The Economists Strike Back: Keeping Economics in the Core Curriculum

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Abstract

During the 2011-2012 academic year Georgia College and State University (GCSU), a small, public liberal arts college in rural Georgia, revised its core curriculum. Among other changes, a freshman-level critical thinking requirement was added and economics was removed as a requirement for non-business majors. The Economics Department at GCSU chose to create three new economics courses that were designed to meet the requirements of a freshmen-level critical thinking class. The three courses – Freakonomics, Swansonomics, and Sex, Drugs, and Economics – have proven to be extremely successful, in terms of both credit hour generation and student recruitment into the major. Revisions to the core are occurring at many universities, and the trend is moving towards courses that fulfill specific learning objectives, such as critical thinking. This paper explains how these new courses are structured, taught, and assessed, as a means of meeting this new trend in core revisions. It also offers ideas on how to make survey courses more appealing to students not required to take economics as part of their core.

Key Words: economic education, core curriculum, credit hour generation, teaching economics

JEL Codes: A2, A22

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1. Introduction

In their 2014-2015 report, the American Council of Trustees and Alumni found that only 3.3% of American colleges require students to take a basic economics course. This is down from 5% as reported in their 2011-2012 study. Unfortunately, during the 2011-2012 academic year Georgia College and State University (GCSU), a small, public liberal arts college, was added to the list of colleges that do not require all students to take a basic economics course. Changes to the core curriculum included removing the economics requirement for non-business majors and making economics one option that can be chosen to fulfill core social sciences requirements. Prior to this revision every student at GCSU was required to pass at least one economics course before they could graduate. These courses were not only a significant source of hour generation for the economics department; they were also one of the primary ways in which new majors were recruited.

In addition to removing the economics requirement for non-business majors, the core was also revised to include a new critical thinking requirement for all freshmen. The new courses, referred to as GC1Y (Georgia College 1st year) classes, provide options for freshman to fulfill this critical thinking requirement. Students must pass one GC1Y course to complete this requirement; only one GC1Y course may be taken for credit, and any faculty member at the university can create and offer a GC1Y course upon the approval of a university-wide committee. The economics faculty at GCSU chose to create three new economics courses that were designed to meet the requirements of a GC1Y class - Freakonomics, Swansonomics, and Sex, Drugs, and Economics. Freakonomics is based on the first two Freakonomics books. Swansonomics utilizes a series of video clips and quotes by the famous/infamous libertarian character Ron Swanson from the show Parks and Recreation to frame a discussion of comparative economics systems and public choice. And Sex, Drugs, and Economics uses controversial issues to introduce students to economic concepts.

The names of the courses were selected because we felt they would attract students who may not have chosen an economics GC1Y, but might be interested in taking one. In addition to the interest-piquing names, the courses were marketed across the university via attention-grabbing fliers featuring, for example, pictures of Ron Swanson with some of his infamous quotes. These courses have been extremely successful. They are very popular and have proven to be a fertile source of new economics majors.

Unfortunately, most educators will not have the opportunity to create new, interesting freshman critical thinking courses as a way of striking back at the lack of a core economics course requirement. However, optional survey courses can be redesigned, in practice rather than name, to attract more students by incorporating ideas and exercises used in these critical thinking courses.

We are unaware of any previous literature that provides specific examples of this type of course design or of guidelines on how to revise the economics curriculum in response to changes in core requirements. Economics textbooks on controversial social issues, as well as textbooks using popular media, have been around for some time. However, to our knowledge, there is no evidence that they have been adopted and integrated into economics courses in a significant way, especially in response to the types of changes to the core described above. Our contribution is to provide a systematic, detailed

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3 Coincidentally, there is a textbook with the same name by Diane Coyle (2002). Although, this book also uses controversial issues to illustrate economic concepts, the instructor was unaware of its existence when the course was designed.
strategy to attract students and potential majors to the discipline within the framework of these new university-wide core requirements.

While individual faculty members can adopt this strategy, it is more likely to be successful if the department-at-large designs and implements it. Revisions to the core are occurring at many universities, and it seems likely that this will continue for the foreseeable future. As we show below, there is a trend to move toward courses that fulfill a specific learning objective such as global awareness or critical thinking. Our purpose is not to simply provide a description of new courses that will appeal to non-majors, but to also show how these courses can be designed to meet the new required learning objectives.

This paper contains some background on GCSU’s core revisions, an explanation of the way these new classes are structured to work as freshman-level critical thinking classes, examples of critical thinking exercises and topics used in these courses, and a conclusion.

2. Background and Core Revisions

Economics and Society was a required course for all non-business majors at GCSU. Students could not graduate without having passed an economics class. Economics and Society is now one option among many in a broad “cafeteria-style” plan, where students can choose three of the following courses: Introduction to Anthropology, Economics and Society, Principles of Macroeconomics, Principles of Microeconomics, Introduction to Human Geography, World Regional Geography, World Civilization and Society I, World Civilization and Society II, The United States to 1877, The United States since 1877, Politics and Society, Introduction to General Psychology, and Sociological Perspectives (Georgia College 2015). In short, non-business majors can easily avoid economics entirely, and many have chosen to do so since the core revisions took place.

The addition of a critical thinking component to the core curriculum is becoming common at universities with a liberal arts focus and other prominent institutions. Harvard, Columbia, Yale, Princeton, MIT, Cornell, and Penn State (among many others) all emphasize critical thinking in their core (McGrath 2006). At Georgia College, any faculty member can propose a new GC1Y course to offer students. Approved courses include a variety of topics from Climate and Chemistry to Culture and Youth in the Middle East.

