Discovering Diversity in Introductory Economics

Robin L. Bartlett

About one million students each year take a course in introductory economics, which means that a great deal of diversity already exists in introductory economics courses. Even a seemingly homogeneous group of students within a single class will come from a variety of socioeconomic backgrounds and have varied abilities, skills and diverse interests. These students can serve as a valuable source of information about the impact of race and gender on economic events. Their personal stories can supplement the data from published sources. Incorporating race and gender will provide more realism in describing and explaining economic life; it should also encourage a more varied group of students to investigate economics courses.

Peggy McIntosh (1983, 1990) was one of the first to offer a model of how to integrate race and gender into the content of any discipline, including economics. At the outset, economics, like any other discipline, is universal in time and place. Considerations of race and gender are irrelevant since the analysis applies to every human being. Many introductory economics textbooks and courses operate at this first stage.

Feiner and Morgan (1987) found that women were mentioned less than 1 percent of the time in 21 leading introductory textbooks. When they were mentioned, the texts tended to put them in special chapters on "women's issues" or "special topics" like discrimination or poverty. In a reexamination of 16 of these texts, Feiner (1993) found that while five textbooks had increased their coverage, three textbooks had decreased their coverage. Ferber (1995) reviewed nine leading textbooks to find that the influx of married women into the labor force—one of

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the most significant changes in the economy since World War II—was omitted from all but one. Lisa Saunders (1995) examined the text of introductory textbooks and found that specific economics topics and their treatment can invoke negative feelings from minorities.\(^1\) She quotes an author’s explanation of the riots in Los Angeles: “Black resentment was certainly understandable, but it was also perverse.”\(^2\)

In the second stage, notable women and people of color are showcased: Harriet Martineau, Katharine Coman, Phyllis Wallace, Andrew Brimmer, Sir Arthur Lewis and Amartya Sen.\(^3\) This exercise will be more useful if specific articles by or about such people are included on the reading list in an “Up Close and Personal” section.

In the third stage, race and gender become variables in the analysis, an approach dubbed “mix and stir.” The Statistical Abstract, the Economic Report of the President and the World Development Report provide current and historical data for these exercises. Often analysts conclude from this process that racial and gender differences lead to anomalous or deviant economic behavior; they try to explain these observations by expanding traditional models or building new models as a fourth stage.

The McIntosh argument, however, leads to a wholly new stage, the fifth, where race and gender move from the periphery to the center of analysis. Economists can supplement the analysis of impersonal market forces by giving equal consideration to the personal histories of those involved (the economic actors or agents) and their styles of decision making, reflecting environment and custom. In conjunction with hypothetical mathematical examples or variables, economists can tell more intricate tales about women and minorities that incorporate their diverse consumption, work and savings patterns. Such information can be obtained from existing publications or from the students themselves.

\(^1\) There is a debate about whether to use the word “minorities” or the phrase “people of color.” One argument for the use of the phrase is that in many regions of the country or sections of metropolitan areas, people of European descent are in the minority and people of color form the majority. Others would argue that “minority” refers to those without power—that while women may be a numerical majority, since they do not have power they are a minority.


\(^3\) Harriet Martineau (1834) was a nineteenth-century English writer whose explanations for schoolchildren of economics as it was being developed by the followers of Adam Smith were widely read by adults. Katharine Coman, professor of economics at Wellesley College where she established the department (at first as a section within the department of history), was commissioned by the American Economic Association to write the lead article in the first issue of the American Economic Review (1911). Phyllis Wallace was the chief economist for the Civil Rights Commission and established its procedures for measuring discrimination; her tenure culminated with the massive suit against AT&T (1976), following which she led a distinguished career at the Sloan School of MIT, investigating the career paths of similarly situated men and graduates of that school (1974). She was of African-American descent. Andrew Brimmer was the first African-American member of the Federal Reserve Board of Governors (1992); he came from a position at Harvard and currently holds a joint appointment at the University of Massachusetts at Amherst while managing Brimmer & Co., a consulting firm, which he founded, in Washington. Sir Arthur Lewis (1984), awarded the Nobel Prize in Economics (Breit and Spencer, 1990), has contributed much to the study of economic development. Amartya Sen, a past President of the American Economic Association, is a leading authority on issues of inequality and entitlement (1982).
This change in focus from emphasizing impersonal market forces in isolation to making nonmarket forces equal contenders in the analysis should be reinforced by taking seriously the real diversity that exists among students. Instructors should use exercises that uncover the socioeconomic backgrounds of the students so that the presentation of the material connects to their experiences. Particularly germane are the differences in learning styles found between male and female students, and among European-Americans and others. Traditional teaching and testing techniques need not be thrown out but can be supplemented, modified or expanded with the aim of creating a learning environment in which students from diverse backgrounds are welcome and valuable participants.

