

VOTE Textbook Chapter Summaries

Textbook Description:

Voices On The Economy (VOTE) is a refreshing change from the vast majority of economic textbooks. Instead of trying to sell you on the liberal, conservative, or radical economic approach, the book offers all three, side by side, without any biases. It helps you sort through the noise and rhetoric to compare and contrast different ideas for solving our urgent economic problems. Twelve issues are covered in depth, including agriculture, product safety, livelihood, housing, income distribution, the environment, health care, market power, retirement security, the federal budget, international trade, and economic stability. Whether you're passionate about economics or have never taken an economics class before, The VOTE Textbook will engage and entertain you. It's filled with stories, exercises, and lively activities that teach you how to become fluent in multiple perspectives so you can be a respectful listener, passionate advocate, and intelligent debater. By understanding all the ideas on the table, you might be inspired to find a completely new way to think about economics. You might become our next great economic thinker.

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Chapter 1 The World Needs Your Voice

This chapter describes the value of learning economics from multiple perspectives. Economics is not just for experts with a PhD. It has everything to do with your life—the clothes you're wearing, the quality of the air you're breathing, what you ate for breakfast, your career choices, and more. Conservatives, liberals, and radicals all share the same goal of prosperity and well-being for all. But instead of building on one another's ideas, economists from different camps shout down and shut out rival points of view. That limits us from coming up with the best solutions. The VOTE program challenges this kind of siloed approach. We are on a mission to spark new solutions to our urgent economic problems by building a culture of respectful listening, passionate advocacy, and intelligent debate. By learning all three approaches, you will understand what all the fights are about. You'll be in a position to make your own informed decisions about which solutions you believe are best to move our country forward. In the process, you might be the one to see a solution no one has seen before. You might become our next great economic thinker!

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Chapter 2 The Power of Definitions

In this chapter, we consider that every definition we use was invented by humans and reflects a society's culture, norms, and, beliefs. Whether it's the length of an inch, what we mean by a wetland, or what constitutes life, all definitions include some things and exclude others. For example, if you want to know how many books are in a library and your definition of a book is a bound, printed copy, then you don't count e-books or audiobooks. This conversation about definitions is incredibly important to the study of economics. Economists define three key parts of the economy: Gross Domestic Product (GDP), unemployment, and inflation. They regularly measure all three, and use those numbers to decide if adjustments are needed. Learning the parameters of the definitions, you will know what was measured, how it was measured, and what was left out. So when you read a headline that says, "Unemployment Is Down 2 Percent," you'll remember that the definition of unemployment doesn't include workers who gave up looking for a job. This knowledge gives you the power to be a savvy consumer of economic information.

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Chapter 3 Thinking About Thinking

The VOTE Program challenges you to be open minded. This chapter helps by giving you a brief overview of the philosophy of how we think about thinking. You learn that different ways of thinking—essentialist, non-essentialist, absolutist, and relativist—can either open you up or shut you down to alternative ideas. When it comes to your life, what type of thinker are you? The VOTE Program makes a strong case for embracing pluralism in economics education. We present diverse perspectives in an unbiased and balanced way so that you can make up your own mind about what you believe. This chapter also reveals where theories come from in the first place—making assumptions, building a model, and drawing conclusions. Once a theory is built, policies emerge. You'll be able to see why the same economic problem ends up with three completely different policy solutions. Spoiler alert: everyone agrees that policies are value judgments, not absolute truths. This opens the door to pluralism, making open-minded debates on economic issues possible.

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Chapter 4 The Great Economic Thinkers

The VOTE Program compares conservative, radical, and liberal ideas about economics. But where did those ideas come from? This chapter offers a brief history of economic thought, giving you the big picture of how it all fits together. It starts with Adam Smith, who developed classical theory in the 18th century and popularized the economic system of capitalism. He inspired the conservative (free-market) approach. In the 19th century, Karl Marx published a scathing critique of capitalism. He inspired the radical (democratic socialist) perspective. Then, in the 20th century, John Maynard Keynes broke away from classical theory and advocated for a version of capitalism that uses more government oversight. His work inspired liberal (fair-market) economics. By learning about the contributions of these great economic thinkers of the past, you'll be able to hear their voices echoed in today's debates. You'll come to understand that a central difference among the perspectives is the different roles they each see for government. (Conservatives want the least, radicals want the most, and liberals are somewhere in the middle.)

