Economics 156: Final Group Project

In place of a final examination, students will complete a project in groups of three to five (usually four). Groups will be assigned after the first midterm.

Each group will be assigned a policy question that this course has equipped them to address. Examples may include how a Central Bank should conduct monetary policy, how a government should conduct fiscal policy, or how a country should manage its international trade.

Assignment: Each group should submit a single document consisting of the following elements:

1. Title Page: The title page should include a) a title and the members of your group, b) a short-statement describing how the work was allocated (which students were responsible for which sections) and c) a brief description of how AI was or was not used including confirmation that the group followed the AI policy discussed later in this document.

2. Executive Summary, maximum 500 words. This should provide a condensed summary of the sections that follow.

Some tips:

i) Write your execute summary as if it is the first, and possibly only part, that a policy maker is going to read. Does your summary make the reader want to continue and read the rest of the document?

ii) We do not want suspense in this type of document. Your summary should clearly articulate your policy recommendation and why you are making it.

iii) You might wish to write this part last.

3. Description, maximum 800 words: This section should explain the circumstances surrounding the policy maker's choice. It should describe any recent events leading to the policy maker's predicament and it should introduce the basic trade-offs involving the policy makers choice.

Some tips:

i) Work to identify the most important trade-offs that could cause economists to disagree on the best course of action. It is better to focus on the small number of critical trade-offs rather than chronicling every minor one.

ii) Avoid irrelevance. You do not want, for example, to detail the past 100 years of U.S. monetary policy if your topic is related to the Fed. Focus on the most important events that have led to this policy decision.

iii) Your topic does not have an easy answer. Acknowledge the downsides of you policy. Your argument is that your policy should be implemented in spite of these downsides, not because these downsides do not exist.

iv) Adding some data may help your proposal. If your policy question is closely related to a country's inflation rate, you may want to include some inflation data. Avoid, however, providing too much.

4. Suggested Policy, maximum 1000 words. This should provide a detailed course of action. Make clear who the relevant policy makers are.

Some tips:

i) The boundaries between Sections 3 and 4 are fuzzy. Don't stress too much about moving some information between them, it may even help if one section is up against the word limit.

ii) Provide some detail. Do not just say that taxes, for example, should be raised. Which taxes should be raised and by how much?

3. Pay attention to implementation. Should any changes be implemented right away or should they be phased in?

iv.) Be realistic. Propose changes that are feasible and have at least at chance at being implemented. Don't propose policies that require major changes to human nature.

5. Evidence, maximum 800 words. Here you provide evidence for why you proposed policies will have effects that are, on aggregate, beneficial. This evidence should include applying course material to your question. It may also include bringing in additional material, such as scholarly studies.

Some tips:

i) The most natural source of evidence is what we have studied in class. if your policy, for example, boosts aggregate demand, then we would expect it to be inflationary, to boost output, and to reduce unemployment, relative to a policy that does not boost demand. It is a good idea to identify these types of mechanisms.

ii) Assume that the reader is familiar with and has a good understanding of the material from class. You do not, for example, need to explain what aggregate demand is.

iii) We all have strong feelings about the current season of Love Island. You probably do not, however, want to discuss them in this section.

iv) You are encouraged to seek additional sources. Consider doing some searches using Google Scholar. At this point in your college career, you are not well positioned to discriminate between good scholarly sources and bad ones, especially if they use statistical or econometric methods. Don't let that deter you. You will not be graded down.

6. Sales pitch, maximum 1000 words. Your policy will only do good if it can be enacted. Discuss the process of achieving the support needed to enact your policy. Be creative.

i) Think about the incentives of policy makers whose support is needed. Elective officials, for example, care about being re-elected. A technocrat, like an FOMC member, is more likely to be persuaded by the economic merits of the proposal.

ii How can your proposal be sold to the public? What are the benefits to households and firms that might make them support it. How can these be explained to them?

iii) Even the best policy will create losers. How should this be addressed? Is the public willing to live with it, or do you need to propose some way to make them whole?

7. References Include a separate reference list. For citations, I recommend the Chicago Style, although you are free to use other widely used methods such as APA or MLA. Use parenthetical notation: Smith (2025) shows that an all bacon diet is associated with long life. You do not need to cite the class notes.

Other details:

1. Your project is due on Monday, December 15, 2025 at 5:45 PM (the end of the final exam slot). I expect that many students will be traveling home during the prior weekend and your group might consider having its own, earlier, deadline.

2. For this project, the use of AI is limited to suggesting sources. You may also use AI to suggest edits as long as you manually incorporate them. You may not use AI to craft your proposal or provide the substance of your project.

3. How you distribute the work is up to each group. Assigning one student to be in charge of one part (from 3-5) is one natural way to do it, but you are welcome to use other systems.

4. Not all topics are created equal. Some are harder than others and this will be considered in the grading. Some topics have been extensively covered in class while others may require you look at some of the Chapters in the textbook that we did not get to.

Submission:

1. As your group begins working, create a shared Google Doc. Conduct all drafting within this document.

2. By 5:45 PM on Monday, December 15, share this document with me.

3. Before sharing, you must i) Change the general access option from "Restricted" to "Anyone with this link," and ii) change the role from "Viewer" to "Editor."