

Exploring Inequality Using Resources from the Federal Reserve and the Survey of Consumer Finances

David Mahon

Miami Dade College

dmahon1@mdc.edu

Challenge

Federal Reserve officials have provided numerous speeches on contemporary issues that can be useful in the economics classroom. Many of these public comments, however, are beyond the reach of a great deal of students in introductory courses.

Challenge

Construct questions that increase student comprehension and thereby make the challenging economics concepts discussed more accessible to a broad range of students of varying levels of preparedness.

Dual Mandates: Relevance and Accessibility

Relevance demands that topics

Be contemporary

&

Pique student interest

For this presentation Chair Yellen's remarks on Income and Wealth Inequality were chosen.

Dual Mandates: Relevance and Accessibility

Accessibility demands that structured questions should

- Apply prior knowledge
- Apply previously mastered concepts
- Reduce barriers resulting from jargon, turns of phrase, idioms or less common definitions.
- Aim to lead the student to substantial understanding of the topic addressed.
- Challenge the student to consider implications of any proposals presented.
- Help students engage in anticipatory reading and listening

A series of questions modeled after Vanderbilt's Stephen Buckles' curricular resource:

[The Federal Reserve and the Financial Crisis: Discussion Questions](#)

General Template for Informational Text

GUIDED READING LESSON PLANS: INFORMATIONAL TEXT			
DATE:	LEVEL:	Within the Text	Beyond the Text
GROUP MEMBERS:		Solving Words <input type="checkbox"/> Notice new/interesting words <input type="checkbox"/> solve content specific words using graphics, word boxes <input type="checkbox"/> apply problem solving strategies to complex words	Predicting: <input type="checkbox"/> Use text structure to predict outcome <input type="checkbox"/> Use text evidence to confirm/disprove
TEXT		Monitoring/Correcting <input type="checkbox"/> Monitor accuracy and understanding, self-correcting when errors detract from meaning.	Making Connections Bring knowledge from <input type="checkbox"/> background <input type="checkbox"/> other text
INSTRUCTIONAL FOCUS		Searching for/Using Information <input type="checkbox"/> captions, photos, other text features <hr/> <input type="checkbox"/> compound sentences <input type="checkbox"/> dialogue <input type="checkbox"/> plot tension/suspense (narrative)	Synthesizing <input type="checkbox"/> Differentiate between what is known and new information <input type="checkbox"/> Mentally form categories of related info <input type="checkbox"/> Express changes in ideas/learning after reading
WORD WORK	VOCABULARY		About the Text
OBSERVATIONS		Summarizing <input type="checkbox"/> Follow and remember a sequence of events in chronological order <input type="checkbox"/> Identify important ideas and report them in an organized manner <input type="checkbox"/> Identify and understand sets of related ideas	Analyzing <input type="checkbox"/> Notice variety in layout/text features <input type="checkbox"/> Understand when author has used compare/contrast, cause/effect, etc. <input type="checkbox"/> Notice how author used pictures or other graphics to convey meaning
			Critiquing <input type="checkbox"/> Evaluate quality of text feature, interest level. <input type="checkbox"/> Notice author's qualifications to write text

Conference on Economic Opportunity and Inequality



Perspectives on Inequality and Opportunity from the Survey of Consumer Finances

Chair Janet L. Yellen at the Federal Reserve Bank of Boston on October 17, 2014

- Speech Length: ~35 minutes
- Gunning Fog: 16.4 (College senior)
- Number of complex words: 696
- Average words per sentence: 26

Estimated using the Readability Test Tool

<http://www.webpagefx.com/tools/read-able/check.php>

Perspectives on Inequality and Opportunity from the Survey of Consumer Finances



Lesson 1 - Video Clip 1:

4:50 - 8:18

Questions for Classroom Discussion

- What is income inequality?
- What is wealth inequality?
- What is equality of opportunity?
- For most of the past several decades, how has both income and wealth inequality changed compared to most advanced countries?
- What effect did the Great Recession have on this trend? Did it last during the recovery?
- Why does Chair Yellen claim that income inequality would occur even with complete equality of opportunity?

Perspectives on Inequality and Opportunity from the Survey of Consumer Finances



Lesson 1 - Video Clip 1:

4:50 - 8:18

Questions for Classroom Discussion

- What are the five reasons argued that inequality of outcomes may contribute to economic growth?
- Why does Chair Yellen claim that inequality of outcomes may exacerbate inequality of opportunity? Do you see this as beneficial?
- Who or what is The Great Gatsby?
- What is intergenerational mobility?
- What percent of children raised in households in the lowest fifth in income do you think will remain there as adults? Highest fifth?



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

JANET L. YELLEN
CHAIR

April 18, 2016

Survey of Consumer Finances

- Triennial Survey (Last complete one in [2013](#))
- Reaches approximately 6,000 families
- Sponsored by the Federal Reserve and the United States Treasury Department
- Gathers information on savings, income, assets, liabilities, pension and other information on American households.

Dear Fellow American:

I am writing to ask for your assistance with a survey about consumer finances. This survey is one of the nation's primary sources of information on the financial condition of different types of households. Our previous surveys, which date back to 1962, have helped the Federal Reserve and other parts of the government make policy decisions and have also supported a wide variety of basic research, public discussion, and education. Our most recent survey has been instrumental in continuing to understand the effects of the 2007–09 financial crisis on American families.

You have been randomly selected for this survey. The process is based on a scientific sampling methodology that allows a relatively small number of families to represent all types of families in the nation. While this design minimizes the number of people we need to interview, it also increases the importance of obtaining accurate information from as many of the randomly selected people as possible. Your answers are critical to making our survey data representative.

Within the next few months, a specially trained interviewer from NORC at the University of Chicago, a social science research organization acting on our behalf, will contact you to request an appointment for