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Chapter 5 Conventional Theory: Conservatives and Liberals

Liberals and conservatives completely agree that capitalism is the best economic system for creating prosperity and well-being, although they disagree on what form capitalism should take—fair-market or free-market. In this chapter, you'll learn about the theory they share, called "conventional theory." It answers the three key economic questions: what to produce, how to produce, and for whom to produce. Conservatives and liberals use the same assumptions and market-graph model, and come to the same conclusions. They diverge when it comes to policy. You'll have a chance to practice thinking like a conventional theorist by using the VOTE Market Change Guide to analyze shifts in supply and demand, draw conclusions, and articulate the different policy positions of liberals and conservatives. You'll also discover one more area of agreement between conservatives and liberals: they both reject socialism. Six arguments are given for why they consider it dangerous. At the end of the chapter, you'll find passionate monologues of each perspective's vision for achieving economic well-being. (The radical vision is found in Chapter 6).

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Chapter 6 Radical Theory

Because we live in a capitalist economic system, we typically only hear two-way debates on economic issues—between conservatives and liberals. Radicals are often left out of the conversation. In this chapter, you'll learn radical theory so you can start to understand that point of view on economics. It's built in two parts: capitalism and democratic socialism. Both parts answer the three key economic questions: what to produce, how to produce, and for whom to produce, and both share the same assumptions, use a six-core cube to model the two economic systems, and come to widely different conclusions. You'll have a chance to practice thinking like a radical theorist by using the VOTE Six-Core Cube Guide to identify the core points, summarize their meaning, and reveal the visible suffering of capitalism and invisible synergy of democratic socialism. This will help you understand why radicals reject capitalism and embrace democratic socialism. At the end of the chapter, you'll find a passionate monologue of the radical vision for achieving economic well-being. (The liberal and conservative visions are found in Chapter 5.)

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Chapter 7 Tools to Get Started

One of the most exciting parts of this chapter is the golden moment of the VOTE Program. You'll discover that when it comes to solving the twelve urgent economic issues covered in this book, all three perspectives want the same outcomes. They just go about it in different ways. Then you'll be introduced to a tool shared by all three perspectives: challenging stereotypes. By recognizing your own biases, you won't use stereotypes of conservatives, liberals, and radicals as an excuse to dismiss their ideas. Also in this chapter, you'll begin your exploration of the first two issues: Agriculture (Chapter 8) and Product Safety (Chapter 9). To analyze these issues, you'll add some new tools from conventional theory (equilibrium and social welfare) and radical theory (governance) to your economics toolbox. Finally, you'll be introduced to the policies under discussion for Agriculture (unfettered price signals, strengthen agricultural subsidies, and food security councils) and Product Safety (strengthen regulations, product safety councils, unfettered price signals).

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Chapter 8 Issue: Agriculture

Everyone needs food to survive. Unfortunately, our food security is not guaranteed—because everything we eat comes from nature, and nature is unpredictable. In this chapter, you'll explore the issue of Agriculture. Conservatives, liberals, and radicals absolutely agree that instability in farming threatens food security. They share the same goal of having a secure food system. But they strongly disagree about how to achieve that outcome. You'll read about the biggest farming disaster in U.S. history—the Dust Bowl. After an overview of key terms, concepts, and background on Agriculture, there are “Voices” (monologues) from each perspective. They offer their opposing points of view on the causes of the Dust Bowl and what should have been done to prevent it. Then they apply their economic tools (as described in Chapter 7) and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a debate activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 9 Issue: Product Safety

No one wants to lose an eye in a toaster explosion. Unfortunately, it's the nature of innovation that sometimes products have unintended consequences that do harm. In this chapter, you'll explore the issue of Product Safety. Liberals, radicals, and conservatives all agree that products can cause harm. They share the same goal of having the protection that people want. But they strongly disagree about how to achieve that outcome. You'll read about the Chevy Corvair rollover tragedy. After an overview of key terms, concepts, and background on Product Safety, there are "Voices" (monologues) from each perspective. They offer their opposing points of view on the causes of the rollovers and what should have been done to prevent them. Then they apply their economic tools (as described in Chapter 7) and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a role-play activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 10 Tools to Move Ahead

Having a conversation with someone who passionately disagrees with you can be extremely uncomfortable, and when the disagreements center on what is a fact versus what is a value judgment it can become even more challenging. This chapter offers a tool that's shared by all three perspectives to manage contentious arguments: six guidelines for civil discourse. These ground rules for constructive dialogue will help you in the VOTE Program and throughout your life. Also in this chapter, you'll begin your exploration of two more issues: Livelihood (Chapter 11) and Housing (Chapter 12). To analyze these issues, you'll add some new tools from conventional theory (price controls and elasticity) and radical theory (ownership) to your economics toolbox. Finally, you'll be introduced to the policies under discussion for Livelihood (worker-owned business incubators, free-market wages, and strengthen minimum wage legislation) and Housing (free-market rent signals, resident-owned communities, and strengthen rent control laws).