It was clear that the core revision was very likely to decrease enrollment in Economics and Society. The department worked to solicit and develop ideas for freshman-level economics courses that would have a large critical thinking component. They were careful to select content they considered valuable to students who were unlikely to take any other economics courses, but knew they needed to select titles that would hook those same students. The economics department created three new GC1Y courses, in an attempt to offset the enrollment losses caused by the core revision.

Enrollment in Economics and Society during the last academic year before the core revision was 1,058. During the 2014-15 academic year, enrollment in Economics and Society had dropped to 266. That is a drop in enrollment (and credit hour generation) of approximately 75%. During the four academic years since the core revision, enrollment in economics based GC1Y classes has totaled 430 students, 66% of which were non-business majors.

All GC1Y courses have a capped enrollment of 26 students per course, and there are currently 29 approved GC1Y courses. Some of these courses include Growing Up with

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4 See also Columbia, Cornell, Harvard, MIT, Yale, and Groh et al. (2014).
Literature, History of Rock and Roll, Sci-Fi and Philosophy, and War Literature. Typically more than 30 sections of GC1Y courses are available for students to choose from during each of the fall and spring semesters. For example, in the fall of 2015 there were 36 GC1Y sections available; however, many were multiple sections of the same course. Philosophy and the Search for Social Justice, for instance, offered eight sections; most other courses offered only two sections. Enrollment in GC1Y courses is limited to freshmen or to students who have not yet fulfilled this requirement during their freshmen year, such as transfer students. Enrollment is based on student preferences and course seat availability, and not on intended major. Students may only take one of these courses to fulfill their critical thinking core component.

All GC1Y courses have the same three broad student learning objectives as set by the university: students will be able to identify multiple intellectual approaches that clarify or respond to problems, topics, themes, and/or issues; students will be able to effectively explain the issue(s) using those multiple intellectual approaches, and analyze and use evidence effectively in support of an argument; students will be able to form logical conclusions from information presented. Each course has similar course-specific learning objectives that map into the broader objectives of this core requirement. The three economics courses require students to analyze various social and economic issues using economic reasoning, and evaluate various sides of these issues through an economic lens. The primary differences in these classes lie in the specific issues covered and the methods used in order to reach these learning objectives. These topics and methods are discussed in the next section.

Each faculty member chooses the assignment(s) that will be used for assessment at the beginning of each course. The final paper in Sex, Drugs, and Economics is used for assessment in that course; a policy memo is used for Swansonomics, and an analysis of the economic consequences of a current event is used for Freakonomics.

University level assessment is done on four specific areas as mentioned above: identification of multiple intellectual approaches, explaining multiple intellectual approaches in support of an argument, synthesis of research, and problem solving/drawing logical conclusions. The percentages of students scoring at or above the target level after completing one of these three critical thinking courses are as follows: 36% for identification of multiple approaches, 33% for explaining multiple approaches, 43% for synthesis of research, and 11% for problem solving.

In the next section we describe the new critical thinking classes, the methods used to reach student learning outcomes, and how some content from those classes can be integrated into more traditional introductory courses.

3. Our Courses

Over the last four academic years, three new economics courses have been introduced that are classified as GC1Y classes.

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5 A list of approved courses with course descriptions can be found at http://www.gcsu.edu/registrar/gc1y-courses
6 Unfortunately, we do not have access to assessment data from any of the GC1Y courses offered outside the Economics Department.
• **Freakonomics**: Using the books as a starting point to discuss the application of economic principles in a current events setting.

• **Sex, Drugs, and Economics**: A controversial issues course designed to teach students to evaluate both sides of current, hotly debated economic and social issues.

• **Swansonomics**: A course that blends comparative economic systems and public choice, and uses *Parks & Recreation* to modernize the discussion and hook students.

Each of these courses is, at their core, critical thinking classes and, therefore, cover the key critical thinking skills described in the previous section. However, the topics and economic concepts covered in the individual courses are quite different.

### 3.1 Freakonomics

Freakonomics is designed to introduce students to important economic concepts by linking them to interesting topics from *Freakonomics*, *Superfreakonomics*, and relevant current events. Students are introduced to economic concepts throughout the semester. They are then provided with several articles summarizing interesting current events and are expected to engage in class discussion on how the economic concepts apply to these events. Students should then be able to link both the economic concept and the current event to the relevant chapter in *Freakonomics* or *Superfreakonomics*. They are also expected to be able to evaluate the various points of view and positions presented in the articles and the book.

The course starts with some fundamental economic concepts: incentives, supply and demand, opportunity cost, and asymmetric information. These concepts are utilized to explain content from the book and relevant articles. Throughout the semester more advanced economic concepts are introduced to coincide with their introduction in the text. For example, elasticity is a prominent topic in the first chapter of *Superfreakonomics*, so students are taught to calculate, interpret, and apply elasticities.

When discussing the chapter “Where Have All the Criminals Gone?” in *Freakonomics*, students are also required to read at least one article positing the theory that banning lead may have contributed to the decrease in crime rates. Students are also asked if they believe the finding that abortion decreased the crime rate. They are then asked why abortion may have decreased the crime rate. This is typically a question they have never considered and it makes them think in a way with which they are unaccustomed. They are then asked to critically evaluate both the abortion explanation and the lead explanation. They are also expected to explain how they could both be true (or false). They are expected to rely on economic concepts or tools (typically correlation versus causation) to support their position.

