

# The Economics Profession Reaches Out

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April 20, 2018

Presented at:  
The Society of Government Economists 2018 Annual Conference

## Why is this so important?

“ I’ve never seen the disjunction between the political debate about economics and the consensus of economists be as large as it is today. ”

*Justin Wolfers, University of Michigan*

The misuse of economic data is widespread and there is no countering, clarifying force. This leads to continued misunderstanding of economics and poorly researched and implemented economic policy.

## Examples

- Examples of the use of economics to push agendas
  - Job creators
  - Cyclical fiscal policy
  - Trade policy
- Examples of the lack of use of economics to push agendas
  - Climate change
- Examples where it is simply misunderstood or underused
  - Inequality
  - Minimum wage

## Minimum Wage Example

- Minimum wage increases are “sold” as beneficial to people with low incomes.
  - It is more accurate to say that an increase in the minimum wage is helpful to low-income workers who remain employed
  - An increase in the minimum wage may decrease employment, other things equal, because labor will have become more expensive.
  - An increase in the minimum wage may induce some to drop out of high school earlier than otherwise to seek employment, since returns to work have gone up.

## What is needed?

**Economic policy literacy!!!**



## What Is economic policy literacy?

- Understanding that there are economic tradeoffs associated with a particular policy prescription
- Knowing the resources available to research a particular policy issue
- Understanding of when there is a consensus economic view
- Recognizing that economics doesn't necessarily dictate policy choices

## Why economic policy literacy?

"The fact that the basic level of economic literacy in the country, indeed in the world, is so low is one of the things that leaves the political process so vulnerable to this malady [of simplistic solutions that are sub-optimal]."

- Alan S. Blinder

## The "Solvable" Problem

- There are more than 15,000 economists in academic institutions across the country.
- Though some do, many do not engage with the public, with politicians, or with the media.
- As a result, public discourse of economic policy matters is often wrong or lacks depth of understanding.
- Those wishing to distort economic statistics for their own benefit are left without a force pushing back on false claims.

## Put Another Way...

“I think the economists, with some exceptions, don't help a lot in that they spend precious little time talking... to ordinary people in ways that ordinary people can understand.”

- Alan S. Blinder

## Outreach Activity is Growing Rapidly

- Individual Efforts
  - Op-eds
  - Blogs
  - Podcasts
- Group Efforts
  - Signature letters
  - EconoFact
  - NEED

## Individual Efforts - Op-Eds

- Columnists
  - Paul Krugman – New York Times
  - David Leonhardt – New York Times
- One off pieces
  - Dean Baker – CEPR
  - Numerous – PIIIE

## Individual Efforts - Blogs

- Almost too numerous to mention
- Some blogs are general:
  - Marginal Revolution
  - Café Hayek
  - Undercover Economist
- Some blogs are topic specific:
  - Macroeconomics – EconBrowser
  - Institution Specific – IMF Blog
  - Financial Economics - Zero Hedge
- For more, see:
  - <https://www.intelligenteconomist.com/economics-blogs/>

## Individual Efforts - PodCasts

- Popular Podcasts:
  - Planet Money
  - Alphachat
  - Freakonomics Radio
- For more, see:
  - <https://www.intelligenteconomist.com/economics-podcasts/>

## Group Efforts - Open Letters

- An open letter from economists on immigration
  - <https://www.newamericaneconomy.org/feature/an-open-letter-from-1470-economists-on-immigration/>
- An open letter from economists urging robust funding of the 2020 census
  - <https://www.epi.org/publication/an-open-letter-from-51-economists-to-congress-urging-robust-funding-of-the-2020-census/>
- An open letter to Congress signed by 137 economists supporting the GOP tax reform bill
  - <https://www.cnbc.com/2017/11/29/137-economists-support-gop-tax-reform-bill-in-open-letter-commentary.html>

## Group Efforts - EconoFact

- About
  - EconoFact is a non-partisan publication designed to bring key facts and incisive analysis to the national debate on economic and social policies. Launched in January 2017, it is written by leading academic economists from across the country who belong to the EconoFact Network, and published by the Edward R. Murrow Center for a Digital World at The Fletcher School at Tufts University.
- Mission
  - To provide data, analysis and historical experience in a dispassionate manner. The presentation is in short memo form and written in everyday language, free of jargon, and where appropriate, accompanied by visuals illustrating the main point.

## Group Efforts - NEED

- Vision
  - One day, the public discussion of policy issues will be grounded in an accurate perception of the underlying economic principles and data
- Mission
  - NEED unites the skills and knowledge of a vast network of professional economists to promote understanding of the economics of policy issues in the United States



## What Makes NEED Unique?

- **In-person interaction with audiences**
  - Blogs and op-eds have limited reach and are less effective than standing before an audience.
  - Characteristics:
    - Relevant
    - Fact based
    - Accessible
    - Comprehensive
    - Clear
    - **Nonpartisan**
- **Promotion of civic engagement within the profession**

## Solow's Challenge to Economists

“Try to formulate an economic problem in a very clear, focused way. Try to answer one question at a time, and insist on that. And above all—this is really what's difficult—at least I know that I tend to forget it: Don't omit qualifications. Never claim more than you actually believe or can justify... An economist trying to talk to the general public gains respect by insisting on the qualifications, by not appearing as a pundit, as someone who knows all the answers.”

- Region (September 2002)

## Parting Words

