# Exploring the Disconnect Between the Discussion of Economic Policy in a Microeconomics Principles Course and the News Media

This paper presents an assignment where students consider differences in language as a way to enhance their policy literacy. Students identify a real-world policy considered in class, practice identifying the theoretical market and welfare implications, and evaluate the differences between the classroom discussion and real-world discussions of this policy in the news media. Students practice critical thinking skills in the identification of key background information to provide a proper context for the policy and visual communication skills in the creation of a graphical representation of the policy. Price floors and taxation are the most common policies students choose to evaluate.

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# 1. Introduction

Nearly all principle-level microeconomic textbooks present the theoretical impact on market outcomes of price controls and taxation (for examples, see Mateer & Coppock, 2018; McConnell, Stanley, & Flynn, 2018; Colander, 2020; Stevenson & Wolfers, 2020), in addition to many others). Many of these textbooks go further and describe the theoretical welfare impacts on consumers, producers, and the overall efficiency in the market. Often in classroom discussions and through problem sets, microeconomics instructors have students consider some hypothetical policy to show the impact on prices, quantities, consumer surplus, producer surplus, the creation of dead-weight loss, and the inefficiency introduced. These discussions of policy in the classroom are often very different than discussions in the news media. This paper presents an assignment where students explicitly consider the difference between classroom discussion and news media discussion of real-world policy.

Historically, economics lectures and teaching materials attempted to create a connection between classroom discussion and policy. Good lecture practices indicate instructors should help students connect with the material by using real-world examples (Fogarty Di Liberto, 2011). Often, instructors show the power of the supply and demand model as they trace through the predictions from a specific real-world policy proposal. They can motivate students with an elevated interest in the material, who may become intermediate students in the future, by highlighting and questioning some basic assumptions of the model. McCusker (2013) argues explicitly that questioning assumptions in lectures is an element of transformative learning.

Most textbooks also include sections devoted to connecting the theoretical model to a real-world application (under such names as "Applying the Analysis", "Everyday Economics", "Real-World Application", "Issues", "Snapshot", or some other catchy name). The economics profession has been historically slower to adopt discussions relative to other disciplines (Watts & Becker, 2008). However, student understanding of basic concepts is enhanced in the classroom when real-world applications are included in classroom discussions (Douglass et al., 2022). While economics teaching and textbooks have done a good job of trying to create the connection from classroom discussion to real-world policy, this assignment attempts to highlight the lack of connection in the other direction, i.e., from real-world policy discussion to classroom presentation of the material.

Principles of microeconomics courses are part of the general education curriculum at many higher education institutions; a significant number of students enrolled in the course do not seek an economics degree. Students, as citizens, will encounter policies covered in the course for many years beyond their first, and often only in a microeconomics course.

There is an increased focus on information literacy in higher education. Sample (2020) provides an excellent discussion of the evolution of the concept of information literacy. The Association of College and Research Libraries' most recent definition of information literacy is "the set of integrated abilities encompassing the reflective discovery of information, the understanding of how information is produced and valued, and the use of information in creating new knowledge and participating ethically in communities of learning" (American Library Association, 2015, p. 8). Understanding the language used to convey information and, importantly, the language that is not used to convey information is an implicit element of information literacy. News media communication of economic policy, what Kumar (2017) describes as policy literacy, can be viewed as a specific form of information literacy.

Naing, Isaramalai, & Sukmag (2020) define policy literacy in their survey as the ability to find information, to understand the information, to appraise the information, and to

communicate this information to others. Economic policy discussions in the classroom (and textbooks) typically are focused on understanding the information presented in the discussion; unless specifically directed to do so, students will not include an appraisal of the language used and not used in the presentation. This assignment describes a specific assignment to have students explicitly consider this element of policy literacy.

To point out the disparity in language is to begin to create a bridge in the minds of students between the policy discussions in lectures using formal, economic terminology and concepts, and the policy discussion presented in news media. While others have proposed using alternative sources of media to connect classroom discussion with student learning (Randolph & Tasto, 2019), this assignment specifically considers traditional policy discussion in major media.

## 2. The Assignment

A. Background

For this assignment (*"Policy Literacy Report"*), it is useful to restrict the policy options for students to price ceilings, price floors, and taxes. This typically occurs at mid-point in the semester. The structure of this assignment is flexible enough to accommodate a later placement in the semester to allow for a greater range of policies to consider (tariffs, quotas, externalities, etc.). From a grading perspective, there is an advantage for the instructor in keeping the number of policy options to a minimum. A future variation might expand to additional policies as a second assignment later in the semester.