**Mixing and Stirring in Introductory Economics**

Given the parlous state of textbooks, it is reassuring that race and gender can be integrated in the first course in economics without the aid of a text. Any economics concept, measure or theory can be looked at from the perspectives of different cultural realities. Developing the implications of diversity can be assigned as a student exercise as well as a class discussion. Some suggestions and examples follow for both macroeconomics and microeconomics.

**Macroeconomics**

Every course in introductory macroeconomics must develop an understanding of the various aggregate measures of economic activity. Descriptive statistics about economic activity can be illustrated and humanized by specifically referring to race and gender differences. For instance, does gross domestic product (GDP) reflect the economic product of everyone? What happened to the growth of GDP as women entered the labor market in the 1960s and '70s? In what ways is the consumer price index (CPI) useful as a measure of the cost of living, and how does it fall short of such a measure? Does the CPI reflect the cost of living for an Appalachian black farmer? Or an elderly single woman? Does the national unemployment rate capture the experiences of Mexican-Americans in Texas?

The Phillips curve can be easily disaggregated by race and gender using data found in the *Economic Report of the President* (Bartlett, 1985). The rate of inflation is plotted on the vertical axis and unemployment rates for a variety of different groups on the horizontal axis. Figure 1 displays the traditional Phillips curve for the United States for 1970–1990. The “natural” rate of unemployment is about 6.7 percent. Figure 2 shows the same data disaggregated into Phillips curves for black and white workers. The “natural” rate of unemployment is consistently higher for blacks, and during a downturn (like 1980–83) unemployment rates for blacks rise by a greater amount.

Students can calculate various “tradeoffs” between unemployment and inflation. The early '80s, for example, shows inflation decreasing by over 10 percentage points in four years; the accompanying rise in unemployment was only
2.5 percentage points. Calculating this tradeoff for whites and blacks separately gives quite different results for the two racial groups: the increase in unemployment bore more heavily on black workers than it did on whites.\(^4\) These sorts of comparisons dramatically illustrate the impacts of the business cycle and monetary and fiscal policies on different groups. Similarly, the budget-cutting maneuvers in late 1995 had a disproportionate effect on blacks because the federal government is a large employer of people of color and because downsizing government agencies generally means releasing the newly hired first.

There are a variety of other examples. Tuma and Haworth (1993) provide evidence of different consumption and savings patterns among people of color and whites. Each sector of the economy, consumption, investment, government spending and international trade can be investigated with the special lens of race and gender. Such data suggest that monetary or fiscal policy can be shaped to target specific groups in the population. Kempey (forthcoming) discusses targeting of disadvantaged groups in the financial market by selective, rather than general, credit controls.

Finally, determining the appropriate macro policies for growth in developing economies increasingly means determining basic needs for that economy. Economists have learned that such decisions must be made by the entire local population and that special efforts must be taken to ensure that these choices are not made by men only, nor by the village elders, nor by the priests or politicians in power.

**Microeconomics**

Household decisions about labor supply and consumer choice assume a most unrealistic situation where tastes and preferences as well as productivity

\(^4\) The tradeoff calculated for all workers is 0.24 \((2.5/10.6 = 0.24)\), but it consists of a smaller tradeoff, 0.20, for white workers, and a tradeoff for black workers of 0.49—almost twice as big.
functions reflect the single choice of the household rather than those of the individuals within it. Jack and Jill, with different skills but with identical preferences, can gain by forming a household in which each partner’s comparative advantage determines participation in household work or market employment, as shown in Figure 3a.

