



Financial and Economic
Knowledge for Life

Summer Institute Macroeconomics

Part 1: Fiscal Policy, Monetary Policy, Trade
7.18.23





Hello!

 @AlexMLamon

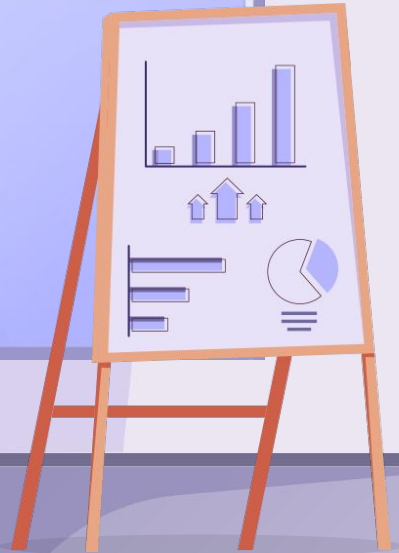
 lamonteach@gmail.com

Lead Teacher of Business Education
in Livingston, NJ

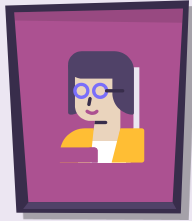
- Council for Economic Education
Master Teacher & Consultant
- College Board Consultant & AP
Reader for Macroeconomics
- PD Developer, Money Talks



Econ Books!

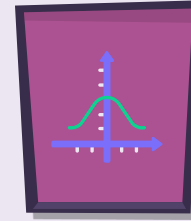


Maximizing Your Utility



TOOLBOX SESSION

Take what you like, what will work best in your context for your students, and leave the rest



90 minutes!

Participate as much as you need, however you need.



Goals of this session

Course Sequence

What do my econ courses look like?



Content

Anticipating common student misconceptions



Teaching Strategies

Applicable teaching strategies for use across your course



More in part 2!



AP Macro Units

My course
at a glance

1. Basic Economic Concepts
 - a. Scarcity, Utility, Choice, PPC
 - b. Supply and Demand
2. Economic Indicators
 - a. Circular flow, GDP, Inflation, Unemployment
 - b. Phillips curve*
3. Aggregate Demand, Aggregate Supply (AD/AS)
 - a. MPC & MPS
 - b. AD/AS
4. Fiscal Policy
 - a. Fiscal Policy tools
 - b. Debts and deficits
5. Monetary Policy
 - a. Banks and money creation
 - b. Federal Reserve structure, monetary policy tools
 - c. Money market
 - d. Loanable funds
6. International Trade and Finance
 - a. Trade and comparative advantage
 - b. Balance of payments
 - c. Foreign exchange market & exchange rates



Today's Topics

1

Fiscal Policy

Taxation and spending

2

Monetary Policy

Federal Reserve's tool chest

3

International Trade

Trade and exchange rates





1

Fiscal Policy

- 1: What are students struggling with?
- 2: What are your needs when it comes to teaching fiscal policy?
- 3: Do you have anything to share to help teachers teach fiscal policy?

Content Challenges: Fiscal Policy

Fiscal, monetary mix ups

Keeping track of it
all, including
expansionary vs.
contractionary

Thinking critically about policy

Can our students
develop opinions
about fiscal policy
actions?

Contextualizing the debt


Is it always bad?
Who owns it?
What types of debt?



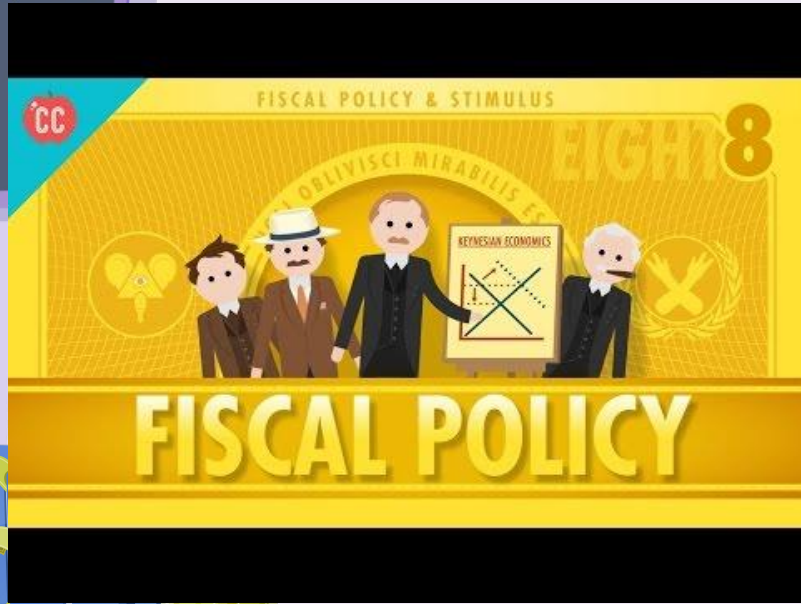


Econ Quiz Time!