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Chapter 11 Issue: Livelihood

There's a saying: "Money doesn't guarantee happiness, but poverty guarantees suffering." We all want to be able to afford our lives. In this chapter, you'll explore the issue of Livelihood. Radicals, conservatives, and liberals all agree that poverty causes suffering and deprivation. They share the same goal of an end to poverty. But they strongly disagree about how to achieve that outcome. You'll read about poverty in a sixth-grade classroom. After an overview of key terms, concepts, and background on Livelihood, there are "Voices" (monologues) from each perspective. They offer their opposing points of view on what caused those students to live in poverty and what should have been done to prevent it. Then they apply their economic tools (as described in Chapter 10) and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a skit activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 12 Issue: Housing

A home is vital to our survival. If you don't have a roof over your head, it's a struggle to get through a day, much less contribute your best to society. In this chapter, you'll explore the issue of Housing. Conservatives, radicals, and liberals all agree that unaffordable housing leads to homelessness. They share the same goal of affordable housing for all. But they strongly disagree about how to achieve that outcome. You'll read about the history of the game of Monopoly. After an overview of key terms, concepts, and background on Housing, there are "Voices" (monologues) from each perspective. They offer their opposing points of view on the lessons that should be learned from Monopoly and how we should address the need for affordable housing. Then they apply their economic tools (as described in Chapter 10) and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a poster activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 13 Issue: Income Distribution

People often have strong feelings when they compare their paychecks to other people's paychecks. There are heated debates about whether income in our society is distributed fairly. In this chapter, you'll explore the issue of Income Distribution. Liberals, conservatives, and radicals all agree that income inequality can cause social conflict. They share the same goal of income that rewards people fairly. But they strongly disagree about how to achieve that outcome. After a discussion about workplace discrimination from each perspective, you'll find new tools to analyze the issue of Income Distribution. There are shared tools (Lorenz curves and Gini coefficients), and tools from conventional theory (wages and marginal revenue product) and radical theory (communities). Then, you'll hear about the policies under discussion (progressive taxes to fund government programs; a flat consumption tax while defunding government programs; and universal basic income along with maximum wage caps). You'll read about Roger Bannister, who broke the four-minute mile, and how a career—which is analogous to running a race—should be fairly compensated. An overview of key terms, concepts, and background on Income Distribution is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on what led Bannister to succeed. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 14 Issue: The Environment

We all share this one round planet, and what happens in one place eventually has an impact on the whole world. When natural resources are polluted, it eventually becomes everyone's problem. In this chapter, you'll explore the issue of the Environment. Radicals, liberals, and conservatives all agree that polluted air, water, and land can be dangerous. They share the same goal of having breathable air, drinkable water, and habitable land. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There is a shared tool (the tragedy of the commons), and tools from conventional theory (negative externalities and cost-benefit analysis) and radical theory (sustainability). Then, you'll hear about the policies under discussion (the Green New Deal with commons viability analyses; command and control regulation plus supplemental carbon pricing; and expanded private property rights, revenue-neutral carbon taxes, and free-market cap and trade). You'll read about the Cuyahoga River, which burst into flames after becoming a cesspool of industrial waste, and what should have been done to prevent this. An overview of key terms, concepts, and background on the Environment is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on what led the Cuyahoga River to become so polluted and how it could have been prevented. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 15 Issue: Health Care

If you're feeling sick, or you're in an accident, you want to be able to get the medical attention you need. From birth to death, we only get this one body, and we need to take care of it. In this chapter, you'll explore the issue of Health Care. Conservatives, liberals, and radicals all agree that lack of access to high-quality health care is a problem. They share the same goal of having health and well-being for all. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There is a shared tool (experimental economics), and tools from conventional theory (third parties in markets and demand-curve rotation) and radical theory (meeting people's basic material needs). Then, you'll hear about the policies under discussion (deregulated health-care system of private insurance; regulated for-profit health-care system with government health-care programs; single-payer health-care system). You'll read about someone who had symptoms of a heart attack but hesitated to get medical care because she worried that it would be prohibitively expensive. An overview of key terms, concepts, and background on Health Care is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on why the woman hesitated to go the hospital, and what should be done to make health care affordable. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 16 Issue: Market Power

Imagine if only one company produced oranges, or contact lenses, or tablets. You might have very few choices, and the prices for those goods and services might be sky-high. In this chapter, you'll explore the issue of Market Power. Liberals, radicals, and conservatives all agree that large firms can abuse their market power. They share the same goal of having the best products at reasonable prices. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There are shared tools (accounting profit and economic profit), and tools from conventional theory (perfect competition versus monopoly) and radical theory (production). Then, you'll hear about the policies under discussion (market power regulations; prosocial competition laws; free-market competition). You'll read about the battle to end AT&T's monopoly in the telecommunication industry. An overview of key terms, concepts, and background on Market Power is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on the challenge to AT&T's market dominance and how to ensure that new technologies that improve lives can make it to market. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 17 Issue: Retirement Security

