

TRECC



BAKEONOMICS350! > P2

NEW YORK TIMES > P3

FED: INTEREST RATES > P4

JAMES PEYTON > P5

TEACHING RESOURCES FOR ECONOMICS AT COMMUNITY COLLEGES

WHAT IS TRECC?



TRECC is an economics newsletter focused on teaching economics at the community college level. We seek to provide resources that will help instructors provide a dynamic and meaningful experience for their students. We also seek to unite instructors from across the country and open the lines of communication between us all.

Supported by the [Economics in Context Initiative](#) (ECI), [National Science Foundation](#) (NSF #1522234), and [Starting Point](#): Teaching and Learning Economics.

Edited by [Sunita Kumari](#)



Calling all innovative educators!

Do YOU have an amazing idea that keeps your students engaged with economic content? These can be big, small, or in-between!

Do share what works for you with our readers in the next issue. Please forward your experience to [Mark Maier](#) by February 1st, 2023.



AMERICAN
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EDUCATE Workshop 2023

The AEA Outreach Task Force and the Committee on Economic Education are pleased to announce the [EDUCATE](#) workshop to be held in conjunction with the [AEA 2023 Conference on Teaching and Research in Economic Education \(CTREE\)](#) in Portland ,OR.

The workshop has both face-to-face format and online CANVAS component from Friday June 2nd, 2023, to Sunday June 4th, 2023. The application portal will open in January 2023. Contact [KimMarie McGoldrick](#) for more details.



SEARCH IS ON!

Dear Readers,

Thank you for supporting me in my role as an Editor for the past few years. Now, it is time to pass the baton on to the next creative, knowledgeable, multi-tasker(s) who can also network for some impressive submissions! Kindly consider and email your interest to [Mark Maier](#) by October 31st, 2022. Did I mention that the position includes a modest stipend?

Thank you again!
Best regards, [Sunita](#) :)

Bakeonomics350.com is a free resource for econ lessons -- or baking lessons, depending on how you look at it. I love to teach economics, and I have been teaching at the undergraduate level for 10 years. I also love to bake. This blog combines those two loves and teaches economics for readers (and bakers) learning the basics. Each post contains either an explanation of an economics principle or an application of economics from the news, along with a recipe or link for a baked good -- typically a dessert.



The website is organized into categories that follow with the flow of an introductory microeconomics course: basic principles, demand and supply curves, equilibrium outcomes, market power, firm decisions, and trade. It also contains a few lessons on [macroeconomics](#), [financial literacy](#), and econometrics. Instructors can use posts to spark discussion in the classroom or assign them for reading. Bakeonomics350.com can also serve as an out-of-class resource for students – especially those that liked to bake – to bolster their understanding of topics covered in class. You can even find a [syllabus](#) on the blog if you want to conduct your own Bakeonomics350 class!

Yes, baking and economics can go hand-in-hand!

What happens if you put a cup of salt instead of a cup of sugar in your batter? You could try and rectify the situation by adding cups and cups of flour, sugar, eggs, etc. into your batter. But what you need to do is forget that batter and throw it away. Now, re-evaluate whether to start over and make another batch. [Economic concept: sunk cost. Recipe: brownies with sea salt.](#)



Small ice cream shops in the north shut down in the winter. Why? Their revenue would not cover the cost of hiring workers. So, even though they must continue paying rent and are making a temporary loss, they close for the winter. [Economic concept: short-run shutdown decisions. Recipe: s'mores ice cream.](#) (Check out a similar [post](#) on a marshmallow company that kept adjusting the hours it was open, and even moved locations once their lease was up!)

Trying to explain OPEC? Talk about maple syrup instead! Canada has a maple syrup cartel which controls the supply of maple syrup on the market. In years when more maple syrup is produced, they store maple syrup to keep until there is year with less maple syrup produced. Want to make it fun for students? Talk about the maple syrup heist when around \$18 million worth of syrup was stolen! [Economic concept: cartels. Recipe: pancakes.](#)

A town in Switzerland had a dusting of chocolate cover its streets due to a malfunction at the Lindt chocolate factory. Meanwhile, in California a small town almost shut down a Siracha factory when citizens eyes were stinging from the chilis. What do these two stories have in common? The production of both the chocolate and the Siracha influenced someone else besides the consumer – those living in the town. [Economic concept: externality. Recipe: Mexican brownies.](#)