8. An appropriate fiscal policy to combat a recession would be to increase which of the following?
- (A) Interest rates
 - (B) The money supply
 - (C) Taxes
 - (D) Government spending 
 - (E) The sales of government bonds

Teaching Strategies: Crash Course

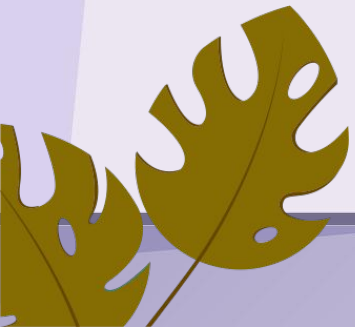
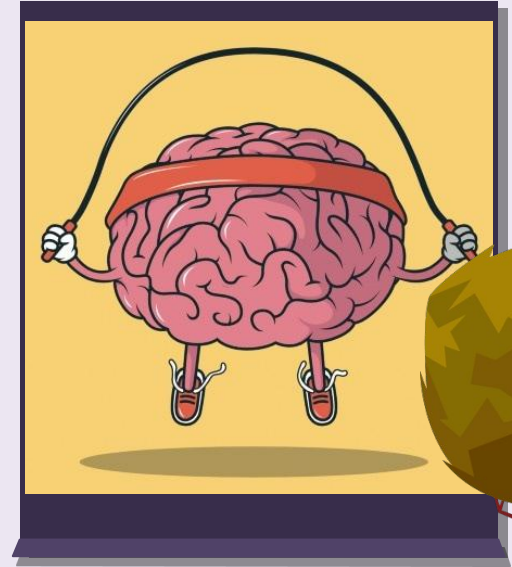


Teaching Strategies: Cheat Sheets

	Spending	Taxation
Multiplier	$1 / \text{MPS}$	MPC / MPS
Expansionary policy (AD inc)	Increase	Decrease
Contractionary policy (AD dec)	Decrease	Increase
Behavior & multiplier effects	All of the money is spent (largest effect)	Consumers save some and spend some
Amount needed to fix \$500B recessionary gap? (MPC = .9)	$1 / .10 = 10$ $10 * X = 500\text{B}$ $X = \$50\text{B (inc)}$	$.9 / .1 = 9$ $9 * X = 500\text{B}$ $X = 55.5\text{B (dec)}$

Fiscal policy cheat sheet

Brush Up on Content:
[CEE Fiscal Policy Webinar](#)



Teaching Strategies: Political Quiz

Political Typology Quiz

Student discussions
about real
economic issues
help them develop
their own thoughts,
think critically

Political Typology Quiz

Thinking about increased trade of goods and services between the U.S. and other nations in recent decades, would you say that the U.S. has...

Gained more than it has lost because increased trade has helped lower prices and increased the competitiveness of some U.S. businesses

Lost more than it has gained because increased trade has cost jobs in manufacturing and other industries and lowered wages for some U.S. workers

NEXT >





Teaching Strategy: Interactives

Interactive for students to explore, inquire, and learn





US Debt Clock.org

State Debt Clocks

World Debt Clocks

Debt Clock Time Machine

US NATIONAL DEBT

\$32,553,671,359,816

DEBT PER CITIZEN

\$97,147

DEBT PER TAXPAYER

\$253,005

US FEDERAL SPENDING (OFFICIAL)

\$6,225,109,513,532

US FEDERAL BUDGET DEFICIT (OFFICIAL)

\$1,521,228,971,726

US FEDERAL SPENDING (ACTUAL)

\$6,346,807,867,847

US FEDERAL BUDGET DEFICIT (ACTUAL)

\$1,642,927,294,160

US DEBT TO GDP RATIO

1960 • 52.65% 1980 • 34.0% 1990 • 57.12% NOW • 122.85%

US FEDERAL TAX REVENUE

\$4,703,880,541,805

REVENUE PER CITIZEN

\$14,060

INCOME TAX REVENUE

\$2,389,237,663,803

PAYROLL TAX REVENUE

\$1,554,042,897,103

TOTAL STATE REVENUE

\$2,269,145,504,551

TOTAL LOCAL REVENUE

\$1,247,344,934,688

CORPORATE TAX REVENUE

\$520,513,084,122

TARIFF TAX REVENUE

\$71,338,666,921

STATE DEBT

\$1,261,633,621,448

DEBT PER CITIZEN

LOCAL DEBT

DEBT PER CITIZEN

US GROSS DOMESTIC PRODUCT

\$26,499,506,090,336

US Debt Clock

This interactive is scary but true - teaching it with context is important!



