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Economics in a Crisis: A Cautious Approach to Being Relevant

While this may appear to be a good opportunity to bring real-life examples into the classroom and show how economics applies during a global pandemic, we advocate instead for a more cautious approach. One of the joys of teaching economics is that it can be applied to "everyday life," but there are some moments in life where caution may be warranted.

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1. Introduction

Institutions around the world are in a race to document the social and economic impact of the coronavirus disease (COVID-19). In Washington, the Library of Congress has established a COVID-19 collection that includes a photography collection with a range of focus from street scenes during worldwide lockdowns to scenes depicting stay-at-home life and health care adjustments.[1] On the other side of the National Mall, the Smithsonian Institute has formed a Rapid Response Collecting Task Force within the Museum of American History to document not only the scientific and medical aspects of the pandemic, but also the impact on business, government, and culture.[2] With this level of attention on the unfolding worldwide pandemic experience, does it behoove teachers of economics to utilize contemporary COVID-19 examples in the classroom?

We advocate for a limited approach to using COVID-19 examples in the classroom.[3] While some application is unavoidable, particularly when discussing data-driven topics, the use of COVID-19 to infuse relevant examples may be unsettling for students. Some educators may see this moment as an opportunity to make their material appear more relevant, but we believe there are methods to instill relevant material that can be used for a longer period of time (Wooten, Al-Bahrani, Holder, and Patel, 2020) or that can allow students to engage with the material on their own terms (Al-Bahrani, Holder, Patel, and Wooten, 2016). Both authors have observed colleagues considering the use of Covid-related examples when teaching the negative externalities of infections, shortages of toilet paper, and the increased demand for hand sanitizer. We have even seen educators go as far as considering the Type I and II errors that could come from a positive Coronavirus test. While some might advocate for using the relevant environment to teach, we suggest that economic educators need to consider student well-being and designing examples with Trauma-Informed Strategies.[4]

Consider for a moment that the pandemic has disproportionately impacted Americans. African-Americans have higher levels of the underlying health conditions that are associated with severe cases, have less access to high-quality health care, and are disproportionately represented in frontline jobs (Rho, Brown, and Fremstad, 2020). The death rate is higher in these communities of color that are simultaneously confronting the national attention around the death of George Floyd (Millett et al., 2020).[5] States with the highest levels of income inequality have experienced a larger number of deaths from Covid-19 (Oronce, Scannel, Kawachi, and Tsugawa, 2020). While using examples from the pandemic may appear inconsequential and reminiscent to educators, it could be a traumatic reminder for students who watched as panic overtook their families, friends, and neighborhoods.

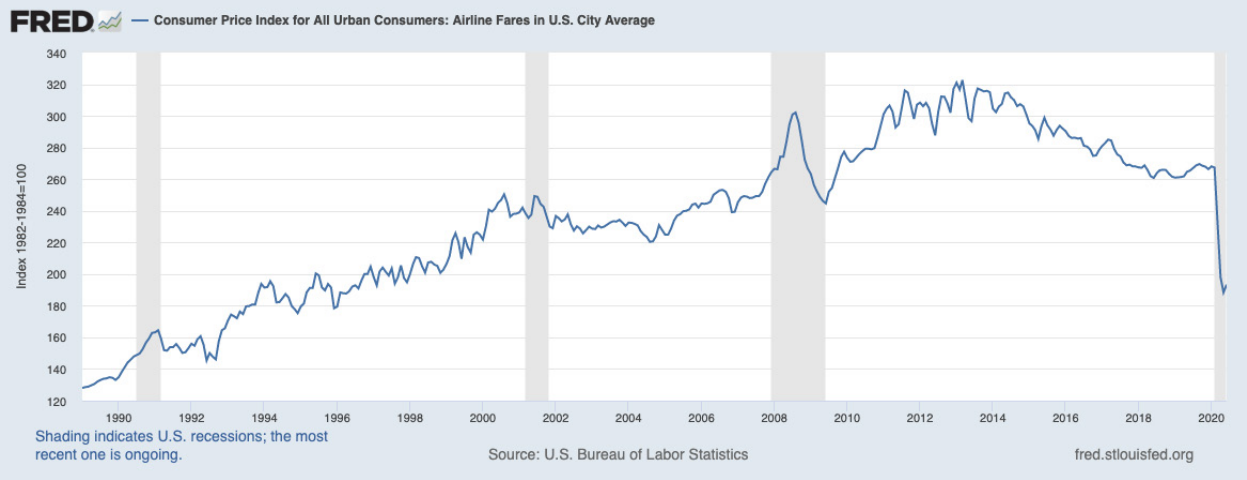
A recent study by Kelly et al. (2020) finds that students and their families reported traumatic events like food insufficiency (62.4%), housing instability (42.8%), health issues (61.6%), individualized student tutoring (62.3%), and mental health services (75.7%) during this pandemic. Traumatic-impacted students have reported symptoms of lack of engagement, lack of attendance, late assignments, loss of confidence, and decline in attentiveness (Fowler and Wholeben, 2020).

