

# Economics Lite



**ECON FOR EURO CHALLENGE**  
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# Is Economics an interesting subject to 9<sup>th</sup> and 10<sup>th</sup> graders?



- **Heck, is it an interesting to adults?**
  - Yes and no
  - Confusing
  - Lots of Numbers
  - Theoretical (nothing does ever turn out the way the theory says it will – matter of fact that is always part of the lesson)
  - Dry (not a good Friday night topic)
  - Does knowing help get a part-time job after-school? No, unless you are working for your econ teacher

# How does economics affect you?



- **(class creates list)**

# Akin to asking “What’s Your Life Like?”



- **Design a survey in which students need to find folks in the room that have certain characteristics and debrief:**
  - What did you observe that was surprising?
  - Did the new information make you change any of your opinions?
  - What can you do with this information?
- **Follow-Up – CIA Factbook Activity --post a poster in class with certain categories such as:**
  - GDP per capita
  - Infant mortality
  - Women’s labor participation
  - Life Span



# Interestingly, economics is not about money....



- Microeconomics: Individual demands (consumer focus)
- Macroeconomics: Aggregate demands (population focus)

*Euro Challenge offers a wide array of challenges and it is important to choose one that the team is comfortable learning about and has the resources to support them*

# The Challenges behind Euro Challenge



## Macroeconomics Focus

- Unemployment
- Inflation
- Technological Change
- Single Monetary System
- Banking System Weakness

**TIP:** *Easier to ensure you cover all the competition's requirements but is more economics driven*

## Social Studies Focus

- Globalization (Micro and SS)
- Aging
- Social System (welfare)
- High Gov't Deficits / Debt (governance)

**TIP:** *Easier to incorporate into a social studies class but requires some additional time on macroeconomics to ensure you do well in competition.*

# Cheat Sheet – What to Know?



## Macroeconomics Focus

- **Unemployment**
  - “Lagging” indicator
- **Inflation**
  - Versus “deflation” and how monetary policy works
- **Technological Change**
  - “Productivity” and its effects on potential growth
- **Single Monetary System**
  - The positive and negative of not having control of own money supply
  - “Transaction costs” lowered
- **Banking System Weakness**
  - “Credit Spreads” as an indicator
  - “Sovereign Debt”
  - EU and EBC current mechanisms
  - Risk of “Runs”

## Social Studies Focus

- **Globalization**
  - “Trade” and “comparative advantage”
- **Aging**
  - “Labor” market and “social welfare” costs
  - “Productivity”
- **Social System (welfare)**
  - “Fiscal” health of country vs EU standards
- **High Gov’t Deficits / Debt (governance)**
  - “Fiscal” versus “Monetary” policy

# What “Economics” should you consider analyzing at first pass?



## Look at the EU's

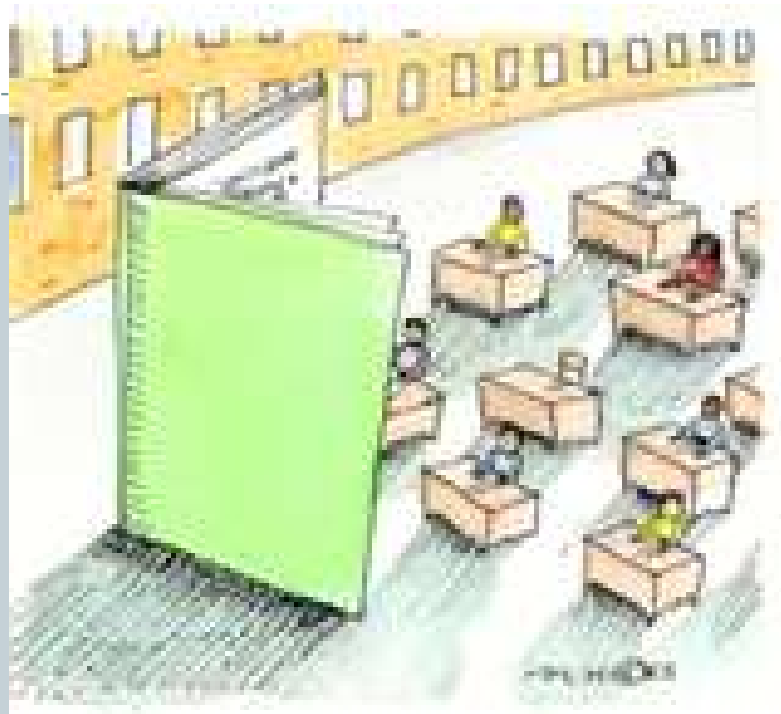
- GDP (incl. growth rates)
- Inflation
- Unemployment
- Labor situation
- ECB policy rate
- Trade situation
- Value of Euro

## Look at your countries'

- GDP (incl. growth rates)
- Inflation
- Unemployment
- Labor Situation
- Trade Situation
- Housing
- Banking
- Government Bonds



The trick is to have fun with the topic  
and learn the economics by  
accident....



OR YOU COULD TRY THIS....



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