11. Which of the following combinations of changes in government spending and taxes is necessarily expansionary?

Government
Spending

Taxes

(A) Increase

Increase

(B) Increase

Decrease

(C) Decrease

Not change

(D) Decrease

Increase

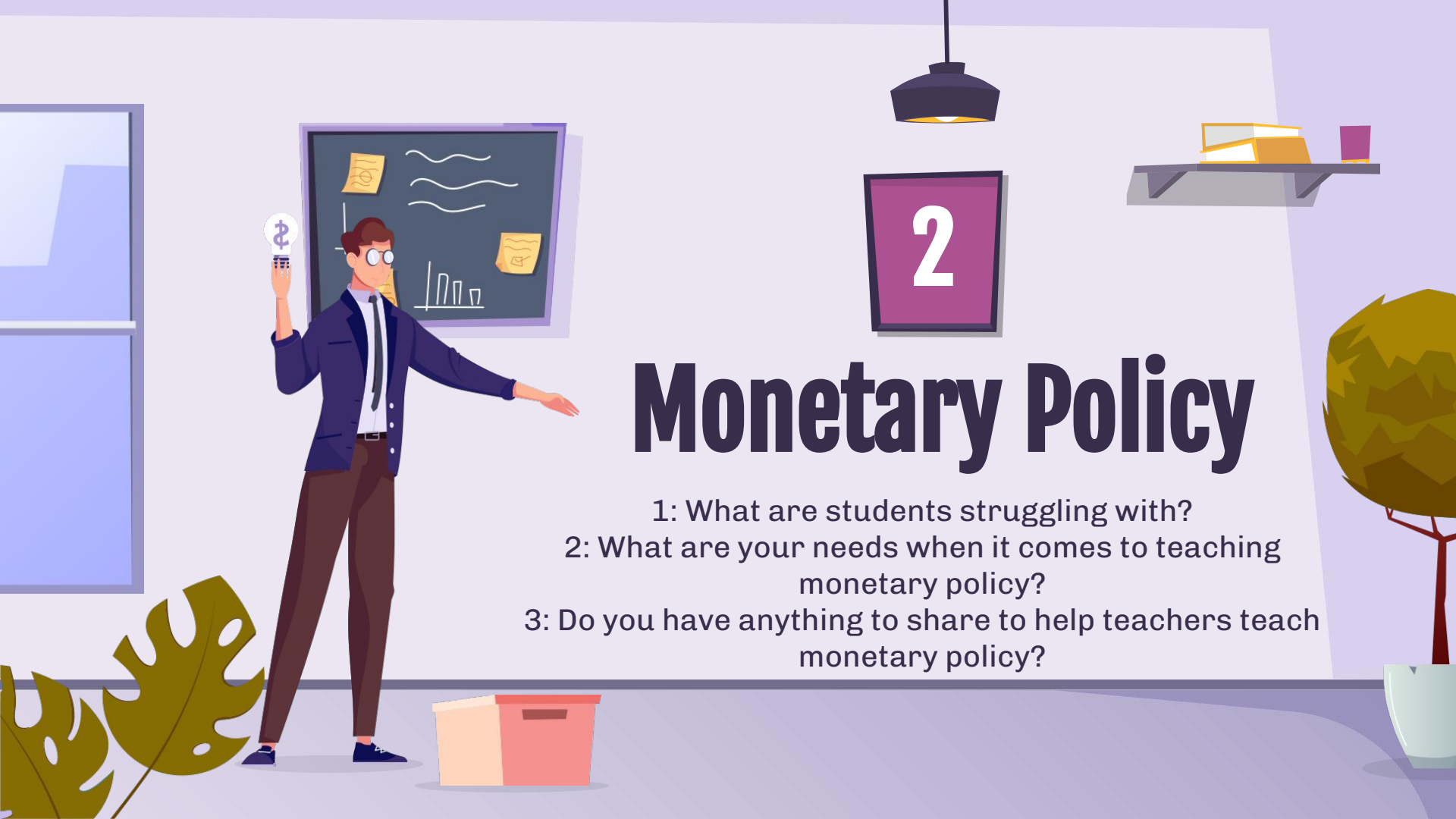
(E) Decrease

Decrease



Econ Quiz Time!





2

Monetary Policy

- 1: What are students struggling with?
- 2: What are your needs when it comes to teaching monetary policy?
- 3: Do you have anything to share to help teachers teach monetary policy?

Content Challenges: Monetary Policy

What *is* money?

How is money created? What is the role of banks in our system?



New Fed tool: Ample Reserves

It's not “new” to our students, but it adds complexity



Concepts galore

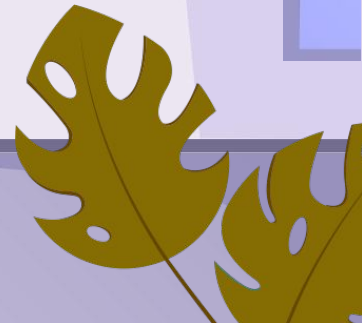
The large amount of ‘cause and effect’ of monetary policy is tough for some



Teaching Strategy: Critiquing



What's wrong with this man?

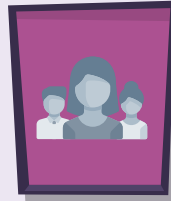
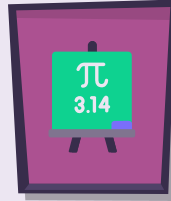


Fractional Reserve Banking Sim

Will cover
fully in next
session

Overview

Some students serve as bankers,
most as borrowers



Balance Sheets: Banker, Borrower

Students keep record here during
the simulation

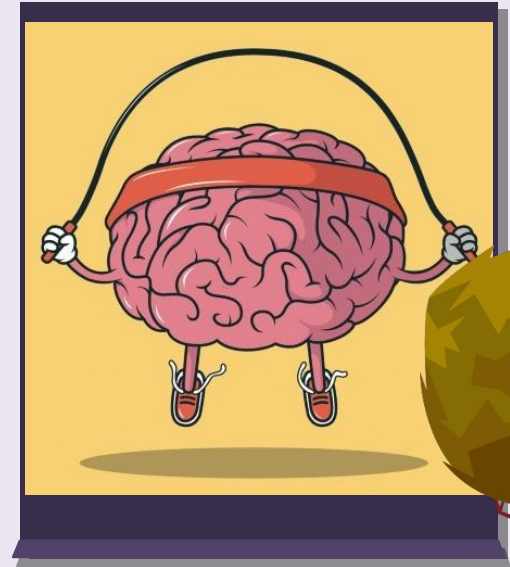
Loan Certificates & Reflection

Bankers write on these for records
Reflection keeps learning objectives at
the forefront

