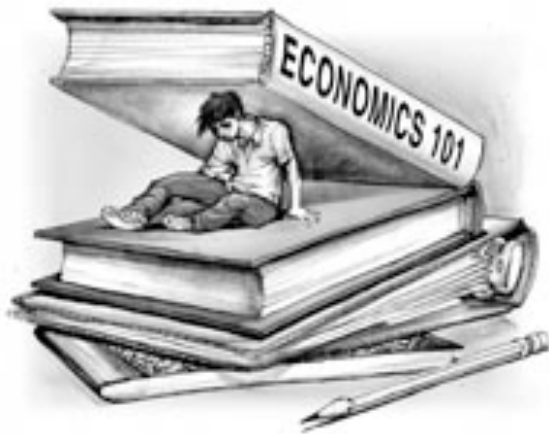


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ECONOMIC VIEW

The Dismal Science, Dismally Taught

By ROBERT H. FRANK



WHEN I began teaching economics in the 1970s, I noticed that people were generally disappointed when they learned what I did for a living. When I began asking why, many said something like this: “I took Econ 101 years ago, and there were all those horrible equations and graphs.”

Their unpleasant memories were apparently justified. Studies have shown that when students are tested about their knowledge of basic economic principles six months after completing an introductory economics course, they score no better, on average, than those who never took the course.

In other sectors of the economy, such dismal performance might provoke malpractice suits. But in the university system, students and their parents put up with this situation year after year.

Why aren't introductory economics courses more effective? One possibility is that professors try to teach their students far too much. The typical course bombards students with hundreds of concepts, many of them embedded in complex equations and graphs. The mathematical formalism that has become the hallmark of economic research has yielded deep insights. But it does not seem to have helped introductory students learn basic economic principles.

In a recent paper, Paul J. Ferraro and Laura O. Taylor, economists at Georgia State University, suggest [a more troubling possibility](#) — that introductory economics instructors may not have mastered some of the basic concepts themselves. When the researchers described an activity and asked a sample of 199 professional economists to identify its opportunity cost, only one in five answered correctly.

The good news is that an approach that has revolutionized the teaching of foreign languages promises similar gains in economics and other disciplines. I took four years of Spanish in high school, only to have difficulty making myself understood when traveling in Spain. In those days, most

language courses focused on arcane grammatical details, the functional equivalent of the technical material that often bedevils introductory economics students. Today, the best language programs try to mimic the organic process by which children learn their native language.

My first exposure to the new approach came during my [Peace Corps](#) training for teaching math and science in rural Nepal. All the things we learned to say were grammatically correct, but we were never taught any formal grammatical rules. Starting from scratch, we had to be able to teach, in Nepali, just 13 weeks later. Our linguistic skills were fairly basic, but virtually all of us made it.

Of course, it's not easy taking this approach consistently in an economics textbook. [Ben S. Bernanke](#) and I have tried in our own textbook, but given what the marketplace is willing to accept, we have not yet gotten all the way there.

Just as a few simple sentence patterns enable small children to express an amazing variety of thoughts, a few basic principles do much of the lifting in economics. If someone focuses on only these principles and applies them repeatedly in examples drawn from familiar contexts, they can be mastered easily in a single semester.

The form in which ideas are conveyed is important. Perhaps because our species evolved as storytellers, the human brain

is innately receptive to information in narrative form. Years ago, I stumbled upon an assignment that plays directly to this strength.

Twice during the semester, I ask students to pose an interesting question based on something they have personally observed or experienced. In no more than 500 words, they must then use basic economic principles to answer it. I call it the “economic naturalist” assignment, in the spirit of field biologists who use Darwinian principles to interpret the traits and behavior of living things.

A high proportion of my students’ papers invoke the cost-benefit principle, which says that a rational person should take only those actions whose benefits exceed their costs. This principle can help explain otherwise mysterious patterns of government regulation. My former student Greg Balet asked, for example, why parents are required to strap toddlers into a safety seat for even a short drive to the grocery store, yet are permitted to fly from New York to Los Angeles with toddlers on their laps.

One answer might be that if a plane crashes, it won’t much matter if toddlers are in safety seats. But Mr. Balet argued that because the real benefit of restraining devices in airplanes is preventing injuries caused by air turbulence, safety seats would be as useful in planes as in cars.

The explanation must lie on the cost side, he said. Once you've set up a child safety seat in your car, it costs nothing additional to use it. If you're on a full flight from New York to Los Angeles, however, you must buy an extra ticket, which might cost you \$1,000.

Safety seats are thus more likely to pass the cost-benefit test in cars than in planes. (Economists have a simple response to those who object that costs should play no role in safety decisions: "Do you get your brakes checked on your way to work each morning?")

Basic economic principles are not rocket science. They are accessible even to children. Lance Knobel, for example, who writes the blog DavosNewbies.com, said that he'd been regaling his 11-year-old son with economic naturalist puzzles at bedtime, "and he can't get enough of them."

Given the importance of the economic choices we confront, both as individuals and as a society, more effective economics training would yield enormous dividends. And in light of the low bar established by traditional courses, there seems little risk in trying something different.

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