After the initial classroom discussion of the policy impacts on market outcomes (equilibrium price and equilibrium quantity) and welfare outcomes (consumer surplus, producer surplus, and dead-weight loss), the instructor should introduce students to basic concepts of policy literacy, with specific emphasis on language choice for a particular audience. As an initial start to the discussion, several university libraries and centers for teaching and learning have assembled excellent instructional materials on the topic of information literacy that can be shared with students (e.g., The Ohio State University - University Libraries, n.d.). With the knowledge of policy discussion in the classroom and this additional knowledge of information literacy, students are adequately equipped with the tools for this assignment – to consider how well, if at all, this theoretical economic perspective is presented in media discussion of real-world policies.

There is almost no media source that does not have some element of bias in the reporting. There are some attempts to classify the bias in different media sources; some attempt a more quantitative approach to their classification system than others. Different rankings or classifications of media sources may produce different results based on the specific criteria used to judge the relative perspective. The act of choosing which criteria to use to judge a perspective could introduce a bias in the ranking. These biases in ranking and sources are not something to "solve"; rather, it is part of the news media landscape students should be aware of. This assignment asks students to consider sources from different perspectives. To help identify the perspective, there are several rankings/classifications students can consider (e.g., AllSides, n.d.; Ad Fontes Media, n.d.; Media Bias/Fact Check, n.d.). Fortunately our college business librarian assembled a resource guide about general information literacy for our students that covers basic concepts and terminology.

Students are encouraged to work in pairs to complete this assignment. While not a mandate, there is a very natural way to divide the work and provide for the opportunity of

additional learning effects from peer-led instruction.

B. Assignment Description

The full assignment description is provided in Appendix A. The key elements and discussion are provided here. In this assignment, students are asked to:

1. Choose one recent real-world policy proposal and provide a brief bulleted list of key background information.

2. Create a professional graph showing the policy and a bulleted description of the impacts on the market from the classroom discussions (prices, quantities, welfare measures).

3. Find two articles about a recent, specific real-world policy proposal from different news media sources from different perspectives. Students will then complete the table evaluating how well (if at all) the articles address market and welfare impacts of the real-world policy.

4. Include an appendix with the two articles used, highlighting the sections used as the basis of the evaluation in the earlier table.

*Students will choose one recent real-world policy proposal and provide a brief bulleted list of key background information.* This element of the assignment practices basic critical thinking and written communication skills. Identifying and communication key information to understand the context of a specific policy is not a skill that comes naturally to students. A small amount of time is used in the classroom discussing how to approach this task and why it is important. These critical thinking and communication elements of the assignment are reinforced in other areas of the class and formally assessed with the grading rubric (provided in Appendix B).

*Students will create a professional graph showing the policy and a bulleted description of the impacts on the market from the classroom discussions (prices, quantities, welfare measures).* This element of the assignment reinforces the basic material covered in lectures. Students practice visual communication skills by creating a professional-looking image showing the impact of policy. PowerPoint, Word, and Canva are popular tools students use.

*Students will find two articles about a recent, specific real-world policy proposal from different news media sources from two different perspectives. Students will then complete the table evaluating how well (if at all) the articles address market and welfare impacts of the real-world policy.* This element of the assignment is where students sharpen their research and information literacy skills by finding articles and evaluating language choices.

C. Evaluating Student Performance

It's been found after implementing this assignment over a number of semesters, that using a template (provided in Appendix C) helps students organize their work and focus their attention on elements most connected with the learning objectives. The template seems to reduce student anxiety on a potentially daunting assignment outside of the conventional framework of problem sets and term papers. Additionally, grading a large number of submissions is more efficient for the instructor when submissions follow the same format. The use of a rubric (provided in Appendix B) informs students of the specific criteria that will be used in grading and provides students with organized feedback on specific areas of their performance.

In previous semesters, the author found the initial ability of students to understand the difference between "addressed with economic terminology" and "addressed with non-economic terminology" to be weak. A short classroom discussion is now included and a brief illustrative example is provided to prepare students to evaluate language. An example used to highlight this difference for students relates to the discussion of a proposed increase in the minimum wage for healthcare workers in California. A recent Fox Business article describes concern for the policy based on "the prospect of driving health care employers out of California" (Kliegman, 2023, para. 11). This describes an economic phenomenon, but not with the language used in a classroom setting, where instead a reduction in the quantity demanded of labor is described. After pointing out this difference in language use, students better understand when to classify as "Addressed with economic terminology" and "Addressed with non-economic terminology". Evaluating language use seems to be a new skill for students to master, but one that is quite possible.