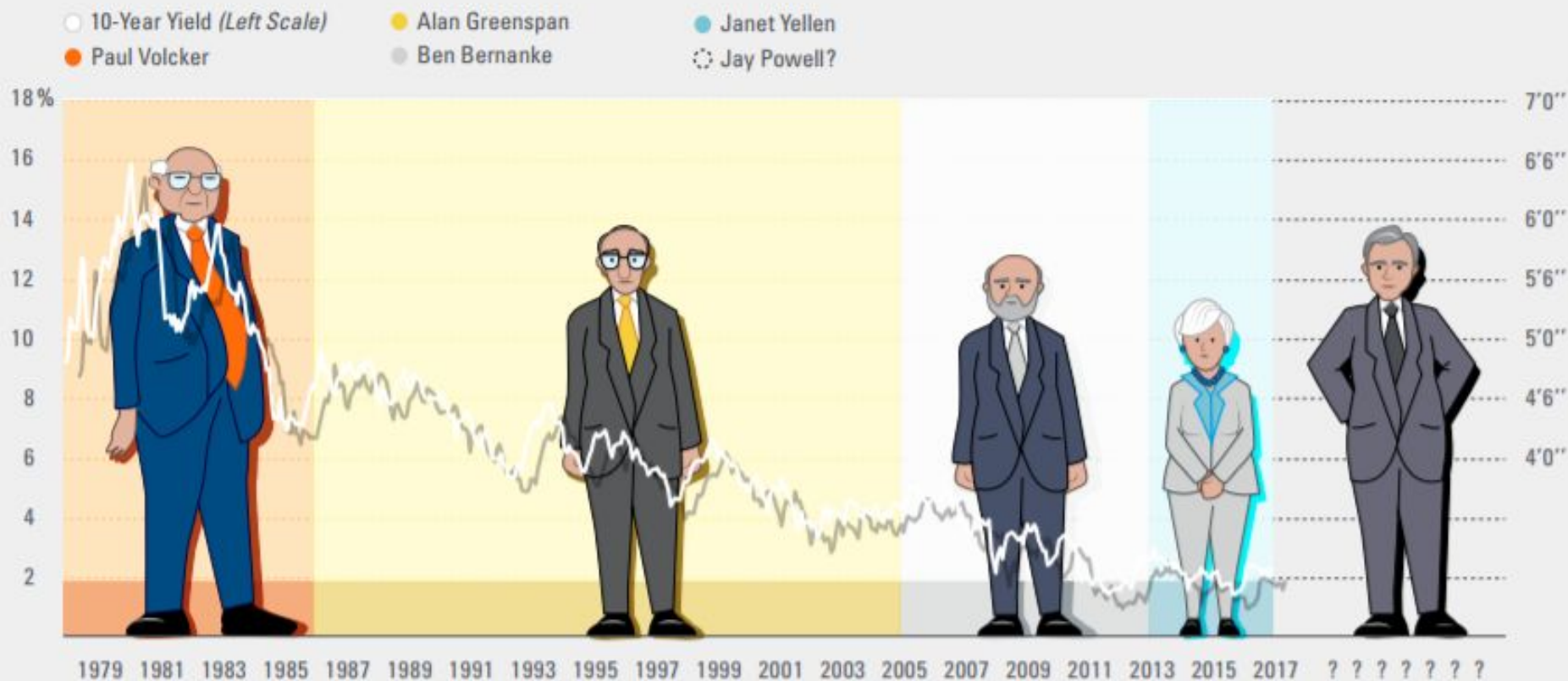




**Brush Up on Content:
CEE Monetary Policy Webinar**



BOTH THE HEIGHT OF THE FED CHAIR AND RATES HAVE FALLEN OVER TIME, COULD A TALLER FED CHAIR MEAN RATES RISE?



Source: LPL Research, Bloomberg 10/22/17

We don't actually believe that interest rates are determined by the height of the Fed chair, but it has been an interesting coincidence.

Teaching Strategy: Video Questions

Fed Video Series



Once your students stop thinking of “the fed” as some police force, things get easy.

Assessment questions



Econ Movies Series



43. In the short run, which of the following would occur to bond prices and interest rates if a central bank bought bonds through open-market operations?



Econ Quiz Time!



