



ECONOMICS FOR EMPOWERMENT AND EQUITY (EEE)

Economics: **Decisions** about using scarce **resources** as effectively and efficiently as possible to achieve **goals**. Empowering **all** students through economic reasoning

WHAT?

NINE PRINCIPLES OF ECONOMIC REASONING

1. People choose; there is no such choice as a free choice.
2. People usually decide at the margin (give a little, get a little).
3. Skills, knowledge, experience and personal qualities (human capital) influence the ability to achieve goals.
4. Voluntary and informed exchange benefits the traders.
5. People respond to incentives; there are often unintended consequences.
6. Markets work well with competition, the rule of law, information, incentives, and property rights.
7. Public policies create winners and losers. Do the gains outweigh the losses?
8. Fiscal and monetary policies influence people's decisions.
9. Globalization has positive and negative effects on different groups.

WHY?

Richer understanding of the human experience
 Learn the "rules of the economic game"
 Create critical thinkers
 Reduce dropout rate, poverty, crime
 Promote civil discourse
 Preserve our democracy and economy

HOW?

BENEFIT/COST ANALYSIS

1. Goals and resources
2. Alternatives
3. Advantages and disadvantages
4. Choice and (opportunity) cost
5. Review – Consequences

STRENGTHS OF C3 FRAMEWORK

1. Places the responsibility, the challenge, and the achievement of learning squarely on students' shoulders
2. Inquiry allows students to discover different perspectives on significant social issues promoting civil discourse
3. Encourages integration of social studies disciplines allowing students to develop a "story well told."

THE INQUIRY ARC

1. Compelling and supportive questions
2. Disciplinary tools and concepts
3. Evaluating sources, using evidence
4. Communication and action

THE INQUIRY ARC AND CIVIL DISCOURSE:

Evaluating Economic Policy

1. What are the stated goals of the policy? Will the policy achieve the goals?
2. Who are the decision makers? What are their political incentives?
3. Who is or will be directly affected by the policy? Who gains, who loses?
4. What are the secondary effects of the policy (unintended consequences)? Who gains, who loses?
5. How are gains and losses measured? Do the gains outweigh the losses?
6. Is there a way that the winners can compensate the losers?
7. Is this the most effective and efficient alternative to achieve the stated goal of the policy? If not, what is a better way to achieve the goal?

FIVE QUESTIONS TO ASK BEFORE YOU STEP INTO THE CLASSROOM

- How do you want your students to be different as a result of your course?
- What are your boulders, the economic concepts and analytical tools that will change your students thinking...not WHAT they think, but HOW they think?
- Do you understand the concepts and tools?
- Do you understand the ways in which your students can use these concepts and tools in their lives?
- How will you teach these concepts and tools so that they are relevant to your students?

CRUCIAL CONCEPTS AND ANALYTICAL TOOLS

- Economic Reasoning - Benefit/cost analysis
- Human capital
- Principle of Exchange – domestically and internationally
- Market analysis
- Incentives and unintended consequences
- Distributive effects
- Federal Reserve Economic Data (FRED)
- Economic policy analyzed with the Inquiry Arc

SOME CONSIDERATIONS

- If this economic concept/analysis helps students succeed, we should teach it.
- We should relate everything we do to the students.
- Economics is the means; student success in the 21st century global economy is the goal.
- It is difficult to play the game, and impossible to win if you don't know the rules.
- In analyzing economic policies, it is imperative that students investigate advantages and disadvantages of the policies for different groups.
- The teacher's political leanings should not influence student learning.