The chapter “Would a Roshanda by Any Other Name Smell as Sweet?” provides a nice opportunity to push students to compare two pieces of research, the findings of which appear to contradict each other, but may both be correct. Levitt and Dubner explain in *Freakonomics* that an individual’s name, essentially, doesn’t matter. The name is simply picking up the effect of other characteristics and that once those things are controlled for, the effect of the name goes away. Figlio (2007) finds that names do matter in some interesting ways. Students are presented with this seemingly contradictory evidence. They are expected to read each thoroughly and then explain how they could both be correct (or

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7 The Freakonomics blog (Levitt 2007) actually provides a list of articles discussing the crime and lead link.
incorrect). They are also expected to explain how names may affect an individual via discrimination (both information-based and taste-based).

University level learning outcomes for this course are assessed using two memos that are meant to evaluate critical thinking skills. For both memos, students are expected to find a current event, typically from a website, that they are interested in discussing. They must properly cite the article, accurately describe the event, and explain the economic consequences of that event. Their analysis typically involves the use of the supply and demand framework. For example, after Hurricane Sandy, many students chose to discuss the impact of the hurricane on markets with price controls, like gasoline.

Some of the concepts presented in the class may be considered fairly advanced for freshmen at most universities. Thankfully, there are excellent student guides for both Freakonomics and Superfreakonomics available from Harper Collins. These guides are recommended to students at the beginning of the semester as a way to help them grasp some of the more advanced topics.

3.2 Sex, Drugs, and Economics

Sex, Drugs, and Economics is a controversial issues course designed to attract students by introducing economic concepts through the discussion of controversial economic and social issues. At the beginning of the semester, students are introduced to basic logical fallacies, economic fallacies as outlined by Sowell (2011), and basic economic guideposts. In the first chapter of their text, Economics: Private and Public Choice, Gwartney et al (2015) provide an excellent introduction to the basic concepts covered in the first week of class – scarcity, opportunity costs, incentives, tradeoffs, rational behavior, subjective value, direct and indirect effects, and the importance of empirical testing. Students are required to turn in regular assignments where they must find an opinion article written on a controversial topic, and evaluate the author’s argument by finding logical and economic fallacies committed by the author, such as the fallacy of false cause or the broken window fallacy. Students must also pick out some major economic concepts the author has failed to consider, such as opportunity costs and tradeoffs or understanding potential unintended consequences. Details on these assignments are provided in the example syllabus in the appendix.

These exercises force students to practice thinking critically about controversial topics and to focus on the logic presented in the arguments rather than approaching the topic from an emotional perspective. Students are specifically asked to use articles they would normally look at when trying to find out more information on a topic. As educators, we know students will not go running to JSTOR or Galileo to read the latest peer-reviewed literature on topics they are curious about in the future; therefore, students are asked to do what they would normally do when they want to learn more about a subject – Google it. This gives students the opportunity to critically evaluate things they will likely read once the class is over. Students are also exposed to findings from peer-reviewed literature in class lectures, and are required to use these academic sources when researching their final term papers.

In addition to the initial basic concepts like opportunity costs and tradeoffs, students get a basic introduction to concepts such as supply and demand, elasticity, comparative advantage, the importance of property rights (especially for environmental issues), and the differences between monopolies and cartels. One obvious example of a controversial topic covered in this class is black markets for drugs. For this topic, students are expected to
understand how comparative advantage changes on the seller’s side when making a drug illegal; sellers in the market are more likely those with a comparative advantage in criminal activity, rather than those with a comparative advantage in the production of the drug (Miller et al. 2014, p. 39). They are also expected to apply concepts such as demand elasticity for physically addictive substances, and the change in consumer expenditures as price rises along an inelastic demand curve. Students are asked to think about how this rise in consumer expenditures might affect property crimes (Thornton 1991, p. 120-126).

Students are introduced to a real world application of substitutes and the potency effect – changes in relative prices for various levels of potency given that laws punish based on weight rather than strength (Miller et al. 2014, p. 40-43). Students are also asked to think about how cartels operate, such as the previous limitations on opium production in Afghanistan due to Taliban control. This discussion allows students to link the change in heroin prices to post-9/11 US-led offensives, which led to reduced cartel control of the opium supply (Chossudovsky 2015). Students often would not relate heroin prices to the presence of US troops in Afghanistan, but this example helps them understand the importance of economics in making these connections.

Using a controversial and relevant topic such as drug prohibition maintains student interest while giving them the economic tools necessary to analyze the real world using important economic concepts. The class covers a wide range of these controversial topics, such as pollution, obesity, intellectual property rights and file sharing, organ markets, gun control, overpopulation, and the wage gap. This direct application of concepts helps build critical thinking skills and illustrates the importance of economics to everyday life.

To assess student outcomes in this course, students are randomly assigned a controversial topic during the first week of classes. They must then write a short paper examining the topic using their initial critical thinking skills. At the end of the course, the student must turn in a research paper on the same topic using the critical thinking skills they have acquired over the course of the semester. These two assignments are used to assess each student’s learning outcome at the end of the semester. Both the student’s critical thinking abilities illustrated in the final paper, and the progress made from the first week to the last week are used to assess learning outcomes.

3.3 Swansonomics

This course introduces students to different economic systems, varying degrees of capitalism across countries, varying degrees of government intervention, and public choice issues. One of the major points made by Gwartney (2012) is that public choice is the gravest omission in basic economic courses. This course integrates public choice into a wider discussion of comparative economic systems.