Just as in international trade theory, however, the benefits of specialization and division of labor also require that the different tastes and preferences of individuals as consumers enter the calculation, not just their individual productivities. One can offer an example with differences in the consumer tastes and preferences of Jack and Jill: for example, one might prefer nonmarket goods while the latter prefers market goods. As a result there is no unique household indifference curve. It will be difficult for Jack and Jill to agree on household consumption. This can be illustrated either through examples that use cardinal utility or others showing indifference curves. Different preferences can make Jack’s indifference curves overlap those for Jill plotted on the same graph as in Figure 3b. The resulting crisscross indifference curves illustrate the logical contradiction involved—and that a rational economic choice cannot be determined.

In general, students should be encouraged to think about what determines productivity and tastes and preferences for any individual. All too often this reveals underlying assumptions about the skills and competencies of different ethnic or gender groups, as well as about the tastes and preferences “suitable to” or “appropriate for” women, Asians or any other group. But what happens to these assumptions if educational opportunities are identical across groups? What happens to household income if a heterosexual couple prefers having the male at home and the female in the marketplace? What would the production possibility frontier look like if two males divided up household and market tasks?

Just as students will find it of interest as to why individuals form households, they will appreciate the economics of dissolution. For an example drawn from real life, in 1994 the household income for an Indiana family of six with four children was $49,774 with the female lawyer contributing $45,274 and the male
handyman contributing $4,500. The poverty income threshold for such a family was $19,773 (U.S. Department of Commerce, 1993), yielding an income to poverty ratio of 2.52. When this household separated, the mother surrendered custody of the children. Students can calculate the change in the standard of living for the two newly formed households relative to the appropriate poverty indexes, as shown in Table 1. Let students transfer $10,000 at a time from the wife to the husband and recalculate each household’s relative standing; more advanced students can solve the two equations in two unknowns to determine the exact amount of the transfer. This example is particularly timely for the age group in introductory economics.

Another issue in microeconomics concerns the marginal utility analysis of a woman with two children who receives AFDC payments and is required to look for paid employment as a condition of further payments. Let students find out the actual dollar payments for such a family in their state, and what income level makes it eligible for benefits: then calculate the marginal or net benefit gain from a job

5 While the numbers are the actual numbers used in the divorce case, the family particulars have been changed to protect confidentiality.
Table 1
Impact of Divorce on Standard of Living

<table>
<thead>
<tr>
<th>Family Unit</th>
<th>Measure</th>
<th>Annual Payments from Jill to Jack</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>Intact family of six prior to separation</td>
<td>Income</td>
<td>$49,774</td>
</tr>
<tr>
<td></td>
<td>Poverty</td>
<td>$19,773</td>
</tr>
<tr>
<td></td>
<td>Income to poverty ratio</td>
<td>2.52</td>
</tr>
<tr>
<td>Jack Doe and four children after separation</td>
<td>Income</td>
<td>$4,500</td>
</tr>
<tr>
<td></td>
<td>Poverty</td>
<td>$17,389</td>
</tr>
<tr>
<td></td>
<td>Income to poverty ratio</td>
<td>0.26</td>
</tr>
<tr>
<td></td>
<td>Change in standard of living</td>
<td>-89.70%</td>
</tr>
<tr>
<td>Jill Doe after separation</td>
<td>Income</td>
<td>$45,274</td>
</tr>
<tr>
<td></td>
<td>Poverty</td>
<td>$7,698</td>
</tr>
<tr>
<td></td>
<td>Income to poverty ratio</td>
<td>5.88</td>
</tr>
<tr>
<td></td>
<td>Change in standard of living</td>
<td>133.60%</td>
</tr>
</tbody>
</table>

paying the minimum wage. To make the analysis more realistic, discuss the impact of Medicaid, needed by some poor families and not used by other (healthier) households.

Finally, microeconomics should pay some attention to the distribution of market incomes by composition of household (Alexis, Haines and Simon, 1980; Smeeding, O’Higgins and Rainwater, 1990). Using the Current Population Survey or the Survey of Incomes and Program Participation, have students calculate the poverty gap for two-adult, one-child families and one-adult, two-child families. Should government transfer programs ensure that all three-person families receive the same income?

