

Teaching Economic Realities versus Perceptions using Surveys and SAS®

Steven C. Myers
Department of Economics
The University of Akron

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How do economic student majors differ from the public in how they respond to economic questions and in their opinions on various economic issues? Does this change over time? Do that part of the public that have had some economic or finance classes at the college level answer more like economic students or more like the rest of the public? How are economic realities different than perceptions? Answers to these questions are part of a planned presentation on a classroom technique to the Robert Morris conference.

This paper describes a teaching technique that gets students active in beginning level research on the economy by combining their economic knowledge and intuition with the data collection methods of a in the field survey and the analysis of those data, once collected, by a major statistical tool. The students complete their research by writing a professional report and sharing it with the class. The exercise is labeled as "How healthy is the US economy? Perception vs Reality" and the students are asked to examine how they and others who have had economics might relate to economic issues differently than the public at large who has no such economic background. This exercise was begun in Fall 2009 and

repeated in the Fall terms of 2010 and 2011 in a class designed for economic majors to take immediately after principles of economics, although some student wait until later in their career to take it. Students in each year collectively agreed on a set of questions and each interviewed at least 30 individuals to contribute to the dataset. After the three years 1,440 individual survey responses, including the 55 students that have taken part. The survey instruments and some of the variable distributions are available at Myers (2011).

The motivation for this active learning exercise comes from a similar survey. The Kaiser Family Foundation (1996) in partnership with the Washington Post and Harvard University surveyed economists and the general public on their views and various issues to examine “knowledge, perceptions and misperceptions” about the economy. Their results demonstrate that the public at large and economists think quite differently. Caplan (2001, 2006) discusses the evidence from the survey. Students are directed to these resources and more to help create the survey and as they focus on their individual research questions. Working in teams allows for such a mammoth assignment to be completed within fairly tight time lines.

Our goal as educators is to not only teach our students about economics, but to enable them to learn how to learn more about economics on their own. Within the team, the students are presented with a task of not only adding to the data, but to develop clear research statements about the data and to demonstrate from the data evidence to give some answer to the questions posed. Students are all expected to be able to use two and three way cross tabulations as well as simple graphics within the SAS® system. Students in groups that have taken or completed statistics or undergraduate econometrics were encouraged to bring those techniques to bear on the results presented.

The pedagogical value of this exercise comes from its ability to tap each of the 6 proficiencies suggested by Hansen (2001). In this exercise, students must access existing economic knowledge, demonstrate their command, interpret it, gather and manipulate economics data, apply what they know, and in that process create new knowledge from the survey. Admittedly, as each of these points is touched on by the students, it is at a low and beginning level of economic analysis. Indeed, while we try to randomize the survey respondents as much as possible, there is no anticipation that these surveys represent randomized draws from the population.

This is perhaps the first time that students are pushed to conduct original and empirical research, but it will not be the last. At our university, we have adopted the Hansen Proficiencies as our departmental assessment strategy (Myers, et al., (2009)) and each graduating student must complete a Senior Project of original research. Because all of the students in this survey exercise will eventually have to complete an individual senior project, this is a way for them to begin a practice of research investigation.

Following the Hansen Proficiencies is not out of line with departments in the US whether those departments have formally adopted those proficiencies or even recognize their goals as coming from Hansen (Myers, et al., (2011)).

This paper is a documentation of the student's process of learning and suggests that this puts them in touch with economics on a real and personal level and prepares them for learning economics in an active way. In fact, one of the enduring lessons might be that real active research can be fun.

References

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For information on SAS see <Http://sas.com> or <http://support.sas.com>.