[1] https://blogs.loc.gov/loc/2020/06/how-will-we-remember-covid-19/.
[2] https://americanhistory.si.edu/press/releases/statement-national-museum-american-history-implements-collecting-strategy-response.
[3] Francesco Venuti and Yvette Mucharraz y Cano argue a similar approach to using Covid-19 examples in the business curriculum: https://hbsp.harvard.edu/inspiring-minds/should-we-talk-about-covid-19-in-all-business-courses.
[4] https://www.nctsn.org/sites/default/files/resources/resource-guide/trauma_informed_school_strategies_during_covid-19.pdf.
[5] https://www.apmresearchlab.org/covid/deaths-by-race.

Our intention is not to eliminate discussion of COVID-19's impact, but rather to ensure that economics educators are aware that this has been a traumatic event for more of their students than they may realize and that there are resources available for discussing traumatic events. We are not aware of direct evidence that students do not want to talk about COVID-19 in an economics classroom, but only that there is evidence indicating students are experiencing high levels of trauma and reporting symptoms of lack of engagement, lack of attendance, and submitting late assignments. We recommend, instead, that COVID-19 be limited to discussing relevant data-driven topics. For example, an instructor may want to demonstrate how the pandemic has impacted the travel industry. If an instructor only used a fictitious competitive market graph and showed how a decrease in the demand for air travel impacts equilibrium, we would argue this is an opportunistic use of the pandemic to make the material appear relevant. Instead, if an instructor uses relevant data to discuss a variety of fluctuations in the price of air travel in the United States, then discussing the impact of the pandemic on actual prices would be a more appropriate use of using the pandemic to teach economics. For example, an instructor wanting to demonstrate how the pandemic has impacted air travel prices could use data from the US Bureau of Labor Statistics (2020) via the St. Louis Federal Reserve to show the consumer price index for airfare in major US cities (Figure 1) and explain the recent dip as a decrease in demand.

This change is merely a framing difference of using a change in demand to explain an observable result rather than using the pandemic as an example of what could happen to market prices and quantities. This approach has the additional benefit of not needing to be changed in future semesters. The decline in the data will still be in the graph ten years later and can still be used to talk about the demand for airfare across a wide range of time periods, not just the pandemic. For example, airfare typically decreases during recessions because of a decrease in income, but not all decreases in the data occur during recessions. This is likely an income-driven explanation for the demand shift but frames the analysis on explaining the data with current events rather than trying to use current events to predict the outcomes.

Figure 1: Consumer price index for airfare prices in major US cities



We believe it is important to frame the pandemic as part of an historical data-driven analysis and not as a one-off example that can be substituted for other examples already used in the class.