## 3. Student Choice of Policy

The following statistics show the distribution of student choice of policies in academic years 2021-23. Price floors were the most common choice, driven largely by the topic of minimum wage. Taxes were the second most common choice. Price Ceilings were the least common.

Table 1. Student Choice of Policy AYs 2021-23

| Distribution of Chosen Policy | |
| --- | --- |
| Price Floor | 42.4% |
| Price Ceiling | 19.7% |
| Taxes | 37.9% |

A possible explanation for the frequent use of minimum wage and taxes is the levels of government that consider such policies. Students evaluated articles discussing changes to the minimum wage or taxes that used federal, state, county, or municipal proposals. Given the large number of these jurisdictions, finding examples was not difficult. Students evaluated articles for price ceiling proposals focused on a single level of government (the federal government). A list of preauthorized policy topics could help add variety to the types of policies students consider.

## 4. Conclusion

This paper presents an assignment where students consider the difference between the classroom discussion and news media discussion of a specific, real-world policy. The author is not aware of any other assignments in the pedagogical literature that describes a framework where students explicitly consider this difference; this assignment fills that void. Bloom's Taxonomy of framework includes understanding concepts at a lower level of learning than analyzing concepts (Armstrong, 2010). In addition to practicing the higher-level Bloom's skill of evaluation, elements of critical thinking, written communication, and visual communication are incorporated into the assignment.

While this may be institution-specific, one of the more frequent comments from students is how often the topic of information literacy is considered in other classes. Information literacy material that is connected to multiple courses is better retained by students (Chen et al., 2020) the end of the fall semester of the first professional (P1. Students indicated value in consciously

evaluating how information in the news media, which will often be how they acquire new information in the future, is presented.

Two natural extensions of this assignment come to mind. In addition to the policies of price floor, price ceiling, or tax considered here, the assignment could be extended or a second assignment could be developed to include tariffs, quotas, Pigouvian taxes, and others. Additionally, an extension of the assignment could consider how often empirical data is presented in the discussion of policy in the news media.

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## Appendix A. Policy Literacy Report - Assignment Description

In class, the market outcomes (equilibrium price and equilibrium quantity) and the welfare outcomes (consumer surplus, producer surplus, and dead-weight loss/inefficiencies) of different policies were presented. At this point, we've primarily focused on:

- Price Ceilings
- Price Floors
- Taxes

This assignment will consider how well (if at all) this economic perspective is presented in news media discussion of a real-world policy.

There is almost no media source that does not have some element of bias in the reporting. There are a number of attempts to classify the bias in different media sources; some attempt a more quantitative approach to their classification system than others. None of the ranking or classifying of media sources is created without bias as well. This bias is not something that can be "solved"; rather, it's a part of the news media landscape students should be aware of (i.e., part of student information literacy).

This assignment asks students to consider sources from a variety of perspectives. To help identify the perspective, there are a number of rankings/classifications to consider. There is a wonderful list pulled together for a Legal Environment of Business class (posted on Canvas). Other sources students could look at include Ad Fontes Media (Link), All Sides Media (Link), and Media Bias Fact Check (Link).

### The Assignment

There is a template to help with organizing the work so students can focus on the quality of their analysis.

*Choose one recent real-world policy proposal and provide a brief bulleted list of key background information.* The policy should be a recent, real-world proposal of a price ceiling, a price floor, or a tax on a market. Consider the who, what, where, when, why, and how of the real-world policy – but do not report on all. Just focus on communicating the key information needed to understand the context of the policy

Two things to keep in mind:

1) Oftentimes news media won't use the words "price ceiling" or "price floor" when discussing a policy.

2) A tax policy must focus on a specific market. Many news media tax stories use a macroeconomic perspective (where they focus on GDP, economics growth, etc.) – those are not the types of tax policies discussions students should consider. If a student plans to use a recent tax, make sure it is from a microeconomic perspective (with prices, quantities, impact on buyers, and impact on sellers). Students might want to run some of the sources by the instructor to make sure they are the kind that should be evaluated.

*Create a professional graph showing the policy and a bulleted description of the impacts on the market from classroom discussions.* Make sure to address:

- Price (for consumers and producers)
- Quantity
- Impact on Consumers (i.e., consumer surplus)
- Impact on Producers (i.e., producer surplus)
- Inefficiency in the Market (i.e., dead-weight loss)

*Find two articles about a recent, specific real-world policy proposal from different news media sources from two different perspectives.* Use the list of different media sources above to find two articles from different sources about this policy proposal. The two sources cannot come from the same perspective. Make sure to list the APA citations of the two sources on the reference page. Create a version of the article that can be highlighted and save as a PDF for the appendix (let the instructor know if help is needed).