Bond Prices

Interest Rates

(A) No change

Increase

(B) Increase

Increase



(C) Increase

Decrease

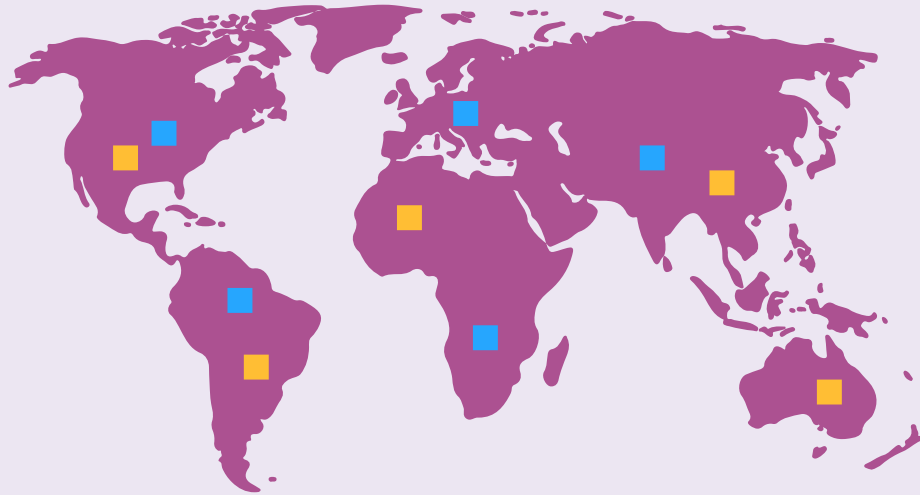
(D) Decrease

Increase

(E) Decrease

Decrease

Teaching Strategy: Study Guide



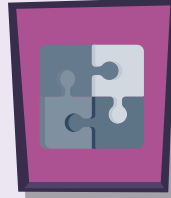
Cause & Effect Study Guide



Teaching Strategy: Simulations

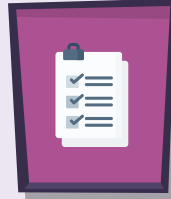
Slides

An overview of the simulation for you and the students



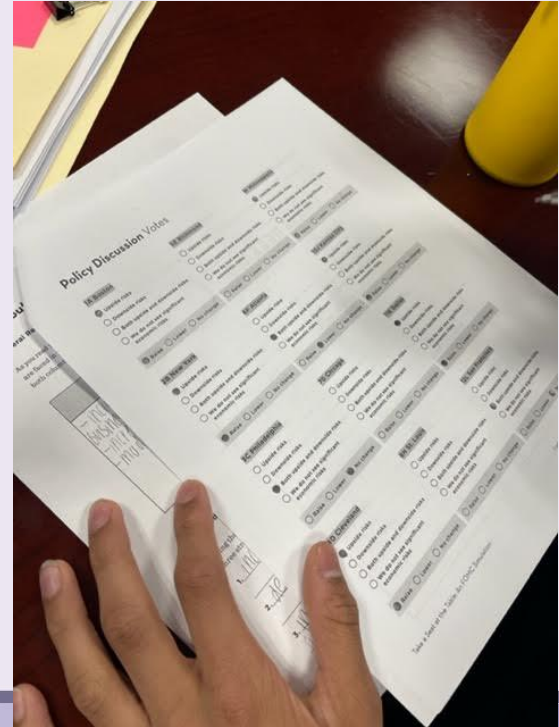
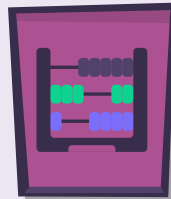
Dallas Fed Lesson Plan