How much money will you need to support yourself when your work life is over? We all want to sleep well at night knowing that we'll have enough to pay the bills and enjoy our senior years. In this chapter, you'll explore the issue of Retirement Security. Radicals, conservatives, and liberals all agree that seniors are economically vulnerable. They share the same goal of care and peace of mind for the elderly. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There is a shared tool (opportunity cost), and tools from conventional theory (production possibilities curve) and radical theory (meeting people's basic needs). There's also a bonus tool (game theory). Then, you'll hear about the policies under discussion (universal basic pension and optional worker-owned pension funds; total privatization of retirement accounts; and strengthen Social Security and improve incentives for supplemental private retirement accounts). You'll read about a person who had to choose between different retirement savings strategies. Decades later, he wondered if he'd made the best choice. An overview of key terms, concepts, and background on Retirement Security is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on what would have been the best choice for the man to save for retirement, and what should be done to guarantee financial well-being in older age. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 18 Issue: The Federal Budget

Every year, lawmakers go to battle over which programs should be cut or funded. They also wrestle with who should be taxed and how much they should be taxed to pay for our spending priorities. In this chapter, you'll explore the issue of the Federal Budget. Conservatives, radicals, and liberals all agree that irresponsible budgeting and money management are a problem. They share the same goal of having the financial freedom to invest in our future. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There is a shared tool (potential GDP and the roles of government), and tools from conventional theory (aggregate supply-aggregate demand graph) and radical theory (sustainability). Then, you'll hear about the policies under discussion (annual balanced budgets with a constrained money supply; integrated balanced budgets with public banking; and adaptable balanced budgets with a flexible money supply). You'll read about how the fast-food restaurant Burger King saved hundreds of millions of dollars in taxes by moving its headquarters to Canada. An overview of key terms, concepts, and background on the Federal Budget is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on Burger King's controversial move and what should have been done to prevent the corporation from leaving the U.S. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 19 Issue: International Trade

Every day, you interact with products from all over the world, from your morning cup of coffee made from Costa Rican beans to your bicycle that was assembled in China. We all benefit from the wide variety of products that are traded around the globe. In this chapter, you'll explore the issue of International Trade. Liberals, conservatives, and radicals all agree that when trade relationships break down, society loses out. They share the same goal of an improved standard of living through trade. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There is a shared tool (law of comparative advantage), and tools from conventional theory (consumption possibilities curve) and radical theory (communities). Then, you'll hear about the policies under discussion (strengthen trade protections; free trade; and fair trade with collaboration). You'll read about controversies surrounding the multinational corporation Nestle, including its infant formula marketing campaign in developing countries, which led to countless infant deaths. An overview of key terms, concepts, and background on International Trade is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on Nestle's wrongdoing around the world and what should have been done to prevent the firm from causing harm. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 20 Issue: Economic Stability

In the relatively short history of the United States, we've suffered through dozens of economic catastrophes. Inflation, recessions, and depressions have serious consequences for your education, career, family—and plans for the future. In this chapter, you'll explore the issue of Economic Stability. Radicals, liberals, and conservatives all agree that inflation and unemployment undermine the well-being of society. They share the same goal of stable prices and full employment. But they strongly disagree about how to achieve that outcome. You'll find new tools to analyze this issue. There is a shared tool (the business cycle), and tools from conventional theory tools (fixing recessionary gaps and expansionary gaps) and radical theory (production). Then, you'll hear about the policies under discussion. These include socialist (ripple-out) economics; Keynesian (bubble-up) economics; and supply-side (trickle-down) economics. You'll read about the financial crisis of 2008 and the factors that played a role in the collapse of the U.S. economy. An overview of key terms, concepts, and background on International Trade is followed by "Voices" (monologues) from each perspective. They offer their opposing points of view on why there was a housing bubble, why it burst, and what should have been done to prevent it. Then they apply their economic tools and explain why the other two perspectives are wrong, why their own perspective is correct, and why the policies they propose will solve the problem. Each voice concludes with a summary of the arguments, plus Talking Points so you can practice articulating that perspective as if it were your own. At the end of the chapter, you'll be invited to participate in a Three-in-One activity that gives you a chance to passionately argue for and against all three perspectives.

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Chapter 21 Issue: Your Voice, Our Future

In this chapter, you'll find a section on the importance of voting in a democracy. Then you'll be asked to revisit your VOTE Ballot from Chapter 1 to see if your perspective on any of the issues changed or if you became even more sure that your first vote was correct. You'll also take a deep dive into the mission of the VOTE Program and consider what it means to build a culture of respectful listening, passionate advocacy, and intelligent debate. Finally, you'll be reminded that your voice on the economy is needed, and that you have the power to change the conversation and spark new solutions to our urgent economic problems.