Students have experienced the pandemic in a variety of ways and likely would not be

receptive to frequent reminders of their lives being upended in March 2020. It is likely that even during a pandemic, students continue to demand pizza, experience the externalities of a loud roommate, and see the monopoly power of their university's dorm requirements. Even though Elzinga (2001) argued that good lectures need good stories, this moment in time may not be a good story for some of your students. While students will likely all be able to relate to the pandemic in some form of a shared experience, there will be students who have experienced this pandemic more heavily than others. There is no doubt that there will be students who are deeply curious about how economics can explain what is happening, but Elzinga's last thesis may help frame our position:

> *It is not possible to be a servant to a multitude of students, especially in introductory courses where class sizes often are large. But if students witness, or see signaled to them, that the professor is willing to serve students, only a small number actually step forward asking for individual attention*. (2001, p. 256)

Our role as educators still allows us the opportunity to meet with students who come forward wanting to know more. There will likely be students who are interested in learning how the pandemic has affected various parts of the economy, however, educators don't need to redesign their courses to preemptively answer those lingering questions. Course design, especially during a pandemic, may need to take on a more student-centered approach to the way the course is delivered rather than to what material is being delivered.

2. Relevant and Student-centered Teaching

Economics educators have increased their efforts to make economics relevant to their students. There is a plethora of new resources to connect student experiences to economic concepts. Music, television shows, podcasts, news articles, short stories, and many other media sources have been proposed as tools to connect students to the content (Hoyt and McGoldrick, 2019; Picault, 2019; Wooten et al., 2020). In addition to increasing learning opportunities, these efforts serve as an opportunity to increase interest from a wider range of students.

Economics has suffered from a lack of diversity and inclusion (Bayer and Rouse, 2016), but diversifying the teaching methods, content, and approaches to classroom management might help increase representation in the profession (Al-Bahrani, 2020). Given how impactful COVID-19 has been on society, economic educators might find it to be a great example for classroom engagement. Historically, the use of current events has been recommended for classroom discussion (Hoyt 2003). The recency of the events increases the relevancy to students and is expected to increase understanding of economic concepts. However, given the magnitude of the pandemic and its mental, physical, and economical severity, and the fact that it is still ongoing, we recommend that educators' discussion of the pandemic be in the context of aggregate measures and not micro-level analysis.

One of the primary justifications for limiting the use of COVID-19 examples in the classroom is emerging research regarding its impact on mental and physical health. Medical researchers have found that lockdowns resulted in a worsening quality of sleep and increases in psychological distress (Marelli et al., 2020) across populations, but also specifically in college students (Elmer, Mepham, and Stadtfeld, 2020) and heightened for college students without stable incomes or family support (Cao et al., 2020). Beyond the impact of COVID-19 on our daily interactions, students have also simultaneously been asked to rethink how to learn in a new remote environment that has contributed to additional mental health concerns (Sahu, 2020).

Talking about an ongoing pandemic without solutions increases student uncertainty about the possible outcome of their own lives. We expect that classroom discussions about an

ongoing pandemic, in an attempt to connect student experiences to the content, will distract students due to the severity of the pandemic and its differential impact on their personal lives. We expect that students personally affected by the pandemic would be most distracted (put off) by the attempt to use it as an example. Because of COVID-19's disproportionate impact on racial and ethnic groups, we fear that well-intentioned educators, who usually come from more privileged health, financial, and racial backgrounds, are unknowingly exposing their students to traumatic reminders of the pandemic when it is unnecessary in order to teach the content.

Educators might find it hard to discuss economics without referencing the current event that is impacting everyone in the world. Our recommendation is to consider the context of the discussion and the examples being used. Discussion of aggregate data, macroeconomic variables, and abstract information cannot be avoided. However, micro-level analysis of the impact on individual sense of security should be carefully considered. Shock value can be a great way to teach, but not in this case. Depending on the size of the class, it may be possible for an educator to poll their students anonymously and seek their input about topics to cover in the class. If a student does not feel comfortable with the context, however, they should be allowed to learn the material through a different medium.

Educators have become more aware of teaching with a student's perspective in mind. This paradigm shift has largely grown from a focus on thinking about how to teach the material, rather than on specific topics that need to be taught in the course (Biggs, 1996). More recent growth in this field has focused on small changes to course design and delivery that can have a positive impact on learning and engagement (Lang, 2016; Darby and Lang, 2019).

There will always be tradeoffs on which topics to cover in class and a similar debate ensued among educators considering how to talk about the Great Recession. Even if 80% of the class wants to engage in a conversation about the impact of the pandemic, is it worth upsetting the 20% who have experienced it differently? Below we outline examples of how an educator might consider the tradeoff of how to frame the pandemic in their classrooms.