The course name comes from the character, Ron Swanson, on the television show Parks and Recreation. This popular television show has many great examples that help illustrate public choice theory. First, students are introduced to basic economic concepts such as scarcity, incentives, opportunity costs, comparative advantage, and gains from trade. The course then covers the basics of comparative economic and political systems, including a heavy emphasis on public choice topics such as public and private incentive structures, regulatory capture, voting models, and the interest group theory of government. Ron Swanson is known for his acerbic attitude towards government intervention, which provides a perfect starting place for discussing these issues.
For example, in season one, episode two, Ron states, “I like Tom. He doesn’t do a lot of work around here. He shows zero initiative. He’s not a team player. He’s never wanted to go that extra mile. Tom is exactly what I’m looking for in a government employee.” Students are shown this video clip, as well as video clips from the episode “Animal Control,” where an obviously incompetent Animal Control Department has failed to do its job. These clips serve as an entertaining starting point for discussing the incentive problems inherent in government agencies.

Other video clips from the episode “Bailout” can be shown in conjunction with this discussion to compare the differences in incentives for public entities vs. private ones. In this episode, Tom Haverford, the show’s most prolific entrepreneur, has recently opened a new business. As a favor he hires his best friend’s sister, who turns out to be an exceptionally awful employee. Students can discuss the costs of not firing incompetent public employees, like the ones working at Animal Control, compared to the costs of not firing incompetent private employees.

Once students are introduced to these ideas through the fictional and entertaining world of Parks and Recreation, they are then directed to think about real world examples, such as the activities of employees of the Securities and Exchange Commission (SEC). Clear shirking by the SEC during the 2008 financial crisis was discovered and there was significant public outcry that regulators had failed to do their jobs; yet, the SEC Chair Mary Schapiro said that to fire these employees “would harm the agency’s work.” A counter example can be shown where private companies have fired employees for their posts on social media after much smaller public outcries concerning this behavior outside of the workplace (Holley 2015, “Brookfield Zoo…” 2015).

A clip from the episode “The Master Plan” illustrates budget maximization behavior by bureaucrats. Libertarian Ron, who would like to see the entire parks department shut down and the money returned to taxpayers, is excited about budget cuts for his department. Yet, his colleague, Leslie, insists that all money spent in their department is necessary – even funding the job of Jerry Gergich, who is routinely portrayed as being terrible at doing everything. A more detailed explanation of the class, including quotes, video clips, and example articles, can be found in Conaway and Clark (2015).

To assess student outcomes in this course, students are asked to write a policy memo on an approved government policy topic of their choosing. The memo must state the government policy change the student is advocating, explain and support at least three major reasons the policy would be beneficial (while also addressing costs), and address at least three major opposing arguments to their proposed change. Students are assessed on their use of sound economic and logical reasoning, as well as credible supporting research to support their arguments and address opposing arguments.

3.4 Integration into Traditional Core Economics

Many educators may be constrained by core requirements, and not have the opportunity to create new and exciting freshman critical thinking courses. Mateer (2012) provides a very brief introduction to a plethora of ways to integrate new techniques into traditional classes. In that vein, these new course ideas and critical thinking exercises can be incorporated into any survey course as a way to increase interest and enrollment from those students not required to take economics.

In a recent Honors section of Economics and Society offered at GCSU, multiple components of the Swansonomics and Freakonomics courses were integrated into the
normal coursework. For example, when discussing elasticity, the stories involving prostitution presented in the first chapter of *Superfreakonomics* were used to help students grasp the application of the concept. Multiple Ron Swanson quotes were integrated into the discussion of taxation and fiscal policy. These quotes are meant to keep students engaged while discussing a topic non-majors typically aren’t particularly interested in.

In other sections of Economics and Society, elements from the Sex, Drugs, and Economics and Swansonomics courses were incorporated. Obesity and soda taxes are a great way to introduce students to the concepts of inferior goods, regressive taxes, substitutes, and demand elasticity and taxes. Students were shown the video clip where Ron insists, “The whole point of this country is if you want to eat garbage, balloon up to 600 pounds, and die of a heart attack at 43, you can! You are free to do so. To me, that’s beautiful.” This episode explores the idea of a soda tax, particularly since the show’s local fast food establishment is selling “child size sodas” – sodas that are roughly the size of a small child.

Students learned the concept of inferior goods and discussed why poorer states, like Mississippi, tend to have higher rates of heart disease compared to richer states. They better understood the concept of a regressive tax by linking how taxes on things like soda and junk food fall primarily on the poor, given that these “bad” food and drink items tend to be inferior goods. Students were asked to evaluate how a tax on regular soda might affect the demand for things like sweet tea, lemonade, and “juice” (10% juice, 90% sugar water) compared to the demand for diet soda and bottled water. Students who are regular soda drinkers almost always say they would switch to drinks like sweet tea over diet soda or water. This helps them understand the sometimes counterintuitive effects of soda taxes on obesity rates.

