

Current Topic in Macroeconomic Policy: Econ 590000

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Overview of the Class

This course discusses public policy from macroeconomic perspective. We will examine how public policy effects the macroeconomy both in theory and in practice. The course will go through a series of modules, in which we first learn a basic economic model that we then apply to topics in Macroeconomics. We will discuss topics regarding (1) immigration, (2) robots and automation, (3) inequality, (4) the social safety net, (5) monetary policy basics (6) government debt (7) the U.S. financial crisis and (8) the Covid-19 pandemic and recovery.

Goals of the Class

A significant amount of “highbrow” discussion in business and academia is an attempt to signal intelligence. A major topic in these discussions involves various macroeconomic and public policies, even when the topic is unrelated to the job requirement. The goal of this course is to sharpen your ability to discuss these topics and thereby signal intelligence to prospective employers and others. This includes attempting to give both background on a given topic as well as a framework to analyze various aspects of a topic or policy. To help you do so, the workhorse of this course will be a series of approximately weekly writing prompts.

Text

Because of the diverse set of topics we cover, there will be a variety of texts/readings, all provided on Blackboard. There is no assigned textbook for this course.

Logistics

This course is asynchronous/online! You must keep up with the lectures and writing prompts each week, however. While the course has no prerequisites, and we will teach concepts from scratch, the modular nature of the course means that we will do so quickly.

Formal Requirements

Formal requirements for this class are 7 writing prompts, discussion, and two exams.

- 50% writing prompts (“homeworks”)
- 30% online discussion
- 10% midterm exam/quiz (timed online)
- 10% final exam/quiz (timed online)

Writing Prompts

These are the workhorse of the course. Each writing prompt is out of 20 points. Writing prompts are graded on (1) originality (2) writing quality (3) data (4) presentation of data. A perfect essay would have an original or out-of-the-box response, clear communication at all times, uses raw data in an original way to support the point, and provides clear figures or tables to illustrate the point, and properly formats. An adequate essay makes standard points from class but adds new facts, interpretations, or twists, is occasionally unclear in writing, does support its arguments well with data, or presents its data in a flawed way (e.g. missing axes).

A poor analysis might simply rehash arguments we made in class, does not adequately explain or communication, copy/pastes figures and tables from online, and did not properly format its text, tables, and figures.

Discussion

Because this is an asynchronous online course, a significant part of your grade is discussion points. I will grade discussion comments on a five-point scale at each course halfway point. There is a hierarchy of question quality. The best questions make claims about the relevant subject and defend them, object to my treatment of the subject (for instance, note contradictory facts) or agree with the treatment (for instance, note confirming facts), and do so in a clear and coherent manner. Good questions ask clarifying or extending questions about the material. Simple questions (“is this a typo” also get credit, albeit not as much as the first two). Questions about course material get some credit. Questions that the class would benefit from and you instead e-mail me about may cause deductions in your discussion grade. This is to help subsidize the public good of asking public questions.

Exams

These are low-stakes exams that are primarily multiple choice.

Chat GPT/LLMs

A significant portion of your grade, in the form of writing prompts and discussion, are text-based. There are now tools (LLMs, such as ChatGPT) that you can use to generate medium-quality text. I ask that you please not use these to generate your essays. Conversational comments or questions that draw on one’s life/job experience, or what one is wondering, heard from a relative/friend, etc. are far more enjoyable to discuss than ChatGPT’s formulaic monologues. Purdue’s statement on the matter: “Students who use AI-generated writing for any portion of their written assignments will be deemed in violation of the academic integrity expectations for this course. Violations can include a failing grade for the course and restrictions from further class attendance. All suspected incidents of academic dishonesty will also be referred to the Office of Student Rights and Responsibilities for further review of the student’s status with the University, which may include being separated from the University.”

Free Speech Policy

Preface: this course is all about writing prompts and online discussion. As a consequence, being able to speak your mind is crucial. I can assure you that no matter what you argue for or question in this class, you will not be penalized by me *in any way* for the content of your ideas, even if they are “unwelcome, disagreeable, or even deeply offensive.” I do require however that your communication be civil, even if your ideas are wild. With that in mind, please find this course’s statement on free speech:

In May 2015, Purdue’s Board of Trustees [embraced the “Chicago Principles” on free speech](#). Perhaps most importantly, they acknowledge that

...it is not the proper role of the University to attempt to shield individuals from ideas and opinions they find unwelcome, disagreeable, or even deeply offensive. Although the University greatly values civility, and although all members of the University community share in the responsibility for maintaining a climate of mutual respect, concerns about civility and mutual respect can never be used as a justification for closing off discussion of ideas, however offensive or disagreeable those ideas may be to some members of our community.

This class tries to live up to that statement, and respects the right to free speech of everyone in our community of scholars and learners. That right of thought, speech, and advocacy is sacrosanct in this class and is possessed by faculty and students alike. With the aim of advancing and deepening everyone’s understanding of the issues addressed in the course, students are urged to speak their minds, explore ideas and arguments, play devil’s advocate, and engage in civil but robust discussions. There is no thought or language policing. We expect students to do business in the proper currency of intellectual discourse—a currency consisting of reasons, evidence, and arguments—but no ideas or positions are out of bounds. Only statements that impede the legal functioning of the University, such as genuine threats or harassment, false defamation, and so on are prohibited.

Academic Dishonesty Purdue prohibits "dishonesty in connection with any University activity. Cheating, plagiarism, or knowingly furnishing false information to the University are examples of dishonesty." [Part 5, Section III-B-2-a, University Regulations] Furthermore, the University Senate has stipulated that "the commitment of acts of cheating, lying, and deceit in any of their diverse forms (such as the use of substitutes for taking examinations, the use of illegal cribs, plagiarism, and copying during examinations) is dishonest and must not be tolerated. Moreover, knowingly to aid and abet, directly or indirectly, other parties in committing dishonest acts is in itself dishonest." [University Senate Document 72-18, December 15, 1972]

My (Trevor's) take on the above is that you shouldn't cheat. If you're caught cheating, which would in the context of this class be likely to be (1) plagiarized writing prompts or (2) evidence of cheating on a take-home exam, you will be immediately reported to the relevant authorities and your final grade will be severely penalized. This class is not a class in which cheating either yields high benefits or has low expected costs.

Tentative Outline :

- Week 1 (Starting Monday, Aug 21st)
 - **Section 1:** Macroeconomic Aggregates
 - **Section 2:** Labor/Leisure Tradeoff
- Week 2 (Starting Sunday, Aug 27th)
 - **Section 3:** Intertemporal Tradeoff
 - **Section 4:** Crash Course in Growth Theory
- Week 3 (Starting Sunday, Sep 3rd)
 - **Section 5:** Understanding Immigration
 - **Section 6:** Robots and Automation
 - **Section 7:** Inequality
- Week 4 (Starting Sunday, Sep 10th)
 - **Section 8:** Social Safety Net and Fiscal Policy
 - **Section 9:** Universal Basic Income
- **Midterm Exam Opens Friday Sep 16th to Sun September 17th**
- Week 5 (Starting Sunday, Sep 18th)
 - **Section 10:** Monetary Policy Basics
 - **Section 11:** Modern Monetary Theory
 - **Section 12:** Cryptocurrency
- Week 6 (Starting Sunday, Sep 24th)
 - **Section 13:** Government Debt
 - **Section 14:** Bank Runs and US Financial Crisis
- Week 7 (Starting Sunday, Oct 1st-Oct 3rd)
 - **Section 15:** Topic by Class Vote
- **Final Exam Opens October 7th, Closes October 9th**