Are imports good or bad? In the U.S., you can buy blueberries throughout the year. How? Because we buy blueberries produced in other countries (imports). But should we allow blueberry imports during the months when farmers in the U.S. can grow blueberries? What about adding a tariff? The answer depends on who you ask. [Economic concepts: imports; tariffs; trade. Recipe: Blueberry muffins.](#)



When the pandemic first hit there were empty shelves where flour and yeast typically sat. Why? There was a spike in demand for these two products (and others) as people stayed home and had time to bake. Without perfectly elastic supply, it took time for firms to produce and deliver more flour and yeast. [Economic concepts: shift in demand and elasticity of supply. Recipe: English Muffin Bread.](#)



Also, on the Bakeonomics350 site: **Personal Finance Lessons**

Do you have a course on personal finance? You can find [five lessons](#) on the blog covering basic personal finance. One discusses the importance of [diversification](#) – whether you are managing your finances, or baking for a party. Another relates [compounding interest](#) to friendship bread. Just as friendship bread makes more and more loaves, so too does your money when you put it into a savings account. My favorite discusses [inflation and interest](#). When you invest your money, you hope that you earn interest on that money. When planning, you also must consider inflation. So, even if you interest rate is high, the inflation rate may also be high, so you are not making as much as you realized. Similarly, when you bake a fruit pie, you must make sure the filling cooks, but the crust does not burn.

The blog also has associated Facebook, Instagram, & Twitter pages: @bakeonomics350. Feel free to contact me, [Susan Carter](#) for questions or suggestions!

THINGS
TO DO

UPCOMING IN-PERSON
CONFERENCES

- FEE in the Classroom
[September Teacher Professional Development](#)
Open to Community College Economics Faculty
Attendees will receive \$100 Amazon Gift Card
Sept 10, 2022, San Diego, CA
- National Association for Business Economics
- [64th NABE Annual Meeting: Shocks & Aftershocks – Finding Balance in an Unstable World](#)
Oct 9-11, 2022, Chicago, IL
- [TEC2022: Economics in the Age of Algorithms, Experiments, and A.I.](#)
Nov 6-8, 2022, Seattle, WA
- Southern Economic Association
[2022 SEA 92nd Annual Meeting](#)
Nov 19-21, 2022, Fort Lauderdale, FL
- Midwest Economics Association
[2023 MEA 87th Annual Meeting](#)
Mar 31-Apr 2, 2023, Cleveland, OH
- CTREE Conference 2023
[12th Annual AEA Conference on Teaching & Research in Economic Education \(CTREE\)](#)
May 31-June 2, 2023, Portland, OR

Helpful Online Resources

- [Best Practices for Economists by AEA](#)
Building a more diverse, inclusive, and productive profession. Check out the section on “Serving as Colleagues” for networking or collaborating ideas.
- [Starting Point : Teaching & Learning Economics](#)
Looking at pedagogies external to, but applicable to the economics discipline.
- [Economics at Community Colleges](#)
This site has webinars and workshops catered specifically to the two-year community colleges.
- [2022-23 Webinars](#)
The International Economic Development Council (IEDC) hosts free webinars for all economic development professionals.

Do YOU have a book, video, blog, or podcast that keeps you engaged in Economics with our readers or your students? Please forward your recommendations to [Mark Maier](#) by February 1st, 2023, so that we can share in the next issue.

Innovation in the Classroom

Teaching with the
New York Times:
A Virtual Learning Summit



On March 22-23, 2022, The New York Times Enterprise Subscription Team presented a series of discussions entitled, [“Teaching with The New York Times: A Virtual Learning Summit for Educators and Librarians.”](#)

This summit, designed for educators in high school and higher education and librarians of all kinds, featured discussions with Times journalists, leaders in education, and the staff members who produce research and education tools at The Times. Recordings of all seven sessions of the summit are now available for viewing on [the event page](#).

Two years into a global pandemic and in the midst of some of the most important news stories of our time—the fight for racial justice, a worsening climate change crisis, unprecedented global geopolitical shifts—the summit offered a peek behind the curtain at the innovative and urgent work in The New York Times newsroom, while aiming to engage educators and librarians in informative conversations on the tools, resources and tips that can help them use journalism as a method for learning and growth for their students and communities.

The summit kicked off with a **keynote address from Times columnist [Thomas Friedman](#)**, who discussed the world students are facing today and the important role a global understanding and mindset can play in helping them for the future. From the newsroom, the summit also featured two discussions with journalists:

- **“Choose Your Own Adventure with Headway”**: A panel conversation with the journalists behind The Times’s ambitious new [Headway project](#), which invites readers to be part of the journalistic process via its Public Square.
- **“Navigating the Truth”**: A panel discussion on media literacy and accountability in an age of misinformation, moderated by [Mike Isaac](#) and featuring Technology reporters [Davey Alba](#) and [Stuart A. Thompson](#).