Both commodity and factor markets provide many examples of how race and gender can be integrated into the analysis. What determines the scarcity of white male housecleaners? How far do faculty salaries reflect productivity for male and female professors? How old is the typical fast-food worker, and is that person paid the minimum wage? How do tastes and preferences produce segmented markets? Why is it that African-American applicants for mortgages have a higher rejection rate? Why do women pay more to have their (man-tailored) shirts laundered than men?
Diversity in the Classroom

Integrating material from published sources on race and gender into introductory economics improves overall student learning (Lage, forthcoming 1996). Equally important is the diversity that already exists in the classroom, a potential and often untapped resource for enriching the course. Instructors need to find out who their students are so that they can modify what they teach and how they teach it.

Learning Styles

The educational literature makes Kolb’s theory of learning central: the ways students take in information and how they process it fall into four learning styles (Claxton and Murray, 1987). At present, most economics majors are “assimilators,” which means that they take in information through abstract conceptualization and process it through observation and reflection (Kolb, 1981).

But there are other learning styles. “Convergers” take in information through abstract conceptualization and process it with active experimentation. “Divergers” take in information through concrete experiences and process the information with observation and reflection. “Accommodators” take in information from concrete experiences and process it through active experimentation. European-American females, Hispanics and African-American students tend to be concrete, active experimenters (Adams, 1992; Anderson and Adams, 1992; Chasteen, 1987). 6

It is not a coincidence that European-American males and Asians show the highest tendency to be assimilators and are also strongly represented in the ranks of economics majors. Fry and Kolb (1979) found that students tended to become majors in fields where the teaching techniques corresponded to their learning styles. But Smith and Kolb (1985) also found that 41 percent of women students were abstract learners and 51 percent were reflective learners, which, ceteris paribus, would predict considerably more women economics majors than currently exist. Although over half of women students enroll in the introductory course, only 10 percent go on to major in economics. This percentage has been falling for over 10 years (Siegfried and Scott, 1994).

Learning styles are like being left- or right-handed. Both hands can perform the task, but one has had more practice. There is no justification for teaching introductory economics so that it appeals only to those who are more proficient in a particular learning style, as is often done. A repertoire of teaching techniques consistent with all four learning styles tends to improve student performance (Claxton and Murrell, 1987, p. 293) and also to build life skills.

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6 When making these generalizations from research studies, it is important not to stereotype all females or any other group. Some females are abstract conceptualizers and reflective observers, as is probably the case of the women who are currently teaching economics.
But introductory economics is generally taught as if everyone in the class had the same learning style. The climate of the class tends to be competitive, objective and individualistic. In many large classes there is little interaction between the instructor and the students, and even less between and among students. For most students the introductory economics classroom is a lonely place, and for students different from the majority it can be more so.

Other research reveals that both cognition and affect influence student learning (Chasteen, 1987; Saunders, 1990): economics instructors tend to stress cognition—knowledge, understanding and thinking skills—over affect, or interests, attitudes and appreciations. Affect can provide substantial motivation for acquiring cognitive knowledge. More women and people of color prefer “connected knowing” than do Euro-American males (Belenky et al. 1986; Moses, 1991; Musil, 1992; Nieves-Squires, 1991; Treisman, 1992). In the context of introductory economics, the instructor, the other students and the material offer opportunities for connected knowing. According to Magolda (1992), these students’ most powerful learning experiences resulted when they could relate the material to their own lives, where they were valued as being capable, and where they could work with others.

Moreover, much of the educational, psychological and sociological literature concludes that the classroom should foster active cooperation. Even in classes numbering several hundred students, it is not impossible to do this. As most faculty recognize, students often learn best from each other. However, students need to know each other before they can do this.

Aside from formally recommending that study groups be formed, the instructor can actively assign students to cooperative learning groups of six to work weekly on problem sets. Require each group to write out its answer (including any diagrams or tables) to a particular question on a large easel pad or a section of chalkboard. The group should also number each member from one to six. In class, the instructor selects a student from each group, perhaps with a roll of a die (Bartlett, 1995), to present the group’s answer to the entire class. The result is to encourage all students to ask questions and to help others.