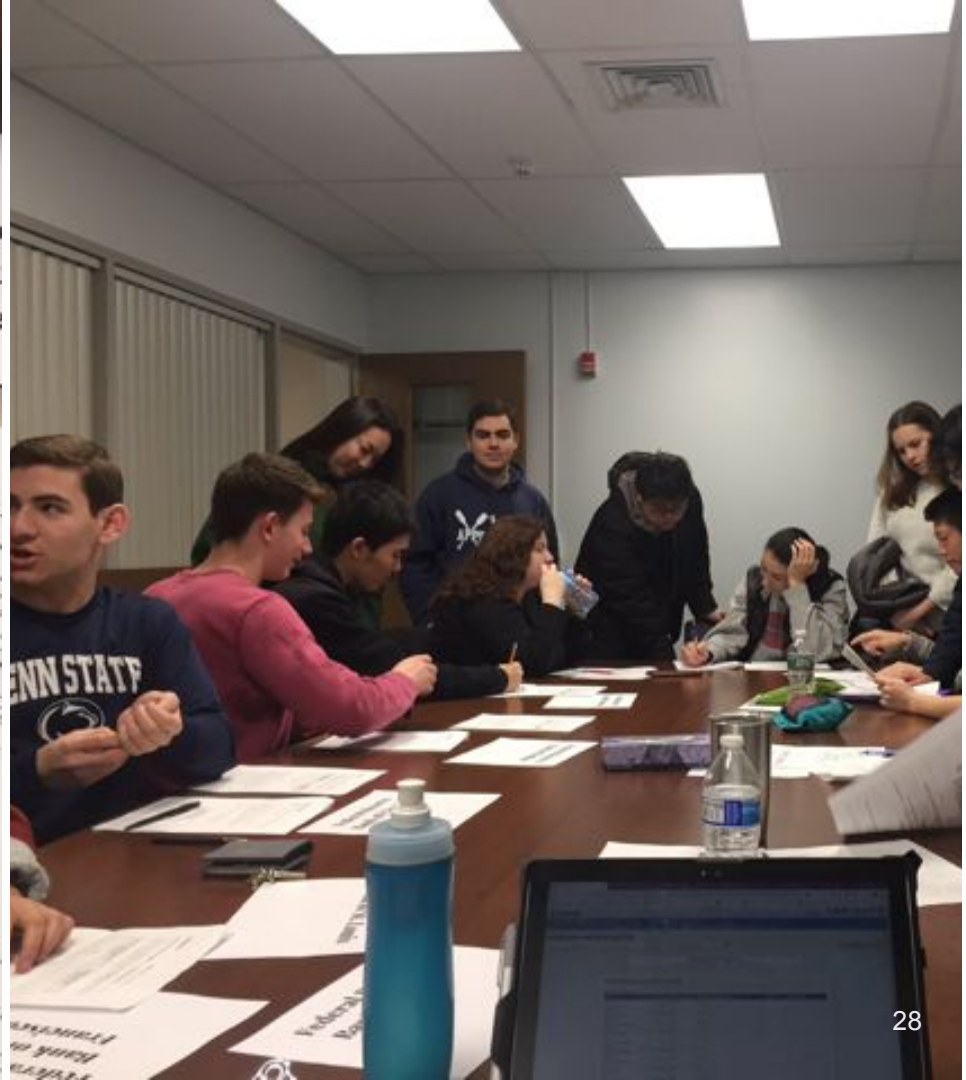
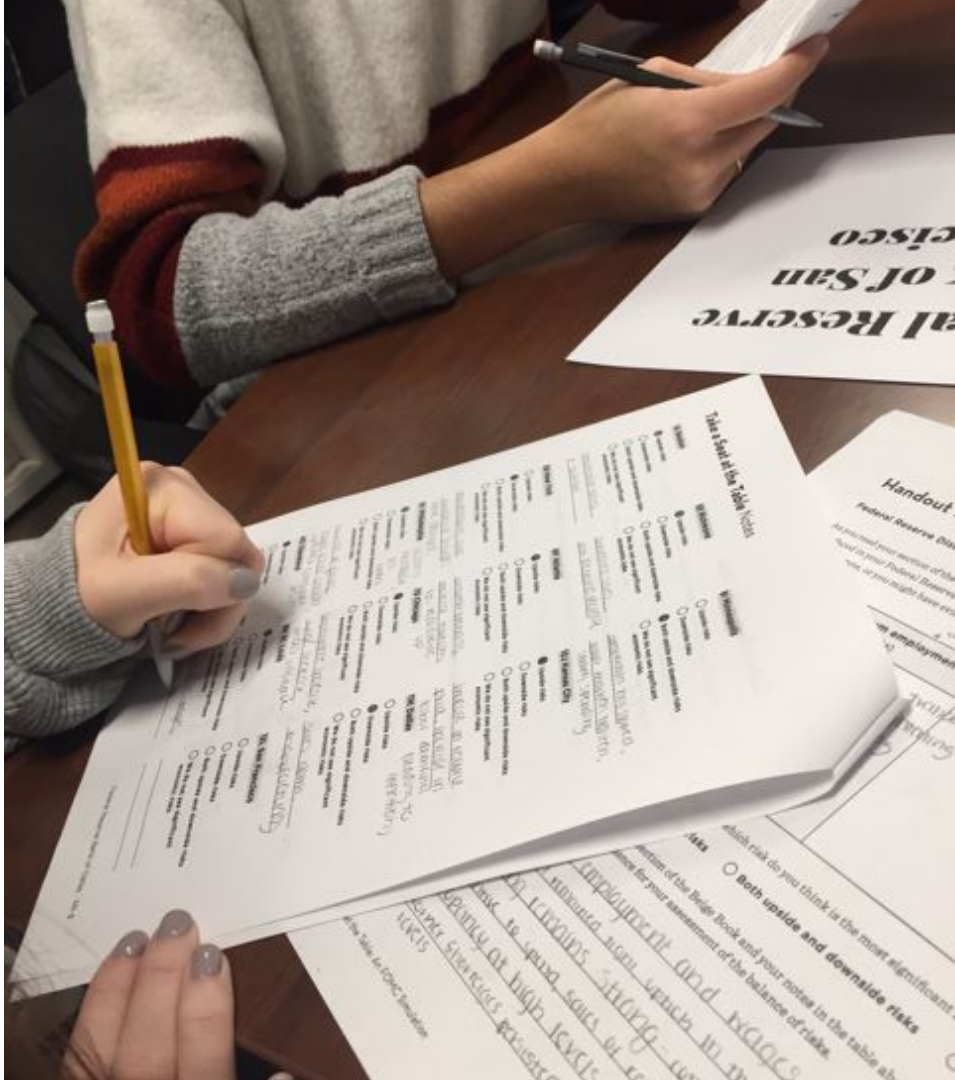
Full lesson plan and materials



Beige Book

For student research, always search the most recent edition







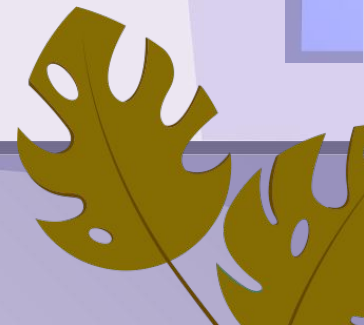
3

International Trade


- 1: What are students struggling with?
- 2: What are your needs when it comes to teaching international trade?
- 3: Do you have anything to share to help teachers teach international trade?

