourself these same questions. Why are your answers the same or different from the answers of the people you interviewed?

Research at least two charities and determine what percent of their donations are used directly to accomplish their missions. Here’s a good start on thinking about this research:

http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=48

Are you surprised by how leaky or not leaky these charitable buckets are? Explain.

How has this project changed or not changed the way you think about the tradeoff between equality and efficiency?

Report all these answers in a paper that’s well organized – has a logical flow from one idea to another.

Option #3: Is more better if we’re killing the planet and sacrificing community?

Summarize Bill McKibben’s argument against the benefits of further economic growth in the US for your interviewees. (Include this summary in your paper.)

This video might be useful:

http://www.youtube.com/watch?v=I5YVXnnfS28

Ask them to comment. Do they agree with McKibben’s arguments? Why or why not? How does the demographic profile of your interviewees impact their answers?

What are the similarities and differences between McKibben’s arguments and Kasser’s?
• What is the unemployment rate in the US? How does that impact how people respond to the question about whether or not economic growth is good?
• Do some research. Find two countries that are experiencing double digit growth in GDP. Find out how their GDP per capita compares with the US. Here’s a website that will give you those numbers: http://data.worldbank.org/indicator/NY.GDP.PCAP.CD
• How do you think people in these two countries would react to the idea that economic growth is not desirable? Explain.
• How has this assignment changed or not changed your reaction to Bill McKibben’s arguments?
• Report your findings in a well-organized paper.

APPENDIX V: STUDENT FEEDBACK FORM
Circle the project you chose.
   a. Money and Happiness
   b. Leaky Bucket
   c. Economic Growth
   d. Other - please specify ________________________________

Why did you choose this project?
Please indicate the extent to which you agree or disagree with these statements:

<table>
<thead>
<tr>
<th>The Experiential Learning Project</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased my understanding of economics.</td>
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<td>Improved my oral communication skills.</td>
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<td>Increased my level of confidence in discussing economic issues.</td>
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<td>Helped me explore my attitudes and values.</td>
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<td>Motivated me to work hard.</td>
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<td>Was personally satisfying.</td>
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Year in School ___    Major ___________    Circle one:  Male  Female
APPENDIX VI: STUDENT FEEDBACK FORM

Please indicate the extent to which you agree or disagree with these statements:

1 = Strongly Disagree  
2 = Disagree  
3 = Neither agree nor disagree  
4 = Agree  
5 = Strongly Agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>Requiring students to participate in BOOF is an effective way to support Regis’ mission of “service to others.”</td>
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<tr>
<td>BOOF helped me improve my oral communication skills.</td>
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<td>BOOF changed my view of the Denver community.</td>
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<td>BOOF effectively illustrated what it means to be socially responsible.</td>
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<td>BOOF helped me develop skills that will be useful in job interviews and the professional world.</td>
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<td>BOOF made the Regis mission more real in my own life.</td>
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<td>BOOF improved my understanding of basic financial and banking concepts.</td>
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<td>I would recommend BOOF be used in future classes at Regis.</td>
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<td>Regis’ Jesuit affiliation positively influenced me to choose Regis.</td>
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The best part about participating in BOOF was:

The worst part of participating in BOOF was:

Year in School ________ Major ___________________________________________
Circle one: Male Female
APPENDIX VII: ASSESSMENT INSTRUCTIONS, FINAL EXAM

EC 200 – Jacobson

Spring 2012

Final Exam

Take me on your journey through EC 200. What did you know about economics when you came to class on the first day? How did that knowledge grow and develop? What did you learn from each author that will still be important in five years? How did each of the authors relate to the others? What did you learn from your colleagues? How did the evolution of your knowledge change course, get redirected? How is your knowledge different today than it was that first day of class? How has this process changed the way you view the world and the actions you choose? If it has not changed the way you view the world or the actions you choose, explain why it has not and make suggestions to alter the course to provide a better learning experience.

You grade will depend on:

- **Inclusiveness** – Writing something about each major reading and your colleagues: Wheelan; Patel; Okun; McKibben; Jackson; Kasser *et al*; Athey; Duflo;
- **Depth**: Getting to the meat of each author’s contribution to your knowledge; Using key quotes or paraphrasing arguments to illustrate points; Using data to support assertions.
- **Insightfulness**: Seeing connections between authors that are not obvious; What do they agree on? What do they disagree on and why?
- **Analysis**: Which arguments do you find convincing? Why? Which arguments are not convincing? Explain.
- **Logical Flow**: including clear and concise prose.