For practical application, the summit included three webinars to inform educators and librarians on ways to bring The Times into their curriculum and programming:

- **“Bringing The Times into the University Classroom”**: A panel discussion with professors and leaders in higher education on the complex questions of contemporary learners and how colleges and universities can foster critical thinking by bringing reporting and journalism into postsecondary learning.
- **“Bringing The Times Into the High School Classroom”**: A session with the team behind [The Learning Network](#) to discover how a Times subscription can help your students better understand the world, hone their writing voices, practice real-world data literacy and much more.
- **“The New York Times, Past and Present”**: A demo from Jennifer Parrucci, a New York Times senior taxonomist and archivist, as she dives into the history of the Times archive and discusses how teachers and librarians can make use of [TimesMachine](#) — our searchable, browsable database of every published paper between 1851 to 2002 — as a powerful tool for research and learning.

This summit was sponsored by The New York Times Enterprise Subscription Program, which provides digital New York Times access and subscription programs to schools, libraries, and organizations of all kinds. The Enterprise Subscription team has hosted smaller, in-person events and speaker engagements for educational and library institutions in the past—pre-covid—but, this inaugural [“Teaching with The New York Times”](#) summit is born out of a larger initiative to bring virtual learning experiences and events to their audience of educators, librarians, and the communities they serve to ensure that they can make the most of the invaluable resource that is New York Times access.

Contact [Jason Heiselmeyer](#) for a 2 week trial subscription to the NYT Learning Portal if interested in purchasing access for your community college.

FRED

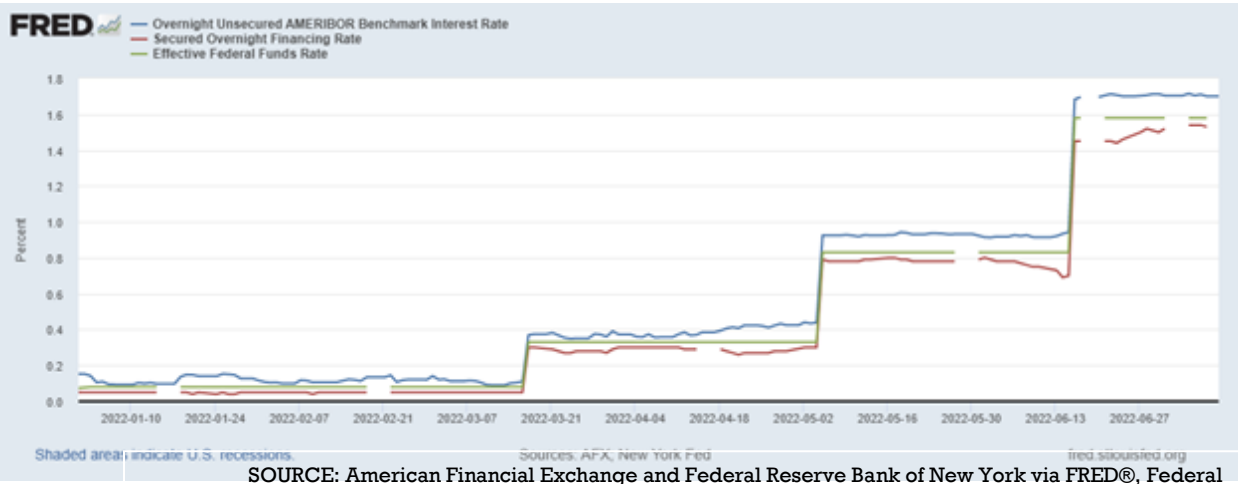
ECONOMIC DATA | ST. LOUIS FED

INTEREST RATES AND
THE COSTS OF LENDING AND BORROWING
TEACHING & LEARNING WITH FRED DATA

Interest rates represent the cost of borrowing money. Paying 3% interest on a \$5,000 car loan means the borrower pays back the lender a grand total of \$5,150. What makes some interest rates higher or lower than others? We tap the more than 817,000 data series in FRED and the more than 800 posts in the FRED Blog to answer that question. The cost of borrowing is directly related to the risk for the lender of not getting their money back: the higher the risk of default on the loan, the higher the interest rate. One way to reduce potential losses when lending money is to secure a collateral. Collateral is something of value that the lender can keep if the borrower fails to repay the loan.

