What Students Learn in Economics 101: Time for a Change (Bowles and Carlin, 2020)

According to a survey, done by the authors of this paper between 2016 and 2018, econ 101 students believe that economists should be concerned with inequality, poverty, and climate change. However, the current popular introductory textbooks, Mankiw (2009) and Krugman and Wells (2005), have yet to fully explore climate change and inequality. Changing the curriculum to fit current students' concerns will equip them with the tools to understand current economic problems.

One Sentence Summary

The main topics taught in introductory economics vastly different from what students want to learn. Creating a new benchmark for introductory courses can feasibly bridge the gap. For example, starting with monopolies, instead of learning perfect competition, can help students understand the power dynamics between government institutions and firms using similar analytical tools as in the previous benchmark.

Main Findings

In the 1948, Samuelson created *Economics*, the introductory book at the time. His aim was to introduce econ students to the concepts of current economic research like unemployment and business cycles that troubles economists. Samuelson created a new benchmark model that introduced Keynesian concepts to econ 101 students for them to understand economic crisis management.

In recent years, the 2008 crisis revolutionized how governments cope with crisis. Popular introductory textbook, , Mankiw (2009) and Krugman and Wells (2005), added those insights to the benchmark without significant change. Ten years later, econ students still learn Samuelson's revised benchmark with a special emphasis in credit markets. Now, these books fail to bridge the gap between students interests and textbook contexts because topics like climate change and inequality are rarely touched in the books. Following Samuelson's example, it is time to create a new benchmark.

After decades of economic research, economists understand the rarity of competitive markets, the scarcity of perfect information problems, bounded rationality agents, and that sustainable growth can be achieved. The authors argue that a shift in the Samuelson's benchmark will equip students with the tools to understand problems familiar to them. As they put it: "They (students) or their families have experienced the credit market and know about credit exclusion and credit rationing". To illustrate a benchmark shift, consider introducing students to microeconomic analysis with monopolies instead of perfect competitions. In this way, students will understand the role of government regulations and the subsequent power game of lobbying activities that routinely appear in the news.

Concluding Remarks

Changing academic curriculums is extremely hard. Nonetheless, there are several initiatives creating new benchmarks. The CORE project has launched an open source introductory book adopted in University of Toulouse and many others. Particularly, they quickly introduce inequality and climate change in the first few chapters. Another example is "Using Big Data to Solve Economic and Social Problems" course in Harvard by the Opportunity Insights. This course focusses on teaching simple empirical methods through the lens of development economics. Although not an introductory class per se, it is designed to be taken by non-econ mayors and introduce them to the *exciting* world of economic research.

References

- Bowles, S., Carlin, W., 2020. What Students Learn in Economics 101: Time for a Change. J. Econ. Lit. https://doi.org/10.1257/jel.20191585.
- Krugman, P., Wells, R., 2005. Economics. Worth Publishers, New York.
- Mankiw, N.G., 2009. Principles of Economics, 5th ed. Cengage Learning, Boston.