The instructor can also encourage student interaction during a lecture by stopping at intervals—say, every 15 minutes—to allow students to review their notes with those sitting to the right, or in the row in front. Such informal cooperative learning gives students time to go over the material to be sure their notes are complete. It also allows the confused student to clarify a question, which increases the likelihood that the question will be voiced. Most importantly, cooperative

7 For a brief summary, see Johnson, Johnson and Smith (1991).
8 A laboratory curriculum (Bartlett and King, 1990) is another way to provide students with a cooperative learning environment and hands-on learning experiences. In small classes, one day can be set aside for working with data and computers. In large classes, the discussion can be broken into lab sections where teaching assistants help students through various exercises. Lab rooms also provide a place for students to gather and help each other with assignments. Computer labs should be located near faculty offices to encourage interaction with faculty outside of the classroom.
groups will link minorities to other students in the dominant group: both groups will gain from the interaction.

**Students' Backgrounds**

Such activities will reassure students that the instructor values dialogue. Student diversity should also be discovered and acknowledged positively on the first day. The following exercise will transform a hall full of complete strangers into several groups, each of which contains a number of students sharing a common interest.

Ask that each student write down their primary cultural identity, put a circle around it, and then put secondary cultural designations in surrounding circles. The instructor can offer some terms like “teacher,” or “economist” that help to define him or her, as well as mentioning other examples like “student,” “Latino,” “midwesterner,” “university athlete,” “Catholic” or “Republican.” Give students a couple of minutes to think about this and write down their cultural identities. Asking students to share their answers, write on the classroom chalkboard (or overhead projector) the primary identifications yelled out. Try to get a complete list so that nothing a student thinks important is omitted. Read off each entry on the list, noting when the particular cultural identity applies to the instructor, and ask students to stand for every term that describes them.

Instructors who use this exercise will discover who their students are and can shape classroom presentations accordingly. Students will learn who else is in the class. Establishing commonalities among students helps them form small study groups and reassures those who feel “different” with a welcoming acknowledgment. Tobias (1990) found that otherwise bright students were turned off by introductory science classes not because the subjects were too difficult but because the classroom lacked a feeling of community.

Techniques for testing can also serve to discover the diversity among the students enrolled in introductory economics. Even within a multiple choice format, instructors can ask students to select a question and illustrate the answer with material from their own personal experiences. Students who prefer connected learning will welcome the opportunity, while others will discover a new way of learning economics. Instructors can learn a great deal about their students.

To meet the diversity, every exam should have a variety of questions. Open-ended questions fit the learning style of the diverger, and “contrast and compare” questions suit the assimilator. Practical application helps accommodators, and multiple-choice questions fit the converger’s learning style. With respect to women and students of color, research suggests that multiple-choice questions may not

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9 Some instructors may argue that this is a waste of valuable class time. Spending the first day of the semester or term getting to know students and for them to get to know each other can save time throughout the term and improve performance. The literature suggests that field-dependent learners see the subject within the context of the classroom. A feeling of connection to the instructor and other students motivates these students. In addition, students who feel they are the only athlete or working-class student in the class may discover there are others and hook up with them.
elicit their understanding of the material (Lumsden and Scott, 1987; Rosser, 1989). Exams can be modified to fit several types of learning styles at once. Multiple-choice tests could become multiple-answer tests, where students are asked to select the right answer and explain why the other choices are wrong. This extra question can then be given additional weight in grading.

Finally, it should go without saying that students should be treated equally in subtle as well as obvious ways. Hall and Sandler's (1982) original work on the classroom climate found that instructors called more frequently on men and also encouraged them to develop their answers in more detail. By contrast, instructors interrupted women and asked them only straightforward, factual questions. Tatum (1992) discusses how race and racism retard interactions in the classroom.

From a number of different sources, the following suggestions emerge for affirming diversity in the classroom:10 1) have the same expectations for all students; 2) respond to students in similar ways; 3) learn students' names and use them; 4) attribute a comment or answer to a student by name; 5) increase the wait time for answers; 6) look for nonverbal cues of interest and pursue them; 7) avoid the generic use of "he"; 8) introduce the work of women and people of color; 9) use more than one approach; 10) stress relationship to their lives and career expectations; 11) use small groups; and 12) develop hands-on activities.

Conclusion

Introductory courses need to be reexamined through the lenses of diversity, which will readily reveal why both content and teaching techniques should be changed. This article suggests some ways to create a more inclusive picture of economics and a broader array of teaching techniques. Others will emerge as economists learn to accommodate the realities of race and gender differences.

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10 Ginorio (1995) and Kleinsmith (1993) are just two of the many sources. Others are available from the author upon request.
References