Hong Kong Trade

Terms of Trade



5. If the exchange rate between the United States dollar (\$) and the British pound (£) changed from \$2 per £1 to \$3 per £1, and domestic prices in both countries stayed the same, then the United States dollar would

-  (A) depreciate, making United States imports from Britain more expensive
- (B) depreciate, making United States imports from Britain cheaper
- (C) appreciate, making United States imports from Britain more expensive
- (D) appreciate, making United States imports from Britain cheaper
- (E) purchase 3 times more British goods than before the change occurred



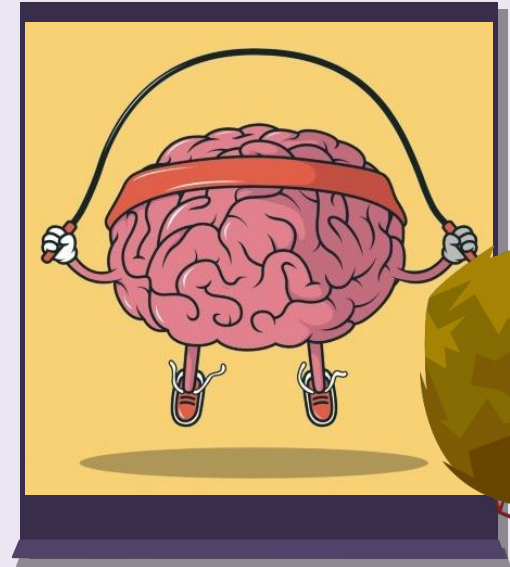

Econ Quiz Time!





**Brush Up on Content:
CEE Trade Webinar &
CEE Forex Webinar**

BONUS: Practice for students so they can
brush up, too.

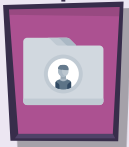


Teaching Strategy: Simulations



CEE Video Overview

See a teacher
overview then
demo the lesson



Lesson plan

There are several
variations



Pros & Cons of Free Trade

Is free trade
always good?



International Trade Simulation

Lesson Plan

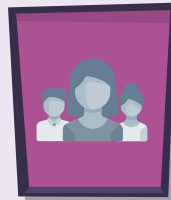
Students produce & sell paper shapes with a different amount of resources in their country

Instructions: Teacher, Student

For your records and to display to the class

Shape Guide & Reflection

Bankers write on these for records
Reflection keeps learning objectives at the forefront



Teaching Strategy: Explore Real Data

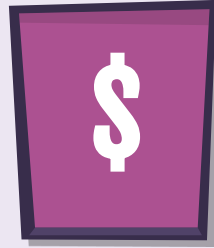
Current Account Balance

Interactive -
compare our net
exports globally

Is our CA deficit
a problem?

Global trade
trends via the CA





Come back for activities & collaboration in part 2!





Thanks!



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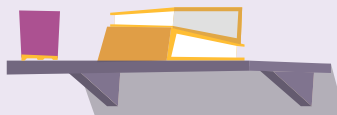




Financial and Economic
Knowledge for Life

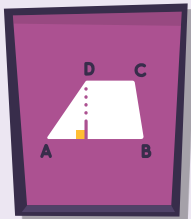
Summer Institute Macroeconomics

Part 2: Strategies, Activities, and Collaboration
7.18.23



Typical Class Setup

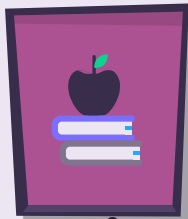
01



Video Content

Students watch my video on the module before class

02



Practice & Simulations

Most class time is student centered

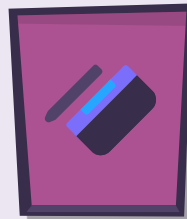
03



AP Style Tests

Including exam corrections

04



Reassessments

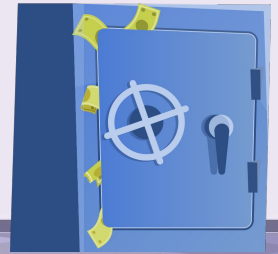
To focus on student's mastery

Group Huddle on Macroeconomics

1: What are students struggling with?

2: What are your needs when it comes to teaching macro?
(Resources, content questions)

3: Do you have anything to share to help teachers teach
macro?



Play The Fiscal Ship

Play the Game

Students manage debt while working to make good on governing priorities

CEE Supporting Lesson Plan

[NYT Alternative Balanced Budget Alt](#)

Results

MY PLAN

- Impose new tax on financial transactions
- Tax carried interest as ordinary income
- Increase tax on capital gains and dividends
- Expand the child tax credit
- Eliminate state and local tax deductions
- Increase Social Security eligibility age
- Reduce Social Security benefits
- Use income taxes to fund Social Security

APPROVED

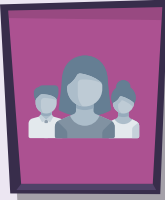
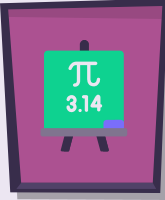
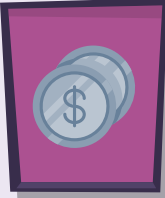
- Total number of policies played: **32**
- You've increased revenue 5.4% in 2041 from the projected level.
- You've decreased spending 12.1% in 2041 from the projected level.
- You are 117% toward your target debt level.