*Complete the table evaluating how well (if at all) the articles address market and welfare impacts of the real-world policy.*
The evaluation should categorize the outcomes as either:

- "Addressed with economic terminology" from class
- "Addressed but with non-economic terminology" from class
- "Not addressed"

*As an appendix, include the two articles used. Highlight the sections of the article used for the basis of the evaluation in the table.*

Compile all the work into a single document and upload it as a single PDF.

*USE THE GIVEN TEMPLATE TO ORGANIZE YOUR WORK!*

Let me know if you have any questions along the way.

## Appendix B. Policy Literacy Report – Grading Rubric

| Policy Literacy Report (LO3-1) | | |
|---|---|---|
| **Criteria** | **Ratings** | |
| This criterion is: Writing mechanics (punctuation, grammar, spelling) | **3 pts** <br> **Full Marks** | **0 pts** <br> **No Marks** |
| This criterion is: Concise language | **2 pts** <br> **Full Marks** | **0 pts** <br> **No Marks** |
| This criterion is: Use of citations was appropriate (APA) | **2 pts** <br> **Full Marks** | **0 pts** <br> **No Marks** |
| This criterion is: Language tone/voice | **3 pts** <br> **Full Marks** | **0 pts** <br> **No Marks** |
| This criterion is: Key Background Information on Policy <br><br> *Provide a context for the real-world policy proposal. Think about who, what, where, when, why, and how for motivation -- but only cover the key information needed to understand the context of the policy.* | **20 pts** <br><br> **Full Marks** | **0 pts** <br><br> **No Marks** |
| This criterion is: Graph of Policy and Identifying Policy Impacts (from classroom discussion) <br><br> *This section should be consistent with the classroom discussions. The graph should be created using a professional software (Word, PowerPoint, and Canva are popular). Students are not allowed to pull an image from an outside source -- this is meant to practice reconstructing a basic model to show all policy impacts. Follow the template to note all policy impacts -- increases, decreases, or something else -- of key market and welfare outcomes (prices, quantities, consumer surplus, producer surplus, dead-weight loss).* | **30 pts** <br><br> **Full Marks** | **0 pts** <br><br> **No Marks** |
| This criterion is: Evaluation of two sources <br><br> *How well students correctly identify the extent (if at all) different elements of the policy impacts are covered in the news media sources. The information provided in the table should be supported by your highlights from the text included in your appendix.* | **30 pts** <br><br> **Full Marks** | **0 pts** <br><br> **No Marks** |
| This criterion is: Appendix with highlighted support for evaluation <br><br> *How well you correctly identified elements in the text of the news media source to inform the student's evaluation table.* | **10 pts** <br><br> **Full Marks** | **0 pts** <br><br> **No Marks** |
| Total Points: 100 | | |

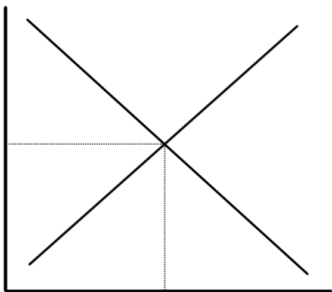## Appendix C. Policy Literacy Report – Template for Student Work

**Policy Literacy Report**

<u>Contributors: (Insert Names Here)</u>

**Key Background Information**

- (Insert Point 1)
- (Insert Point 2)
- (Insert Point 3)
- (Maybe Insert Point 4 – if necessary)
- (Maybe Insert Point 5 – if necessary)

(Insert professional-looking graph of policy)

**Policy Impacts in The Market**

- Price (consumers & producers)
- Quantity
- Impact on Consumers
- Impact on Producers
- Inefficiency in the Market

**Evaluation of Policy Presented in Articles**

|  | (Insert Article 1 Title) | (Insert Article 2 Title) |
|---|---|---|
| Relative Perspective | (Center, Right, Left) | (Center, Right, Left) |
| Prices for Buyers |  |  |
| Prices for Sellers |  |  |
| Quantity |  |  |
| Consumer Surplus |  |  |
| Producer Surplus |  |  |
| Market Inefficiency |  |  |

(In the table use "Addressed with economic terminology", "Addressed with non-economic terminology", or "Not addressed")

## References

(Insert APA citations of the two articles)

## Appendix

(Insert – or otherwise attach – the two articles with highlights of the key information used to complete the evaluation table)