3. How to teach during pandemics without inciting fear and insecurity

We provide brief discussions on how to approach data-driven topics that have been heavily impacted by the pandemic, but without the focus being solely on the pandemic. We argue that framing is critical. Rather than starting the topic with "how has the pandemic impacted the market," we suggest educators discuss the market and its characteristics and use the pandemic as one explanation for changes in the markets.

We provide two data-driven examples of using the pandemic in the classroom and discuss how the topics can be reframed to focus on the concepts rather than the pandemic. We finish with how educators may consider using the pandemic in an area of the course that is not data-centric to show how the example may cause distress referenced above. Consider how topics covered in a principles course may appear fifteen years from now. Educators using a data-based approach to teaching topics will still need to explain the impact of the pandemic. If the material is taught only through examples, there are fewer opportunistic examples beyond the pandemic to consider.

4. Unemployment & Labor Economics

Across the nation, the broadest impact from the pandemic has likely been the impact of lockdowns and government intervention on labor markets. The pandemic has coincided with the highest jobless rate for almost every state since the Bureau of Labor Statistics began tracking

state-level unemployment rates in 1972.[6,7] Mississippi, Missouri, and West Virginia all recorded their peak unemployment rates in the 1980s, but still experienced unemployment rates consistent with the rest of the United States. Whether an instructor is teaching unemployment in a principles of macroeconomic course or as part of a field course in labor economics, the pandemic will likely need to be a component of the discussion.

We believe the material can be framed in such a way as to focus on the calculation of unemployment rates and the classification of unemployment types without the need for the pandemic to be front-and-center. Unemployment has always been a staple of the principles course and the pandemic has been the latest event to impact the topic. The definition and classification of unemployment have not changed since the pandemic emerged.

The pandemic may provide an opportunity to more carefully cover which members of society are counted in the official unemployment rate and who are typically counted as not being part of the labor force. In the past, discussing workers who are marginally attached to the labor force was often the more difficult aspect of teaching about unemployment. With the widescale reduction across many hourly jobs, it is perhaps clearer now what it means for workers who are working part-time but would prefer more hours.

Rather than a focus on the fragility of the labor market, the pandemic should introduce the opportunity to cover the details of the system in more depth. Areas where students may have memorized definitions before are perhaps more relatable to students now. The pandemic allows instructors to focus on the definitions, like those of underemployment, rather than on generalizing that "everyone lost their job" during the pandemic. This could be an opportunity to go more in-depth when discussing the inflow and outflow of workers in the unemployment calculation or to consider how discouraged workers impact the overall unemployment rate through a decline in the number of unemployed and those counted in the labor force.

5. Gross Domestic Production

Gross domestic product (GDP) is one of the staples of a principles of macroeconomics course and is usually covered in the early portions of an intermediate macroeconomics course. After labor markets, the next clear area of the economy that the pandemic has impacted has been on each country's ability to produce new goods and services. GDP is often used as a measure of a country's wellbeing and measuring how the pandemic has impacted each component can be an insightful process for critiquing the measure as a reflection of wellbeing.

A growing discussion at the end of the Spring 2020 semester was when the National Bureau of Economic Research would formally declare the start of the looming recession. The discussion never seemed to be framed as *when* the recession would occur, but rather when it started. The standard practice of dating a recession has always been two consecutive quarters of negative growth, and it seemed clear in April that there would be at least two quarters of negative growth on the horizon.

The two major economic impacts of the pandemic have occurred primarily on income and government spending, predominantly through transfer payments. Rather than highlighting how the pandemic has led to lower levels of GDP, the pandemic can be used as an opportunity to highlight which components of GDP are relatively larger than others and how lockdowns may have impacted parts of the GDP equation differently. Again, this takes a data-

[6]https://www.washingtonpost.com/business/2020/05/22/state-unemployment-rate-april/.
[7]Prior to 1972, state-level unemployment was tracked by the Office of Management and Budget and relied on administrative data from the unemployment insurance system. This method is not consistent with the unemployment concept used in the Current Population Survey.

based approach to teaching the material and signaling how the pandemic has impacted the data, rather than discussing how the pandemic could hypothetically impact the equation.

