BRYN MAWR
COLLEGE

Introduction to Economics

ECON B105

Aug 31^{st}, 2026

Introduction

- Minuk Kim, Assistant Professor of Economics
  - Fields: International trade & industrial organization
  - mkim2@brynmawr.edu

- Office hours at Dalton 202
  - Monday/Wednesday 2:30pm-4:00pm
  - or by appointment (email if you want to meet on Zoom)

Teaching Assistant

- Solongo Altankhuyag
  - Junior majoring in economics
- TA office hours: Tuesday 6:30pm-9:30pm
  - Location: TBD
  - Starting 9/8
  - saltankhuy@brynmawr.edu
- Anything related to the course or related to the course

What is Economics?

- Is it about…
  - how to make money?
    - Not directly, but..

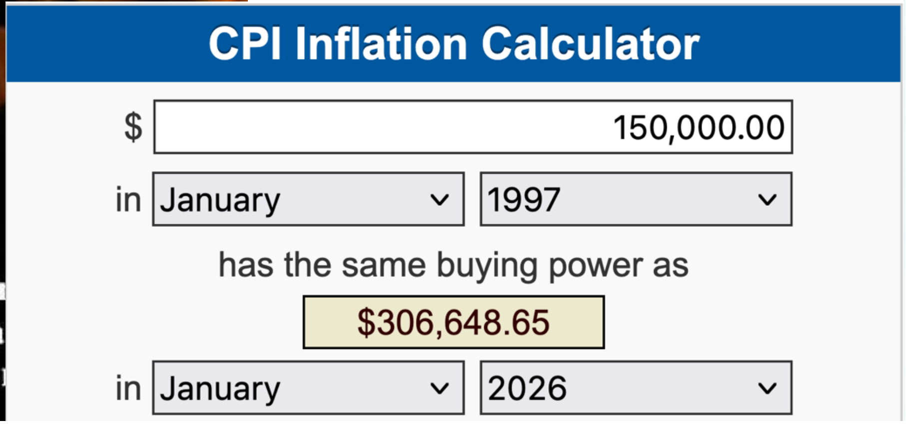
Latest Release: February 4, 2026, based on data from 2024

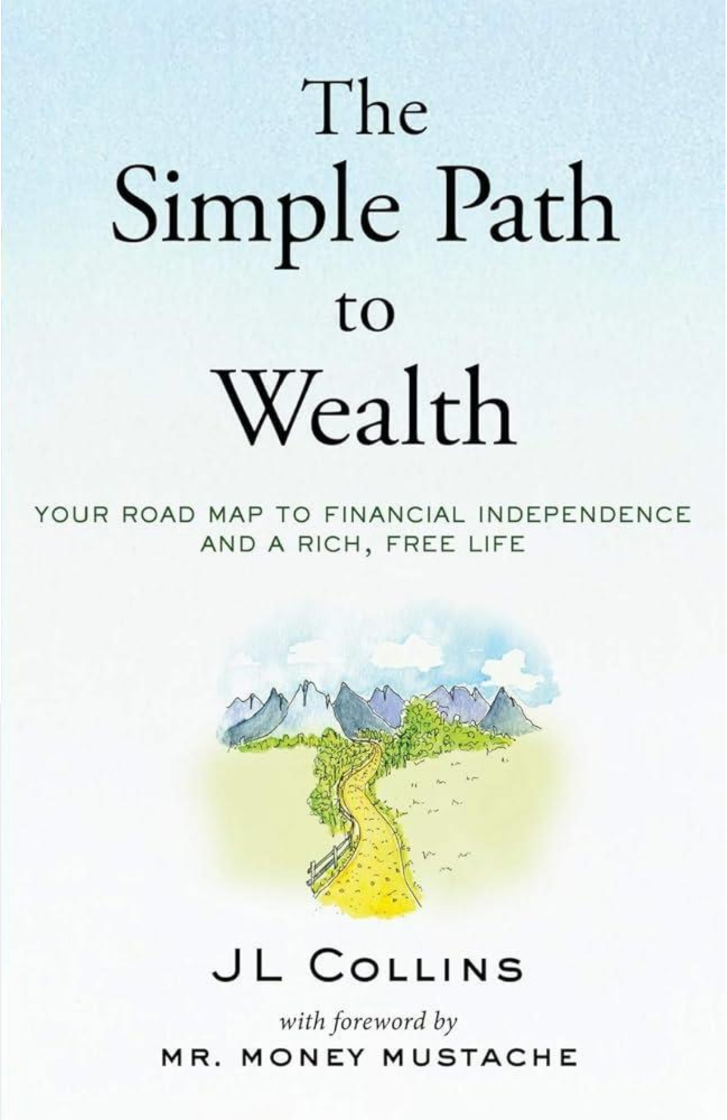
Labor Market Outcomes of College Graduates by Major in 2024