In the FRED graph, you can see the recent daily values of three types of interest rates on [loans that are paid back within 24 hours](#):

- The **blue line** shows an unsecured interest rate, where the borrower does not offer a collateral for repayment.
- The **red line** shows a secured interest rate, where the borrower offers a collateral for repayment.
- The **green line** shows the effective federal funds rates, the interest rate depository institutions charge one another for reserve funds. The Federal Open

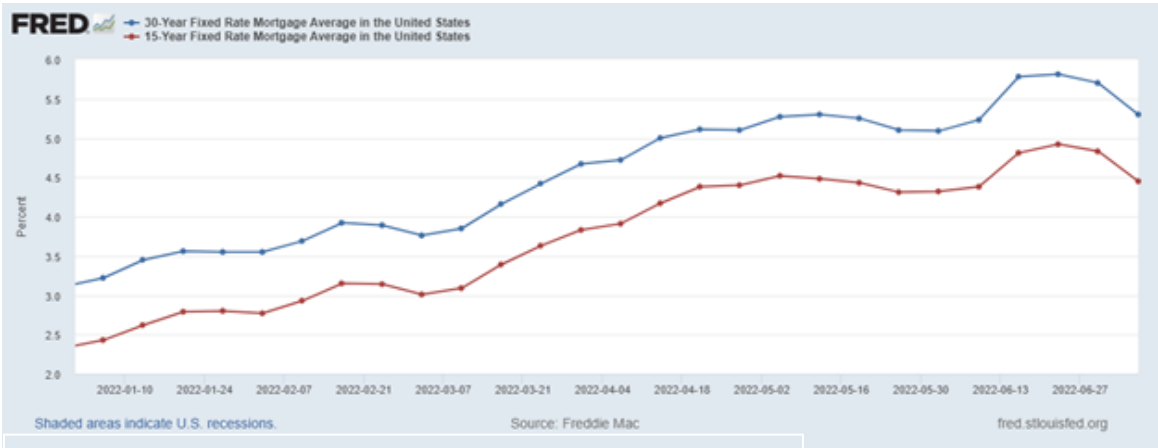


SOURCE: American Financial Exchange and Federal Reserve Bank of New York via FRED®, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=RF2F>, accessed July 11, 2022.

Market Committee (FOMC) sets a target for this interest rate to achieve its monetary policy goals of maximum employment and price stability.

Although depository institutions do not require a collateral for their overnight loans, the federal funds rate is generally closer in value to a secured interest rate than to an unsecured interest rate. Notice how, at the time of this writing, the effective federal funds rate has increased three times since January 1, 2022. [As described by the FOMC](#):

“Changes in the federal funds rate trigger a chain of events that affect other short-term interest rates, foreign exchange rates, long-term interest rates, the amount of money and credit, and, ultimately, a range of economic variables, including employment, output, and prices of goods and services.”



SOURCE: Freddie Mac via FRED®, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=RFc6>, accessed July 11, 2022.

In this FRED graph, you can see the recent weekly average values of two types of mortgage interest rates: the 15-year fixed rate and the 30-year fixed rate. In mortgage loans, the ownership title for the real estate asset serves as collateral, making both interest rates secured.

The difference in the repayment period for the loan explains the difference in interest rates: a longer period is riskier, and it commands a higher interest rate. Other factors, [such as the total amount of money borrowed or the credit score of the borrower herself/himself](#), also impact mortgage rates.

Finally, although all interest rates discussed here are *nominal* interest rates, we can use data in FRED to adjust them for the expected increase in the average cost of living, or consumer price inflation, and calculate *real* interest rates. We can subtract the [“breakeven” inflation rate](#) from the above mortgage rates, taking into account the anticipated average inflation from the point of measure over the relevant number of years. [The data show that inflation-adjusted mortgage rates are also up](#), although not by much on account of expectations about inflation not lasting that many years.

Teach remotely with FRED resources:

- FRED in the Classroom Newsletter: [Past issues](#) and [Subscribe](#)
- FRED Interactive modules (self-paced, auto graded): econlowdown.org
- FRED Blog reading questions and answers: [the FRED Blog](#)

By Diego Mendez-Carbajo, Ph.D., Senior Economic Education Specialist, Federal Reserve Bank of St. Louis. **This article is my opinion and does not represent the official views of the Federal Open Market Committee, the Federal Reserve System, or the Federal Reserve Bank of St. Louis.**

Getting to Know James Peyton

[James Peyton](#) teaches economics at Highline Community College in Seattle, WA since 1999. He earned his Ph.D. in Agricultural and Resource Economics from the University of California, Davis, in 2001 with a research focus on environmental economics.