Finally, students were asked to think about the elasticity of demand for heavy soda drinkers compared to that of occasional soda drinkers. Similar to cigarette taxes, soda taxes tend to have a larger effect on the behavior of occasional users compared to heavy users, who are most at risk for health problems from their habits. In short, this one interesting public policy issue can be used to introduce students to a number of important economic concepts covered in introductory classes.8

4. Conclusion

These new GC1Y courses have proven to be some of the most popular courses on campus. Approximately 125 students are enrolled in these courses each academic year. They are also three of the very few rigorous GC1Y classes. Only 13% of students earn A’s in Swansonomics, Freakonomics, and Sex, Drugs, and Economics. In comparison, 54% of students have received A’s in the GC1Y courses offered by faculty outside the economics department. They have proven to be fertile courses for recruiting new economics majors; 16% of economics graduates at GCSU this year came out of these three GC1Y courses. Besides encouraging more students to take economics courses, despite no longer being a requirement for graduation, and being a source for new majors, faculty actually enjoy teaching these classes.

Unfortunately, most students can graduate from college having taken no economics courses. GCSU was one of the few places that encouraged economic literacy for all its students; however, it has now joined the majority of colleges by making economics a choice

8 Additional topics covered and reading materials assigned in these courses can be found in the example syllabi in the appendix.
rather than a requirement. This unfortunate trend has created more pressure for economic educators to renew student interest in the subject. With the movement towards core requirements that meet specific learning objectives, such as critical thinking, it is important to keep economics relevant. Our courses provide a framework for other departments looking to meet these new core objectives, while simultaneously making the courses comparatively more appealing to students who would otherwise attempt to avoid economics entirely. These courses and the critical thinking exercises have been successful in keeping more students away from the dark side of economic illiteracy.
References


Appendix

Sample syllabus for Sex, Drugs, and Economics – Relevant Sections

Course Function/Catalog Description: This course counts towards the Area B core curriculum requirements (no prerequisites). It uses basic economic tools to analyze numerous controversial social and economic issues. A major focus is on the unintended consequences of prohibiting mutually-beneficial, voluntary transactions.

Texts:

Objective: Learn to think in a manner consistent with the existence of scarcity, tradeoffs and incentives. Use basic economic principles to critically analyze controversial issues and policy outcomes related to those issues.

Grade: There will be three exams (including the final), which will determine 60% of your grade in this class. The remaining 40% of your grade will be determined by homework and a project/presentation.

Exams: Each exam will test you only on information prior to the exam in question; therefore, none of the exams are cumulative. The exams will test your understanding of the material and your ability to use the information you learn. Please consider this when studying for exams. Each exam will have a variety of question types (multiple choice, short answer, true/false, long answer). Exams will cover your assigned readings as well as lecture notes from class. You are responsible for the assigned reading prior to each exam – be prepared for questions on the readings that I may not go over in class.

Homework: You have 3 homework assignments due this semester (due dates provided on the schedule below). You may choose your own topics for these assignments with the following 2 restrictions on your choices:
- You may not choose the same topic that you were assigned for your project
- For each homework assignment you must choose a topic from the section of topics we are currently discussing. In other words, for the first homework assignment choose from the list of topics that we will cover for the first exam (minimum wage through free speech). For the second homework assignment, choose from the list of topics that we will cover for the second exam (capital punishment through climate change). For the third homework assignment, choose from the list of topics that we will cover for the third exam (price gouging through the Great Recession). You can look on your syllabus for the scheduled list of topics prior to each exam.

You may choose topics that are not necessarily things we discussed in class, but that relate to something we discussed in class during that section.
Once you have chosen your topic, find a news article/blog/etc. where the author takes a stance on one side of the issue (e.g. if you picked prostitution, find an article either advocating for or against legalized prostitution). This article does not have to come from an academic source, such as JSTOR. Then, using what you learned in class, analyze the author’s arguments. Is the author considering all the relevant costs/benefits, incentive structures and unintended consequences? Is the author making any logical or economic fallacies? In other words, I want you to point out and explain BOTH of the following:

- Economic guideposts that the author ignored (incentives, unintended consequences, opportunity costs, etc. – see your notes for these guideposts).
- Logical or economic fallacies committed by the author (again, see your notes for help on this part).

Each assignment should be 2-3 pages, typed and double spaced, and you should staple a copy of the article to the back of your assignment. You will be graded on your analysis as well as on your spelling and grammar. Please proofread your work after using spelling/grammar check in MS Word.

**Project:**  
**Part 1** - I will ask you to turn in a 1-2 page paper at the beginning of the semester summarizing your opinions on a pre-assigned controversial issue; include your views on the current governmental and societal attitudes toward that issue.  
**Part 2** - At the end of the semester I will ask you to turn in a 3 – 4 page paper on that same issue summarizing any changes in your opinions on that same issue. Your grade will be based on your use of economic tools and research to support why your opinions changed or why they stayed the same. Please cite your resources within the body of your paper and include a bibliography at the end (you may use any format of your choosing – MLA, Chicago, etc.). This project will count for 20% of your grade (Part 1 = 2%; Part 2=18%). I will post more detailed instructions online.

**Reading:** You will find a reading schedule on the last 2 pages of this syllabus. It contains required readings, important dates (exams, homework, and other due dates) and the topics I plan to discuss each day. You will be responsible for reading the assigned material prior to each exam and you will be tested on that material, even if we did not cover it in class. You should also read any relevant articles I post online as you will also be tested on those.

### GC1Y 1000—Sex, Drugs and Economics Course Outline

<table>
<thead>
<tr>
<th>Topics</th>
<th>Assigned readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syllabus &amp; intro to the class: what does economics have to do with sex and drugs – and why should you care? Intro to some logical and economic fallacies</td>
<td>Stossel Introduction</td>
</tr>
<tr>
<td>Economic guideposts: why crack addicts are rational and why Mother Teresa was selfish; scarcity, opportunity costs, incentives and indirect effects</td>
<td>Winter Ch. 1; Sharp et al. Ch. 1</td>
</tr>
</tbody>
</table>
Marginal Cost and Marginal Benefit: decision making models and supply and demand introduction

Supply, Demand and Market Equilibrium: How the market works

Supply and Demand Con’t Economic Tools: Conclusion of overview of basic economic tools.

