

Teaching Macroeconomics in conversation with the Catholic Intellectual Tradition

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Teaching Notes on Economic Fluctuations and Unemployment

Principles of Macroeconomics

I ask my students to debate the question of whether “unemployment benefits should be made more generous,” meaning more money and for a longer time (the question is drawn from Frank & Bernanke’s textbook).

I divide the class into two groups tasked with outlining the argument (5 minutes), appoint representatives from each group to make the positive case for their position (5 minutes), and ask the non-representatives to cross-examine the speakers (3 minutes), with 2 minutes for a reply, for 25 minutes of class time all together.

Their (relative) ignorance of the topic gives them more passion, which I think contributes to make the issues more salient and relevant to them.

Intermediate Macroeconomics and beyond

Once the students know more about economics, one can ask them to hold a discussion on a more advanced topic. I think that the best location for this discussion is *online*, through some kind of discussion board (which most course management systems, such as Blackboard, have). The reason is that this topic is complicated and learning it requires less passion and more reflection; more access to resources and less urgency in making a reply.

Discussion Forum #1:

In an economy with 27 million firms, 115 million households, and 314 million people, failures of coordination are bound to happen.

- a) *One side argues that government needs to intervene to prevent failures of coordination from becoming extreme and damaging; governments are able to collect enormous amounts of information and have the expertise and savvy to know what all the data means.*
- b) *The other side argues that most of the relevant information is held locally (solutions are found by people closest to the problem) and tacitly (people don’t even know what they know, or what they don’t know), so it’s impossible for a social planner to correct people’s mistakes: precisely because there are so many moving parts, governments will just make mistakes bigger.*

Who is right?