

The New York Times

Colleges Turn the Economic Crisis Into a Lesson Plan



Suzanne DeChillo/The New York Times

Prof. Sidney Plotkin of Vassar dramatizes the pressure a president faces in a failing economy

By Lisa Foderaro

Published: December 11, 2009

Steven Fraser, a professor of American studies at Columbia University, has taught the cultural history of Wall Street for years, usually bringing his students up to the 1990s. But this fall, with the financial crisis providing an irresistible new coda to the course, he extended the timeline to include the drama, intrigue and pain of the past two years.

The class is struck by the similarities between today and the darker periods of Wall Street's past, for example in the Gilded Age — the meltdown, the bonuses, the reckless speculation, the impact of Wall Street's behavior on the rest of society," he said. "We compare the confidence man of 1840 to the confidence man of today."

The financial crisis has brought upheaval to many corners of American life, but on college campuses around the country the turmoil is being embraced as a valuable teaching tool. Academics say they cannot recall a time when so much of the curriculum has had to be revised so quickly to reflect the sweeping developments in the economy.

Business schools and economics departments are at the forefront of the overhaul, unveiling new courses and revamping existing ones. But professors of political science, sociology, American history and even English literature are also reworking lectures and syllabuses to include material on the crisis and its aftermath.

Sidney Plotkin, a professor of political science at Vassar College, has taught “Power and Public Policy” in one iteration or another for more than 30 years. But last month he began a new section of the course by exploring the housing bubble and Bernard L. Madoff, consumer borrowing and federal bailouts — and shining a Marxist light on the whole morass.

“Marx is the uninvited guest in the discussion,” Dr. Plotkin told the group of undergraduates assembled in Rockefeller Hall. “By looking at the financial crisis through the lens of a Marxist analysis, we begin to see how the American debate about power is shaped by Marxism.”

The Zicklin School of Business at Baruch College introduced two courses this fall, on corporate restructuring and the long history of financial bubbles. Andrew Rodman, an adjunct lecturer of economics and finance and a former Wall Street executive, said that for the course on financial bubbles he reached all the way back to 1690, choosing from among a “plethora of crises” to highlight recurring themes — “what has gone wrong, what has gone right, what elements precede most crises, which repairs work.”

At Columbia Business School, a faculty committee spent the summer devising two courses that will debut this spring. One is on the future of financial services; the other is a case study on the automobile industry, with sections to be used in several courses.

Columbia’s attempts to make full use of the economic environment has also created some interesting juxtapositions.

Thomas A. Russo, an adjunct professor who was a vice chairman of Lehman Brothers before its collapse, taught a summer course at the business school on the financial crisis in which he divided students into four groups for role-playing: corporate chief executives, treasury secretaries, business journalists and academics.

But this fall, Lehman Brothers is being pilloried by some in Professor Fraser’s American studies course.

“One kid is doing a paper comparing Jay Gould, who was known as the Mephistopheles of his day, to Richard Fuld,” the former chief executive of Lehman Brothers, said Professor Fraser, an adjunct associate professor and the author of “Wall Street: America’s Dream Palace.”

At the University of Wisconsin, Menzie D. Chinn, a professor of public affairs and economics in the La Follette School of Public Affairs, is teaching a new graduate seminar, “Policy Responses to the Great Recession.” His students are analyzing the causes of the crisis and the impact of the American Recovery and Reinvestment Act on the gross domestic product, employment and state budgets.

At the University of Missouri, Karen Piper, a professor of English, is updating a course on postcolonial theory to incorporate the economic downturn, which, in her view, is simply a continuation of the global financial crisis that began in the 1990s. In the course, graduate students learn about the history of British imperialism, as well as a theoretical framework for analyzing Indian, African and Caribbean literature. “Postcolonial theory and literature is more relevant than ever after this crisis,” she said.

Finding course materials can be a challenge, however, given the shifting nature of events from Wall Street to Washington.

“We’re at a point now where the books can’t come out quickly enough to address the changes that have happened over the past year,” said Ronald L. Mize, an assistant professor of Latino studies and development sociology at Cornell University, whose course “Comparative Social Inequalities” received

an infusion of new content this fall. “I’m looking at The Congressional Record, going to the original resources myself, so I can show the students the magnitude of the federal bailouts.”

But while the effort in rewriting curriculums and finding new study material may be great, so is the reward. “The fact that the students are more interested and motivated really makes it worthwhile,” said Robert P. Rebelein, an associate professor of economics at Vassar who last year served as the senior economist for public finance for the White House Council of Economic Advisers.

“They know the buzz words, they’re paying attention to the press, and they’re really concerned about what job prospects will exist for them,” he said. “Nobody ever asked me about Freddie and Fannie before in my introduction to macroeconomics class.”

In some ways, the extreme behavior of the economy has provided the ideal talking points for age-old theorems, professors say. “At its core, finance is the study of risk and return,” said Greg Hallman, a senior lecturer at the McCombs School of Business at the University of Texas at Austin. “The past couple of years in the market have given today’s students a perfect illustration of that.”

For students, taking a class that probes the gyrations of the economy — even through the prism of Marx — forces them to keep up with current events.

“It makes it easier to talk with authority on the issues,” said Dana Bell, a junior at Vassar, referring to Professor Plotkin’s course on power and public policy. “You’ve got to stay awake in this class, or you’ll be caught off guard.”

Although students may be energized by the relevance and immediacy of the subject, Dr. Plotkin detects a growing cynicism as well.

“Last fall there was tremendous optimism and hope that directions would change in American politics in significant ways,” he said. “But now there’s much more discouragement among students who sense that whether it’s Obama, Bush, Clinton or anyone else, the institutions — and the interests wrapped around those institutions — create an enormous degree of inertia and resistance to change.”