Minimum Wage and Rent Control: Do they help the poor?

Agricultural Subsidies: we pay farmers not to farm??

Sex: the economics of prostitution markets

Drugs: The history of the heroin market

Alcohol and Prohibition: why the mafia took over alcohol sales, why drugs were made illegal, and the political tactics used to make drugs illegal.

Rock’n’Roll: Property rights and file sharing; why private property rights are important to enforce except when the costs of enforcement exceed the benefits of enforcement

Free Speech: Slander and libel; the Fred Phelps problem

Capital Punishment and the Justice System: costs and incentives

More Guns, Less Crime: Do More guns = less crime? Examining the evidence

Health Care: rising costs, Medicare, the new health care plan

Social Security: the myths of social security; how others have fixed their systems

Organ Trade and Assisted Suicide: Solving the kidney shortage

Obesity legislation: Why is there an obesity epidemic? How effective are legislators at lowering obesity?

The tragedy of the commons, free riders and externalities: smoking indoors

Endangered species: how to save them

Recycling: How to save resources by NOT recycling
Pollution: why some pollution is good and how to most efficiently limit the rest  
Alternative energy subsidies: what are the effects?  
Climate change: How to deal with potential disasters  
Price Gouging and Government Disaster Relief: When Mother Nature strikes, so does Big Brother  

Eminent Domain: the public good vs. government abuse  
Grading Public Schools: Do public schools really need more money, or do they just need better incentives?  

Labor Unions, cartels and monopolies: Why are labor cartels legal, but other cartels illegal?  

Wage gap: Why is there a wage gap between men and women?  

Government Charity or Pork?: Blackberries for Smokers and other ridiculous programs; abstinence only programs in public schools  

Government regulations: do they protect consumers or protect certain competitors? (Institute for Justice cases); Gambling laws – protecting people from themselves or protecting state lotteries from competition?  

Usury: what happens when we limit interest rates? Should payday lending be illegal to protect low income borrowers?  

Population Control and immigration policies: How population growth (and, increased immigration) helps raise our standard of living, and the costs of increased population/immigration.  

Fair (?) Trade: Sweatshops and child labor – what’s fair?  

Fair trade brands: fair for some, unfair for others  
Outsourcing, Protectionism and Trade Deficits: One of these is always bad for the economy (it’s not the one you might think)  

Protectionism: the steel industry example  

The Great Recession: what happened??!?  

Sharp et al. Ch. 4  
Sharp et al. Ch. 6  
Sharp et al. Ch. 7  
Sharp et al. Ch. 8  
Stossel Ch. 9  
Stossel Ch. 10  
Stossel Ch. 11  
Stossel Ch. 13  
Stossel Ch. 14  
Winter Ch. 9
Sample Syllabus for Swansonomics – Relevant Sections

Objective: Upon successfully completing the course, students will be able to apply economic reasoning, critically evaluate a government policy, critically evaluate the economic consequences of the various political philosophies, evaluate how incentives influence decision making, and identify unintended consequences.

Texts: All of the following texts can be found for free online. PDF versions are also posted on GA View.


Relevant articles for each topic will also be assigned and available on GA View.

**Article evaluation and debate:** Part of your grade in this class will be based on article debates. You will be required to bring in articles that are relevant to class topics. You should use legitimate economic concepts to write a brief 1-2 page evaluation of the article content and turn this in along with a copy of your article. Also, you will present the article’s content to the class and then argue for or against what you think Ron’s position would be on this issue. If you fail to bring in an article and join in the class discussion, you will not receive credit for that day’s article assignment. Your grade will depend on your written evaluations of these articles (15%) and the quality of your participation and arguments made during class debates (5%).

**Policy memos:** You are expected to complete 2 policy memos this semester. Each memo must be a maximum of 3 pages long. These memos should follow this general format: Choose a government policy that you think should be changed, explain the specific changes you would make, and support your position. You will be graded on your spelling and grammar, your ability to effectively convey your position and address opposing arguments using economic concepts, your ability to support your position with legitimate evidence (preferably from a peer reviewed academic journal article or equally reputable source), and on your ability to properly cite that evidence. You are required to restrict the length of your memos to a maximum of 3 pages long in order to help you learn to make concise and focused arguments. You may not do the same topic as another student; therefore, you must get approval from me on your topics.

At the end of the semester you will present one of your revised memos to the rest of the class. You may choose which of your two memos you would like to present, and you will be given time to make improvements to that original memo before you present it. After your presentation, there will be a general discussion where you will address any questions or concerns from the rest of the class about your proposed changes. The quality of your arguments in this presentation and your participation in the discussion of other memos will be
graded. Each memo will count for 7% of your grade, and your presentation and discussion participation will count for 6% (i.e. memo one 7% + memo two 7% + presentation/discussion 6% = 20%).

The remainder of your grade will be determined by three exams, each worth 20%.

**Course outline:** A general course topic outline is provided below. Each section starts with a quote from Ron Swanson and the general topics covered in that section are listed next to the quote. All required readings, including current even articles related to each quote, will be posted on GA View.

