

Job, Jobs, Jobs and Tax Cuts: Instructor Guide

Title:

Job, Jobs, Jobs and Tax Cuts

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Discipline:

Economics

Target Audience

Introductory, nonmajors

Keywords

Employment, macroeconomics, policy, taxes, unemployment

Length of Time/Staging

Two class periods; approximately 30-40 minutes each; student groups of four

Abstract

From late 2000 to May 2003m the US economy lost almost three million jobs. The unemployment rate that May was 6%, or 8.8 million unemployed workers, and was an eight year



high. The problem of job loss/creation is presented in two stages as excerpts from newspaper articles. The first stage outlines the problem, presents policy options, and asks informational questions. The second stage presents the policies implemented and forecasts about the policies' effectiveness, then asks the students to identify what they already know and what they still need to learn to assess the effectiveness of tax cuts vs. unemployment compensation for job creation. Assessment of the student's learning requires the student submit a paper supporting his/her decision on the effectiveness of the policies and his/her concurrence with the forecast.

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Format of Delivery

Each stage uses the following format:

1. Student select groups
2. Group discussion (15 minutes)
3. Group reporting (15 minutes)
4. Instructor facilitates summary (5-10 minutes)

Student Learning Objectives

The problem is designed to facilitate the student's ability to:

1. Identify and explain the theoretical relationships between income and spending, income and taxes, and spending and (un)employment (comprehension and analysis).
2. Make connections between intellectual knowledge and real world problems through inquiry and discussion (application).
3. Describe solutions to problems (integration).
4. Assess solutions (evaluation).
5. Share knowledge through oral and written communication.

Student Resources

Students are to select at least one source from each category:

1. Principles of Macroeconomics textbooks
2. General business periodicals, such as *The Economist* and *Businessweek*
3. Websites for sources identified in problem as well as other economic "think tanks," such as American Enterprise Institute, Brookings Institution, *etc.*
4. Websites for US government agencies, such as Department of Commerce, Federal Reserve, White House, *etc.*

Author's Teaching Notes

1. Use the problem to begin the section on macroeconomic theory—the student-directed exploration of the problem and the groups' oral reports allow the instructor to translate the discussion into formal theory that will reinforce the students' initial learning and build their confidence in their own analytical ability (instead of lecturing first on theory and then asking students to apply it).
2. Separate each stage by at least two weeks to allow for further development of concepts with mini-lectures and students' ability to make connections and develop higher-order thinking skills. Although every group must orally report at every stage, it is often helpful to allow each group to report on one question and then rotate to another group for another answer and to rotate the group's reporter. This requires each member of the group to participate and each group to be prepared with answers.
3. The written assignment is the most difficult activity for students, so it's helpful to discuss it once when it is distributed and then again about a week later.
4. The first group discussion often requires instructor assistance to get the process started, but the second stage usually requires no instructor assistance.

Assessment Strategies

At the conclusion of the course, each student must submit an individual written analysis of the final question of the exercise. The paper must be the individual student's own work, but may (and should) draw upon the group work, classroom discussion, and the student's own individual research. The student's individual research is based on independent readings. A bibliography of these readings must be included.