MAJOR	UNEMPLOYMENT RATE	UNDEREMPLOYMENT RATE	MEDIAN WAGE EARLY CAREER	MEDIAN WAGE MID-CAREER	SHARE WITH GRADUATE DEGREE
CHEMICAL ENGINEERING	4.7%	17.9%	$85,000	$135,000	48.1%
COMPUTER ENGINEERING	7.8%	15.8%	$90,000	$131,000	39.4%
AEROSPACE ENGINEERING	2.2%	14.7%	$85,000	$130,000	45.5%
ELECTRICAL ENGINEERING	3.2%	21.1%	$82,000	$123,000	47.7%
COMPUTER SCIENCE	7.0%	19.1%	$87,000	$120,000	32.7%
CONSTRUCTION SERVICES	2.2%	17.9%	$75,000	$120,000	12.2%
MECHANICAL ENGINEERING	4.4%	20.1%	$80,000	$120,000	39.1%
CIVIL ENGINEERING	2.3%	15.6%	$75,000	$115,000	37.1%
ECONOMICS	3.5%	33.1%	$72,000	$115,000	41.6%
FINANCE	2.8%	27.8%	$70,000	$112,000	31.5%
BUSINESS ANALYTICS	5.0%	28.7%	$72,000	$109,000	26.7%
GENERAL ENGINEERING	4.5%	31.1%	$75,000	$105,000	37.1%

What is Economics?

- Is it about…
  - how to make money?
    - Not directly, but..
  - how to manage money?
    - Don't need a four-year degree for this





What is Economics?

- Is it about…
  - how to make money?
    - Not directly, but..
  - how to manage money?
    - Don’t need a four-year degree for this
  - how to run a business?
    - Can be
    - But not primary focus


CNN Business

Amazon gets an edge with its secret squad of PhD economists

By Lydia DePillis, CNN Business

11 min read · Published 6:39 AM EDT, Wed March 13, 2019

What is Economics?

Is it about money at all?

- Yes, as a subfield

What is Economics?

More generally, economics is about

- What drives people’s decision-making?
  - People respond to incentives and face trade-offs
  - How to change behavior?
- How to allocate resources?
  - Resources are limited
  - How to make optimal decisions?