1) “I have so many ideas. Some are simple like take down traffic lights and eliminate the post office. The bigger ones will be tougher, like bring all this crumbling to the ground.”  
   – *Anarchy*
   
   a) “There are only three ways to motivate people: money, fear, and hunger.” – *What does it mean to be self-interested?*
   
   b) “I’ll have the #9.” “Sir, that’s a party platter. It serves 12 people.” “I know what I’m about, son.” – *Consumer preferences and rationality, defining value*
   
   c) “I call this turf ‘n’ turf. It’s a 16 oz. T-bone and a 24 oz. porterhouse. Also, whiskey and a cigar. I am going to consume all of this at the same time because I am a free American.” – *No rules for consumers or producers: how do black markets operate? Examples: illegal drug markets, prostitution, abortion, etc. How might this resemble resource allocation under anarchy? Resource allocation, contract enforcement, and real world examples of anarchy.*
   
   d) “I think that all government is a waste of taxpayer money. My dream is to have the park system privatized and run entirely for profit by corporations, like Chuck E. Cheese. They have an impeccable business model.” – *Other problems with anarchy, tragedy of the commons and the importance of private property rights.*

2) “The free market is a jungle; it is beautiful and brutal and should be left alone. When a business fails it dies and a new business takes its place. Just let business be business, and let government be government.” – *Capitalism*
   
   a) “You’ve got hazardous chemicals over there.” “Yeah, which only I am breathing. It’s the same liberty that gives me the right to fart in my own car. Are you going to tell a man he can’t fart in his own car?” – *Introducing some basic rules: solving the tragedy of the commons with private property rights, incentive to invest when property rights are protected*
   
   b) “On my death bed my final wish is to have both my ex-wives rush to my side so I can use my dying breath to tell them both to go to hell one last time. Would I get married again? Absolutely. If you don’t believe in love, what’s the point of living?” –
voluntary contractual agreements and contract enforcement, incentive to invest when contracts are enforced by legal means

c) “The whole point of this country is if you want to eat garbage, balloon up to 600 pounds and die of a heart attack at 43, you can! You are free to do so. To me, that’s beautiful.” – How do markets work? Supply and demand, inferior vs normal goods, substitutes and complements, etc. How do markets respond to well-intended regulations? Minimum wage and rent control, soda/”fat” taxes, Affordable Care Act

d) “Just give me all the bacon and eggs you have. Wait...wait. I worry what you heard was: Give me a lot of bacon and eggs. What I said was: Give me all the bacon and eggs you have.” Moral hazard and adverse selection

3) “My idea of a perfect government is one guy who sits in a small room at a desk, and the only thing he is allowed to do is decide who to nuke.” – Public goods

a) “There’s a new wind blowing in government, and I don’t like it. All of a sudden there’s all this federal money coming in and Paul, the city manager, is telling us to build parks, start new community programs. It’s horrifying.” – Besides setting up basic institutions, what else might we want government to do? Public goods and the free rider problem.

b) “I think the entire government should be privatized. Chuck E Cheese could run the parks – everything operated by tokens. Drop in a token, go on the swing set. Drop in another token, take a walk. Drop in a token, look at a duck.” – Public goods compared to club, common and private goods; public provision of goods vs. private provision of goods, privatization of publicly provided goods and services

4) “Capitalism: God’s way of determining who is smart and who is poor.” – Problems that might arise in capitalist economies

a) “Cursing: there is only one bad word – taxes.” – How do we pay for a government to enforce basic institutions, provide public goods, etc.? Various forms of taxation

b) “It’s never too early to learn that the government is a greedy piglet that suckles on a taxpayer’s teat until they have sore, chapped nipples.” Wealth inequality, income mobility, the rationale for redistribution, Social Security and Medicare examples

c) “Give a man a fish and feed him for a day. Don’t teach a man to fish...and feed yourself. He’s a grown man. And fishing’s not that hard.” – Tragedy of the commons and externalities, overfishing, pollution, the difficulty of assigning private property rights over some resources.

d) “I love Food and Stuff. It’s where I buy all of my food and most of my stuff.” – Monopolies, predatory pricing, wage disparities, unions
e) “I got my first job when I was 9 working at a sheet metal factory. In two weeks, I was running the floor. Child labor laws are ruining this country.” – Sweatshops and child labor during economic development, are poor countries exploited by the rich when we rely primarily on capitalism to allocate resources? Which countries rely on capitalism the most and how does that affect economic growth? Economic Freedom of the World Report and economic well-being

5) “Capitalism is the only way, Leslie. It’s what moves our country forward. It’s what makes America great and England okay and France terrible.” Public choice issues and increased government involvement

a) “Am I interrupting anything important?” ”Impossible, I work for the government.” – Profit motives vs political incentives, self-interest in government, efficiency, public unions

b) “I like Tom. He doesn’t do a lot of work around here. He shows zero initiative. He’s not a team player. He’s never wanted to go that extra mile. Tom is exactly what I’m looking for in a government employee.” – Profit motives vs political incentives, rent seeking vs wealth creation

c) “Once a year every branch of government meets in a room and announces what they intend to waste taxpayer money on. For a libertarian such as myself, it's philosophically horrifying.” – Rent seeking and government spending, interest groups and political incentives

d) “I have a joke for you. The government in this town is excellent and uses your tax dollars efficiently.” – Inefficiencies in government spending, budget maximization incentive, lack of competition

e) “I believe in cutting useless government projects. I also believe in cutting useful projects, future projects and past projects. The Hoover Dam is a travesty.” – Federal government debt vs deficits, cutting government spending, problem of concentrated benefits and dispersed costs, effects of large debts vs raising taxes and/or cutting spending

f) “Do you know if one can pay court ordered settlements in gold? ... I’m not sure how much money I have, but I know how many pounds of money I have.” – Inflation and the incentive to finance government spending in the short run, the gold standard, fiat money, central bank independence, private currencies

