

## **Economics 3540 001: Current Economic Problems.**

**Summer 2012, Class number 5265**

Class Location: OSH 113

Class Hours: Tuesday and Thursday 9:00 to 12:00

**Instructor: Jason Whittle MS**

**Email:** Canvas email (I don't always check this everyday)

**Emergency contact:** If you have an emergency and need to speak to me right away call the Economics office (801-581-7481) and they can get in touch with me during their business hours.

Office: OSH 213

Office Hours: Immediately following class Tuesday and Thursday 12:00 to 1:00.

**Catalog Class Description:** A focus on central problems in the domestic and world economy, with an emphasis on continuing problems, such as the budget and trade deficits, up-to-the-minute issues and the health of the current economy.

**Course Objective:** At the end of the course, the student will be able to use their knowledge of economics to understand the problems continually discussed in the media, by politicians and by policy makers. For those students who are new to economics this course gives them a real world starting point to frame the current economic situation and provide some real world examples for any future economics study. For students who are not new to economics, this course provides an opportunity to tie in a lot of what you have learned in your studies to real situations and help you understand how to utilize your knowledge of economics.

This course will focus predominantly on the United States with some comparison to Europe on occasion. Most of the course will be devoted to understanding the current economic stagnation and the financial crisis of 2008. The course will discuss many of the underlying economic problem of the last 30 years (private sector debt, rising inequality, deregulation, etc.) which brought about the worst downturn in the US economy since the Great Depression. The many emphasis of our analysis will hinge on aggregate demand deficiencies and a squeezing of the US worker since 1980.

**Prerequisites:** There are no prerequisites for this class. This class will rely on basic macroeconomic tools such as an IS-LM framework and an Aggregate Supply/Aggregate Demand graphs. No prior knowledge of these tools or their theories is necessary. The instructor will spend time in class to develop (review for some) these concepts for our purposes.

**ADA statement:** The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, **reasonable prior notice** needs to be given to the Center for Disability Services, 162 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

## Grading:

60 % Exams (Exam 1 = 30%, Exam 2 = 30%): There will be two examinations on the readings you are assigned to read for this class. Exam 1 is scheduled to be on May 31<sup>st</sup> in class. Exam 2 is scheduled to be on June 19<sup>th</sup> in class. **If these dates do not work for you speak with the instructor prior to the day of the examination.** No arrangements will be made for you after the test; you will just miss out on all of the points.

The Exams will cover reading covered in class. Note taking is highly recommended as I tend to focus my lectures on the parts of the articles I think are most important and coincidentally I focus my test question on the ideas from class I think are most important.

20% Canvas Discussion: (Post 1 = 5%, Post 2 = 5%, Response 1 = 5%, Response 2 = 5%) Each student will be required to post two Canvas discussions and respond to two other student's discussions through out the semester. The discussion posts will be centered on a news article the student has read related to the class discussion and lectures. Each discussion post will contain the student's interpretation of the article and their response or opinion of it (Not a general summary of the article). A link to the article will be required to receive full point for the post. A discussion post will be a minimum 3 paragraphs long (That is around 15 sentences minimum). Post 1 will be due at the time of the first midterm (5/31). Post 2 will be due by Tuesday 6/12 (you must wait until after 5/31 to submit post 2). Late post will be worth only 2.5%.

There will be two responses to other student's post. In These responses the student will react to the original student post and further discuss the topic in the original post (no summary of the original post, these kind of response will not count for credit). A response will be a minimum of 3 paragraphs long. Response 1 will be due one week after post one (6/7). Response 2 will be due the last day of class 6/19 (you must respond to a student post submitted after 5/31)

20 % Class participation: This class is a discussion based class, with group discussion almost every lecture. If you are not in class and participating in the class discussions you will miss out on these points.

**Lectures/Topics: Readings that will be covered on this date.**

(5/15) Environment and Limits to Growth: Herring 2006, Hardin 1968.

(5/17) Now and Then and since 1980: Baker 2007, Eichengreen & O'Rourke 2010.

**Policy section:**

(5/22) Debt and Growth: Reinhart & Rogoff 2009, Davidson 2010, Nerisyan & Wray 2010.

(5/24) Monetary policy and the zero bound problem: Bernanke & Reinhart 2004,  
Hannsgen & Papadimitriou 2010.

(5/29) Monetary policy and the Eurozone problems: Wolfe 2011, catch up and review.

(5/31) **Exam one.**

(5/31) Fiscal policy: Seidman & Lewis 2009.

(6/05) Fiscal policy: Hannsgen & Papadimitriou 2009, Perez & Vernengo 2010a.

(6/07) The Unemployment crisis and evaluating Fiscal policy: Romer 2011.

Schmitt & Conroy 2010, Hansgen, Papadimitriou & Zezza 2011, , Mishel 2011.

**The origins of the financial crisis and the subsequent stagnation:**

(6/12) Inequality, debt and the current crisis: Piketty & Saez 2003, Barba & Pivetti 2009.

(6/14) Financialization and the crisis of financial regulation: Krippner 2005, Palley 2007, catch up and review.

(6/19) **Exam two/class ends.**

**Important Dates:**

Class begins May 15

Last day to drop (delete) classes May 23

Last day to add, elect CR/NC, or audit classes & Tuition due date May 30

Last day to withdraw from classes June 1

Last day to reverse CR/NC option June 15

Classes end June 19