Economists are keen fans of dynamism, but there are too few signs of it in economics teaching. A survey of American lecturers last year found that their methods, which rely on lectures and assigned textbook reading, had barely changed in 25 years. Textbooks themselves can lag behind the practice of economics. A study by Jane Ihrig of the Federal Reserve Board and Scott Wolla of the Federal Reserve Bank of St Louis found that at least three of six leading texts
published since the start of 2020 misrepresented monetary policy. They say the Fed sets short-term interest rates by buying and selling securities. But since 2008 the central bank has changed the rate it pays on banks’ reserves instead.

Students say that inequality is the most pressing economic problem of the day, according to a paper by Samuel Bowles of the Santa Fe Institute and Wendy Carlin of University College, London. But in many textbooks, they argue, the topic is merely appended to the core curriculum. In 1993 a study found race and gender bias in introductory textbooks. A quarter of a century on, many are still found to underrepresent women. (The new survey did not consider race.) Some in the profession are now trying to shake up economics instruction.

This is partly because improved pedagogy is being seen as a way to diversify the profession. KimMarie McGoldrick, who leads a committee on economics education for the American Economic Association (AEA), says that teaching used not to be a priority, which may have sapped efforts to entice students into the subject. Now the classroom is being seen as a place for a more active approach.

In January the AEA supported a teacher-training conference meant to improve diversity among students and gather evidence on the impact of different teaching methods on different ethnicities, genders and races. It is also sharing best teaching practices. Those include more student participation, being open about biases in textbooks and encouraging teachers to replace “trivial or sexist” examples like “beer and sports cars” with weightier applications, like inequality and climate change.

Textbooks are evolving too. Last year Betsey Stevenson and Justin Wolfers of the University of Michigan published a tome that tries to avoid representation biases. (Its description of the mechanics of monetary policy also scores well.) In Britain a free book published by CORE, a charity that Ms Carlin helps run, has been adopted in 47 out of 60 economics-teaching universities. The book starts with inequality, rather than presenting it as an afterthought.

Yet CORE has struggled to make headway in America. That could reflect perceptions that it is left-wing—or that it de-emphasises the simple supply-and-demand diagrams that professors like to teach, or that it is too mathematically demanding. Or perhaps the incumbents are doing something right, as Gregory Mankiw, the author of a best-selling introductory text, suggested in a recent webinar.
But barriers to change exist, too. Teachers, not students, pick the textbook, for instance. And though a free book might attract students, it is teachers who bear the cost of switching, as they have to revise their notes. The trend towards online-learning platforms, which bundle books with test banks and homework-marking software, does not help. The CORE team is developing a paid version of its books with such features for the American market.

Where professors have the freedom, time and resources, change is having positive results. Students of a curriculum based on CORE in Australia seem to do better in follow-up courses. A study by Ann Owen and Paul Hagstrom of Hamilton College found that using practical assignments as well as a curriculum covering “the broad range of social issues that economists study” led to women earning higher grades. When Carina Krusell, a student, took the revamped course she was delighted to be able to replicate analysis that found discrimination against people with black-sounding names. “The course made me realise, oh, this is economics.”

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