James interest in economics education piqued when he attended the [American Economic Association \(AEA\)](#) Teaching Innovations Program (TIP) in 2006. Consequently, the following year, he presented a paper on a simple macroeconomics simulation as part of a TIP panel at the [Western Economics Association annual meeting](#). And now, he is the Community College Representative on the [AEA's Committee on Economic Education \(AEACEE\)](#)! Sunita Kumari reached out to him with questions about how economics faculty at community colleges can get involved in supporting AEA and receiving support from AEA in strengthening and promoting economic literacy at their respective institutions.

SK: What is the role of AEA in supporting economics faculty at community colleges?

JP: The AEA is the primary professional organization for economists in the U.S. Many economics faculty may already see the AEA as a way to stay current in the latest research in economics. What they may not know is that the [AEA website](#) has research highlights, podcasts, and featured charts that provide some different ways to get that information. They cover a wide variety of current topics, including inequality, climate change, deportation policies, and healthcare.

One recent research highlight discussed with [Bradley Shapiro](#) the costs and benefits of direct advertising of prescription drugs to consumers. Contrary to a lot of popular opinion, the research showed net positive societal benefits of antidepressant advertising. Using examples like that one in class can help us communicate the breadth of economic research.

Staying current can include other aspects of our faculty work, too. The [AEA Committee on Economic Education \(AEACEE\)](#) website has a page of resources for community college economics faculty. We put together those resources to provide annotated links to useful web pages including information on different teaching strategies and ways to stay connected to other community college economics faculty. One way that full-time faculty can support adjunct faculty is by sharing the links to these resources.

While many of the resources I'm talking about are useful to economics instructors at different levels, the [AEACEE](#) sees that it can help support community college economics faculty by specifically identifying us as a group and maintaining the web page focused on our needs. That way we have some visibility within the AEACEE efforts to strengthen economic education.



AMERICAN ECONOMIC ASSOCIATION

SK: What other current AEA initiatives are relevant to economics faculty at community colleges?

JP: One initiative is the [Task Force on Outreach to High School and Undergraduate Students in Economics](#). The stated goal of the task force work is "attracting more women and underrepresented minorities into economics." The Task Force has been working with the K-12 focused [National Association of Economic Educators](#) and the [FED education offices](#). As this work evolves, it has been good to see that this AEA group has recognized community colleges as a place where many students start their economics journey.

In a committee spotlight on the AEA website, the [Chair of the Task Force, Sam Allgood](#), states that they have been looking at where community colleges fit in this work and notes that reaching community college economics faculty has been particularly challenging. Faculty in small departments and with little connection to the discipline often do not answer emails from people they do not know. That is one of the reasons why this [TRECC newsletter](#) is critical!

SK: Thank you for the shoutout to TRECC! Are there any AEA initiatives related to equity and inclusion that might interest economics faculty at community colleges?

JP: The AEA initiative [Best Practices for Economists: Building a More Diverse, Inclusive, and Productive Profession](#) is impressive. We all know that we need to find ways to effectively communicate the relevance of economics to students, and to provide better support to our students and colleagues from nontraditional backgrounds.

The Best Practices group has put together some great resources – some of the best that I have seen. I especially like the [Working with Students](#) page as it has a list of steps that focus on our work with students, and it includes links to a lot of supporting research.

A related student-facing effort is the [Economists Change the World](#) web page. The videos section of that page makes a point of highlighting the work of economists from nontraditional backgrounds.

SK: What are some ways that economics faculty at community colleges can get more involved?

JP: Attending regional economics conferences in our areas is an effective way to start building stronger connections with other economists. The [AEA Conference on Teaching and Research in Economic Education \(CTREE\)](#) is a great one to attend (Portland, May 31-June 2, 2023 is the next one) as the AEA keeps the registration fee around \$225 and it usually attracts a good group of economics faculty from community colleges.

Hosting a mini conference in your area might be an option. A day-long event focused on lower-division classes with a guest speaker from government and a few semi-structured discussions can be a low-cost way to bring faculty together from area colleges and promote some great conversations.

I have some experience with mini-conferences, and I am always happy to share ideas and templates. I know that there is a group in West Texas considering something like that. We are also looking for some faculty who are interested in participating in a common assessment project. So, here is an invitation to all TRECC readers to contact me at jpeyton@highline.edu with any questions or interests. Thanks!

SK: Thank you, James.