Economics 313, A Tale of Two Recessions: 2008 and 2020.

Fall 2026

Bates College

Paul Shea

Class Times: 1:10-2:30 PM, MW. We will not usually meet on Fridays, except for the first week of class or to make up for any postponed classes..

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Office Hours: TBA

Office: 278 Pettingill.

Course Website: www.paulshea.com. This site includes lecture notes, class announcements, readings, and assignments. Note that the class website is unrelated to Lyceum.

Course Description: This seminar compares the two most recent U.S. recessions: the Great Recession of 2007-09 and the Covid-19 recession of 2020. The course examines the housing bubble which preceded the Great Recession, as well as the roles of monetary, fiscal, and regulatory policies. It then examines the aftermath of the Great Recession, including the slow recovery of the labor market, and the European debt crisis. It then compares the Great Recession to the recent Covid-19 recession and ensuing inflation spike. We will also consider how these recessions inform us about ongoing events in the global economy.

Throughout the semester, students will be exposed to theoretical and empirical concepts that they may not have seen in previous coursework. We will use recent economic data to learn important econometric techniques including probit/logit, panel data methods, and vector autoregressions.

Prerequisites: Econ 255 and 270.

Reading Materials: There is no assigned textbook. Students, however, are encouraged to own an intermediate macroeconomics textbook (an older edition will probably be fine). Readings will be assigned for each topic. These will range from non-technical sources such as popular press articles and op/ed prices to technical articles written for a more academic audience.

Assignments: Your grade consists of the following:

i) A research project. This entails three parts: 1) a short-write-up (12.5% of your grade), 2) a presentation in class (12.5% of your grade), and 3) roughly one-third of the final exam will relate to your project. This assignment will be discussed in greater detail early in the term.

ii) A final exam. Two-thirds (25% of your grade) will relate to the ordinary course material and the other third (10% of your grade) will relate to your research project.

iii) Periodic homework assignments (40% of your grade) . These will typically consist of short writing or empirical assignments.

I reserve to bump up a student's final grade, up to 2/3 of a letter grade, if their participation in the class constitutes a major positive externality to the rest of the class.

Inability to Complete Course Requirements: If you know that you cannot attend an exam or complete an assignment due to a non-college excused commitment, do not take this class. If an unanticipated commitment arises that prevents you from satisfying any of the course requirements, you must have your conflict verified by the Dean of Students' office. Be aware that this office will require documentation of all illnesses and deaths in the family. I will not personally judge the validity of students' conflicts. I reserve the right to either offer a makeup or roll the weight of the missed assignment into the other graded elements of the course.

Academic Dishonesty: Specific instruction regarding AI use will be provided with each assignment. Students will be expected to code and write each assignment without the use of AI. AI may be used to suggest sources.

Students with Disabilities: If you have a documented disability and need an accommodation, please make arrangements with me during the first week of the term. Please request that the Dean of Students; office send me a letter verifying your disability. You are unlikely to receive any substantial accommodation if you wait until right before an exam to notify me.

Please note that I am not qualified to diagnose a disability. You must therefore always go through the College.

Tentative Course Plan: To be Adjusted as Needed

Block 1, The Housing Bubble.

Block 2, Speculative Bubbles.

Block 3, Housing and Policy.

Block 4, Mortgage Backed Securities.

Block 5, Credit Cycles

Block 6 Propagation and Panic.

Block 7, Monetary Policy Overview, Monetary Policy during the Great Recession

Block 8, Fiscal Policy and the Great Recession.

Block 9, Europe since 2008.

Block 10, The Covid-19 Recession and

Block 11, Fiscal Policy since covid-19.

Block 12, Monetary Policy since covid-19.