



# NYU | STERN

## **The Making of Economic Policy in the White House**

Fall 2020  
Wednesdays  
6:30 pm - 9:30 pm

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Office hours by appointment

### **Course Description**

This course shows students how economic policy gets made, and should get made, at the highest levels of federal government. It draws upon almost fifty years of economic policymaking, and the challenges that have confronted those who have sat in positions of power in the Treasury, the Office of Management and Budget, the Council of Economic Advisers, and the National Economic Council. These challenges include the breakdown of the Bretton Woods system and the transition to a predominantly floating exchange rate world, the era of rampant inflation, the collapse of the Soviet Union and the transition to market economies, the shock of 9/11, the financial crisis of 2008, and the Great Recession that followed, the trade war of 2018/2019, and the current economic crisis.

Lectures and discussions will lead to in-class exercises, in which students will role-play as advisors to US presidents. Students will learn how to analyze policy problems and design solutions, taking into account the multi-dimensional aspects of making federal policy and the many constraints upon those decisions, including those of Congress. As part of the learning process, students will also have the opportunity to hear from the following guest speakers who will be participating in Q&A sessions throughout the semester:

Harvey Rosen: John L. Weinberg Professor of Economics and Business Policy Emeritus at Princeton University and former Chairman of the President's Council of Economic Advisers during the George W. Bush Administration.

Greg Ip: Chief Economics Commentator for the Wall Street Journal, former US Economics Editor of The Economist, and author of The Little Book of Economics: How the Economy Works in the Real World.

John Taylor: Mary and Robert Raymond Professor of Economics at Stanford University, the George P. Shultz Senior Fellow in Economics at the Hoover Institution, and former Under Secretary of the Treasury for International Affairs during the George W. Bush Administration.

Lisa Cook: Professor of Economics and International Affairs at Michigan State University, and former Senior Economist at the Council of Economic Advisers during the Barack Obama Administration, and former Senior Adviser to the US Treasury Department.

Jason Furman: Professor of the Practice of Economic Policy jointly at Harvard Kennedy School and the Department of Economics at Harvard University, and former Chairman of the President's Council of Economic Advisers during the Barack Obama Administration.

## **Pre-requisites**

Firms and Markets

The Global Economy

## **Reading**

Simon W. Bowmaker, *When the President Calls: Conversations with Economic Policymakers*, MIT Press (2019)

The schedule below also contains additional recommended readings to supplement this text.

## **Assessment**

Class participation: 30%

Final Exam: 45%

Group role play: 25%

## **Course Website**

I will maintain a website for the course using NYU Classes. The website will include announcements and downloadable files with the class lectures.

## **Class participation**

Professionals show up and are prepared—that is my expectation of you. You should come to class ready to participate by answering questions that I pose and by posing questions of your own. You should also be prepared to discuss assigned topics and current issues of the day. Your thoughtful participation makes the course more interesting and productive for everyone, including me. Note: your camera should be on at all times, and you should be in a quiet place with no distractions, both for you, your classmates, and me.

## **Academic integrity**

Our undergraduate [Academics Pillar](#) states that *we take pride in our well-rounded education and approach our academics with honesty and integrity*. Indeed, integrity is critical to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.
- Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks),

paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.

- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here: [www.stern.nyu.edu/uc/codeofconduct](http://www.stern.nyu.edu/uc/codeofconduct)

To help ensure the integrity of our learning community, prose assignments you submit to NYU Classes will be submitted to Turnitin. Turnitin will compare your submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals, and publications. Additionally, your document will become part of the Turnitin database.

### **General conduct & behavior**

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with the NYU Student Conduct Policy (<https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-student-conduct-policy.html>).

### **Grading Guidelines**

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines.

### **Student Accessibility**

If you will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Student Accessibility (212-998-4980, [mosescsa@nyu.edu](mailto:mosescsa@nyu.edu)) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the Moses Center for Student Accessibility, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation. For more information, visit the CSA website: <https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

## **Course Schedule and Readings (to be completed before class)**

### **Wednesday, September 23: The Presidential Establishment**

Neil Irwin (2017), 'Presidents Have Less Power Over The Economy Than You Might Think,' *The New York Times*, January 17.

<https://www.nytimes.com/2017/01/17/upshot/presidents-have-less-power-over-the-economy-than-you-might-think.html>

### **Wednesday, September 30: The Big Four and the Presidency**

Porter, Roger B. (2017), 'Remarks from "The Council of Economic Advisers: 70 years of advising the president."'

<https://www.brookings.edu/opinions/remarks-from-the-council-of-economic-advisers-70-years-of-advising-the-president/>

John Dickerson (2018), 'The hardest job in the world,' *The Atlantic*, May issue.

<https://www.theatlantic.com/magazine/archive/2018/05/a-broken-office/556883/>

### **Wednesday, October 7: The Nixon and Ford Presidencies**

Bowmaker, Simon W. (2019), 'Richard Nixon Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 9-39.

Bowmaker, Simon W. (2019), 'Gerald Ford Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 41-57.

### **Wednesday, October 14: The Carter Presidency**

Bowmaker, Simon W. (2019), 'Jimmy Carter Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 59-111.

### **Wednesday, October 21: The Reagan and George H.W. Bush Presidencies**

Bowmaker, Simon W. (2019), 'Ronald Reagan Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 113-169.

Bowmaker, Simon W. (2019), 'George H.W. Bush Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 171-219.

**Wednesday, October 28: The Clinton Presidency**

Bowmaker, Simon W. (2019), 'Bill Clinton Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 221-355.

**Wednesday, November 4: The George W. Bush Presidency**

Bowmaker, Simon W. (2019), 'George W. Bush Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 357-493.

**Wednesday, November 11: The Obama Presidency**

Bowmaker, Simon W. (2019), 'Barack Obama Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 495-597.

**Wednesday, November 18: The Trump Presidency**

Bowmaker, Simon W. (2019), 'Donald Trump Administration,' *When the President Calls: Conversations with Economic Policymakers*, MIT Press, pp. 599-628.

**Wednesday, December 2: Group Role-play**

**Wednesday, December 9: Group Role-play**

**Wednesday, December 16: Course Wrap-Up + Final Exam**