6) “Just thought you needed some fresh air...even if that air is filled with the foul stench of European socialism.” – Moving away from capitalism

a) “The government should not prop up a failed business. That would be like giving food to a mortally wounded animal.” – Market distortions, The Great Recession, causes, proposed solutions, bailouts, stimulus spending, rent seeking and
politically connected industries, the opportunity cost of saving certain jobs, Broken Window fallacy

b) “I enjoy government functions like I enjoy getting kicked in the nuggets with a steel toed boot.” – Corruption and rent seeking, government created monopolies and monopoly power (e.g. public schools, post offices), government production of goods (e.g. the Trabant or food provision under socialism), definitions of socialism, communism and Marxism (costs and benefits)
Sample Syllabus for Freakonomics – Relevant Sections

Objective: In this course we will read, discuss, debate, and analyze the topics presented in the books Freakonomics and SuperFreakonomics by Steven Levitt and Stephen Dubner. These books present interesting and nontraditional perspectives, from multiple disciplines, focusing on behaviors that are not traditionally associated with Economics. You will be expected to describe and critically evaluate the diverse perspectives relevant to each topic. You will also be given the opportunity to share your opinion of the studies and findings presented in each chapter. Upon successfully completing the course, students will be able to apply economic reasoning, explain the behavior of rational individuals when confronted with the everyday problem of making constrained choices, apply critical thinking analysis to current economic issues, evaluate how incentives influence decision making, and illustrate the unintended consequences associated with everyday decision making.

Texts:
Levitt and Dubner; *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*
ISBN: 978-0060731335

Levitt and Dubner; *SuperFreakonomics: Global Cooling, Patriotic Prostitutes, and Why Suicide Bombers Should Buy Life Insurance*
ISBN: 978-0060889579

Articles from websites, newspapers, magazines, and academic journals will be assigned and discussed throughout the semester. You will find that the outside articles we read will help you immensely in understanding the real-world applications of the economic analysis that we learn in class. I strongly suggest you send in articles you feel are relevant to the discussion and would like other students to read and discuss.

Evaluation Criteria: Your final grade for the course is based on the distribution below. Your grade is determined on a standard 100 point scale. A: 90% to 100%, B: 80%-89%, C: 70%-79%, D: 60%-69%, F: 59% and below. Grading in the course will be based upon a speech, two to three memos, weekly quizzes, two midsemester exams and a final exam. Exam questions will reflect information and ideas presented both in lecture and the assigned readings.

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<th>Task</th>
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<tr>
<td>Memos/Speech</td>
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<td>Quizzes</td>
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Memos/Speech: At some point during the semester you will need to give a 2 minute speech summarizing your position (using supporting arguments) on one of the controversial issues discussed in a single chapter of your choosing.
You are also required to view “Freakonomics: The Movie” on your own time at some point during the semester. You will then write a memo explaining how economic concepts apply to a topic of your choosing from the film. This memo will count as a quiz grade.

You will be required to write a one-page memo at the beginning of the semester summarizing your views regarding at least one current event related to the topics discussed on the syllabus. Specifically you are expected to describe the event, one specific market it will affect, and how it will affect it. Your second memo (due during the second half of the semester) will require you to find another current event and utilize one of the economic concepts (other than supply and demand) discussed during the semester to help you explain the causes or effects of this event.

**Course outline:** A general course topic outline is provided below. Each section corresponds to a chapter in one of the two required texts. Relevant articles and concepts will be provided on the course website. I strongly encourage you to obtain the study guides for *Freakonomics* and *Superfreakonomics* to help you understand the link between these concepts and the book content.

**Freakonomics**

- **Chapter 1:** Discovering cheating as applied to teachers and sumo wrestlers.
- **Chapter 2:** Information control as applied to the Ku Klux Klan and real-estate agents.
- **Chapter 3:** The economics of drug dealing, including the surprisingly low earnings and abject working conditions of crack cocaine dealers.
- **Chapter 4:** The controversial role legalized abortion may have played in reducing crime.
- **Chapter 5:** The negligible effects of good parenting on education.
- **Chapter 6:** The socioeconomic patterns of naming children.

**SuperFreakonomics**

- **Chapter 1:** How is a street prostitute like a department-store Santa?
- **Chapter 2:** Why should suicide bombers buy life insurance?
- **Chapter 3:** Unbelievable stories about apathy and altruism.
- **Chapter 4:** The fix is in----and it’s cheap and simple.
- **Chapter 5:** What do Al Gore and Mount Pinatubo have in common?

The focus of most (if not all) of these chapters is incentives. Why do people do what they do? As you read each chapter you should critically evaluate each unique perspective presented in the text. Don’t immediately dismiss the behavior of an individual (or group of individuals) as being motivated by greed or stupidity. Don’t immediately dismiss the results of a study because it comes from a discipline you don’t respect or aren’t familiar with. You should try very hard to understand that there may be unexpected incentives affecting decisions. Evaluate the situation from the subject’s point of view. For example, what are the costs and benefits of helping students cheat on their standardized tests?