Since GDP is one of the broadest measures of economic activity, it can be an opportunity for educators to introduce other measures and discuss the limitation of all of them. A common complaint of GDP as a measure of wellbeing is that GDP is only a measure of output and we assume that output is highly correlated with wellbeing. Aitken (2019) suggests that a more comprehensive measure of wellbeing should include more than a measure of output, and use measures that consider income and wealth inequalities, sustainability, and social connections. This could be an opportunity for educators to introduce other measures like Bhutan's Happiness Index[8] or the United Nations Human Development Index.[9]

6. Externalities

The most direct impact on society as a whole has been on public health. This topic may not be covered in every principle's classroom, but it is included in many of the popular principles textbooks.[10] If an educator is not teaching a lesson on health economics, they may be tempted to include a conversation of health concerns in their externalities chapter**,** which is included in all of the best-selling books. The primary topic to which we have seen colleagues apply COVID-19 examples has been as an example of negative externalities. A person's decision to not wear a mask may be built on their private benefit and cost but has potential third-party costs. The social cost is thus higher than the private cost.

This is a valid concern for many people and externalities are a direct area where educators may feel the opportunity is best to bring the pandemic into the classroom. Consider for a moment, however, that there may be students who are related to or know of someone who has died from the virus. While the impact of the virus on young individuals is much lower, they are not immune simply because of their age. Students may end up being isolated, quarantined, or hospitalized because they contract the virus regardless of whether someone around them wore a mask. While instructors may be tempted to use the pandemic to encourage good hygiene and social distancing, they may inadvertently remind students that their lives are at risk if they have an unknown underlying condition. We would encourage instructors to avoid using the pandemic because this topic is not data-based and comes across as opportunistic. We agree that the example is relevant and accurately used in the context of the lesson, however, we would argue against its usefulness because it takes advantage of legitimate student concerns.

7. Conclusion

We hope that by providing two data-based examples before looking at an example not based on data, it would become clear how using the pandemic as an opportunistic example may provide no contextual application beyond just as an example. Imagine a principles course 10-15 years into the future, when the incoming class has no recollection of the pandemic (we hope). If an educator is teaching unemployment or gross domestic product from a data-based foundation, they will need to explain the dips in the graphs and what is responsible for those declines. This same approach can be used now to explain the declines in the data because of our shared experience with the pandemic. In essence, nothing changes about the explanation for the declines except for the students' connection to the pandemic.

[8] https://ophi.org.uk/policy/national-policy/gross-national-happiness-index/.
[9] http://hdr.undp.org/en/content/human-development-index-hdi.
[10] Based on the twelve best-selling principles of economics books on Amazon (Eyzaguirre, Ferrarini, and O'Roark 2016), six dedicate specific chapters to healthcare based on a review of their table of contents. Healthcare was more likely to be included as a standalone chapter in the microeconomics split of each textbook.

But imagine teaching a topic on externalities and discussing the importance of social distancing and mask-wearing as a way of reducing third-party effects. This example will hopefully come across as dated and not relevant to the students in the classroom. The example will need to be changed to account for something the students are familiar with. An instructor could reminisce on the pandemic and how they experienced the rush for toilet paper and hand sanitizer in March and April of 2020. Students would likely nod along because they heard a similar story from their parents, but they likely have no personal recollection of the event themselves. In essence, what may appear to be a relevant example quickly becomes a dated example. Instead of using the example until the majority of students no longer find it relevant, we suggest not starting to use it at all.

If you are not teaching a data-driven course, take the steps today to make the course more relevant to students by focusing on timeless examples that students experience every year. For students who are more curious about the impact of the pandemic, do not hold back your discussion with them. We only advocate that you do not force the entire class to have a weekly discussion on a topic that has impacted them disproportionately.

Consider the title of the course you have been assigned to teach. If you are teaching the economics of pandemics, then we agree it is important to discuss the pandemic. If you have been assigned to teach the principles of economics, we encourage you to consider a wider array of topics and examples beyond the pandemic. Students will experience economic principles across a variety of avenues for the remainder of their lives. As educators, we need to consider how the pursuit of being relevant may, at times, reduce student learning.

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