Play Again **Next**

Fractional Reserve Banking Sim

Overview

Some students serve as bankers,
most as borrowers



Balance Sheets: Banker, Borrower

Students keep record here during
the simulation

Loan Certificates & Reflection

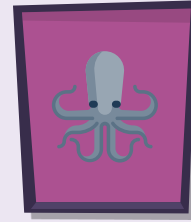
Bankers write on these for records
Reflection keeps learning objectives at
the forefront



International Interactives



Where do we import
tea from? How about
horse hair?



International trade on
the high seas



Bellringer Multi Day Trading Game

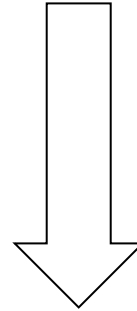
-INTERNATIONAL TRADE- **POKÉMON CARD ACTIVITY**

STUDENT TRADING LOGS

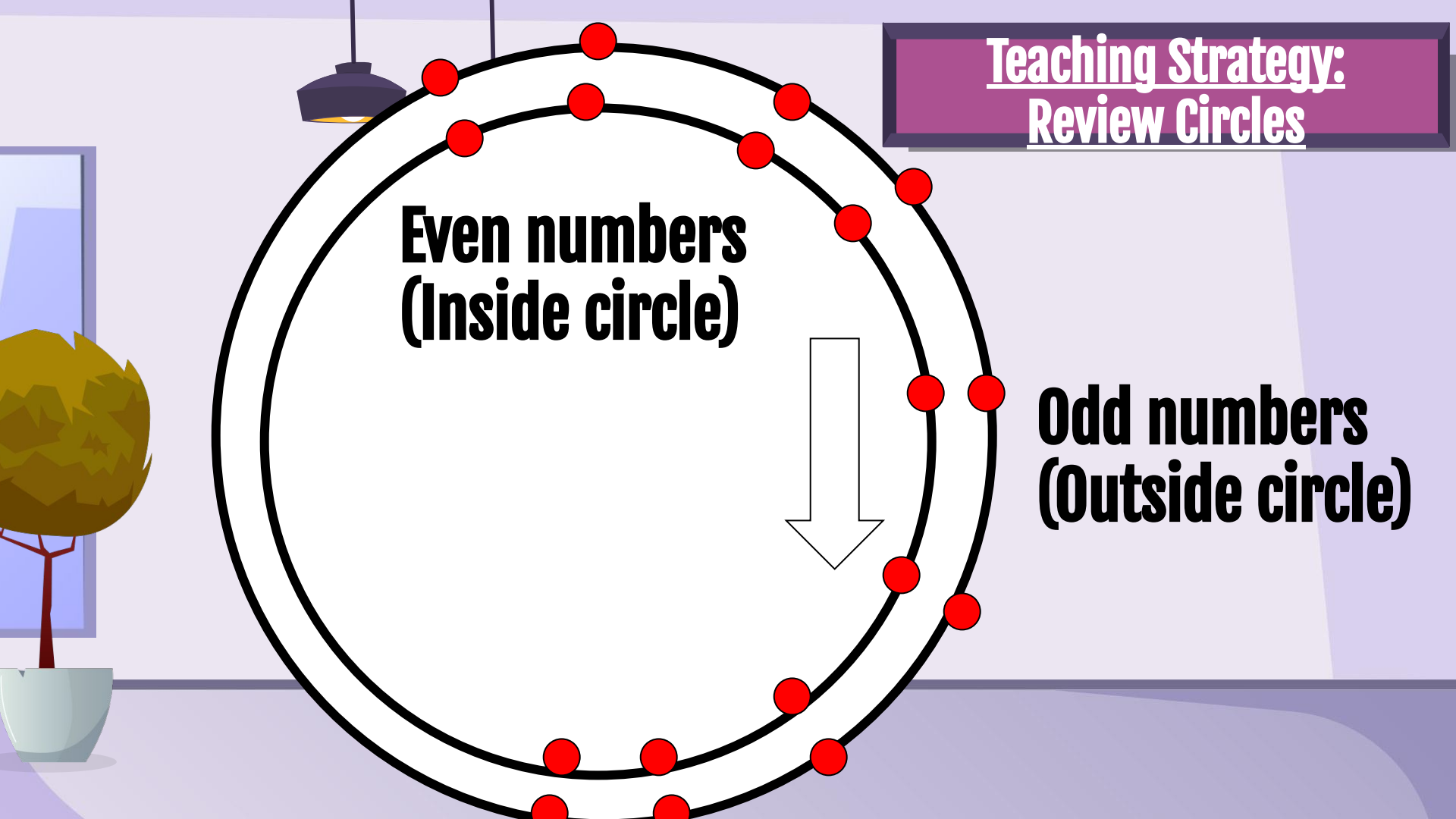


Teaching Strategy:
Review Circles

**Even numbers
(Inside circle)**



**Odd numbers
(Outside circle)**





Bonus: Bailouts



**How do we
allocate funds
in a crisis
event?**

**CEE Lesson
Plan**





Thanks!



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