It is a systematic method of thinking

Note: we will *not* be talking about capitalism vs communism

Understanding Decision Making

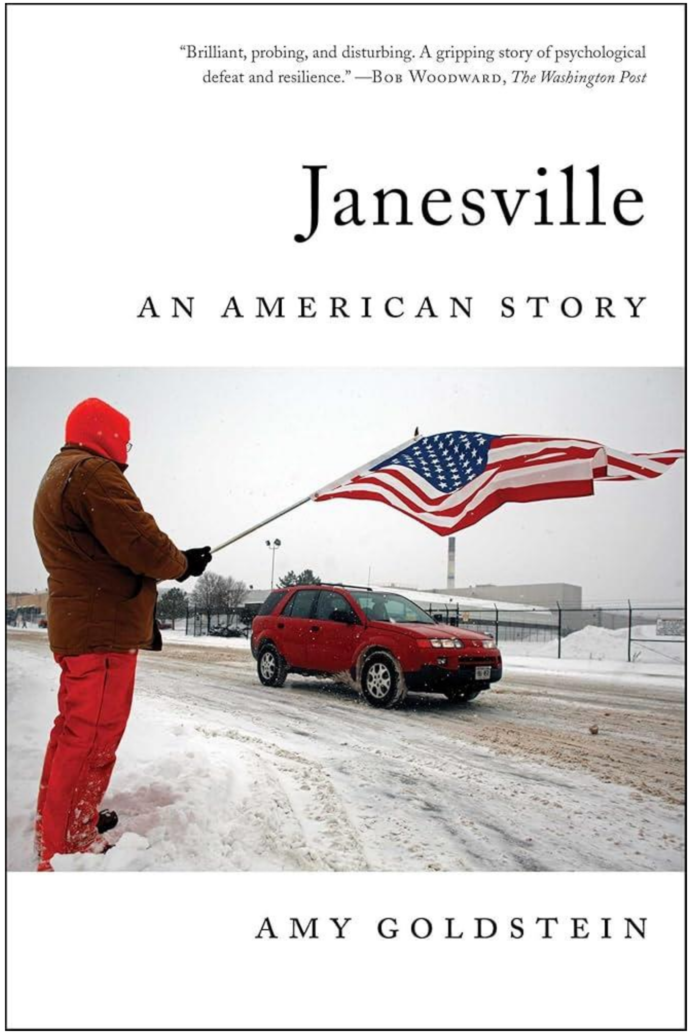
Incentives, incentives, incentives

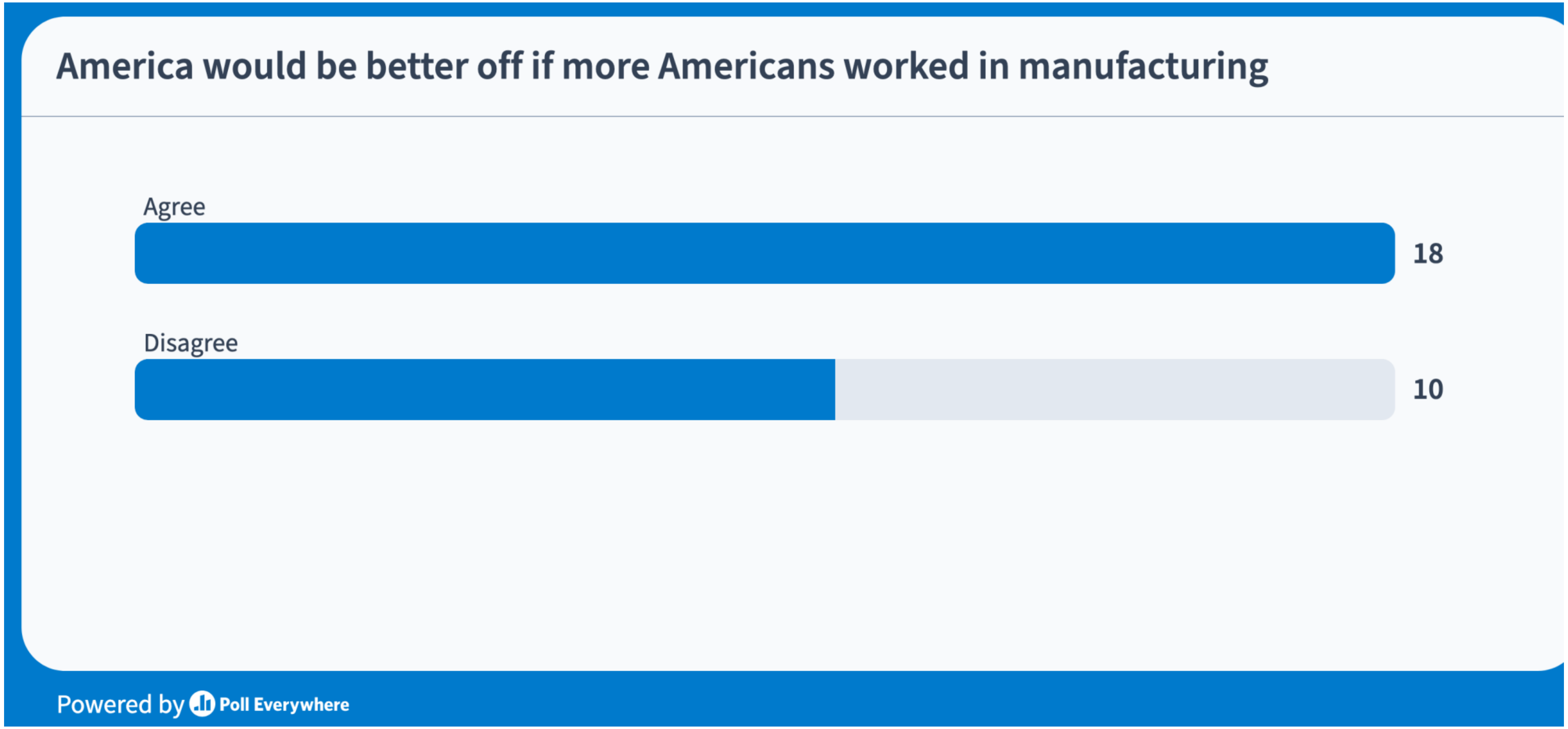
- People and societies respond to incentives!
- Cannot rely on benevolence and charity in the long-run

Two Big Questions

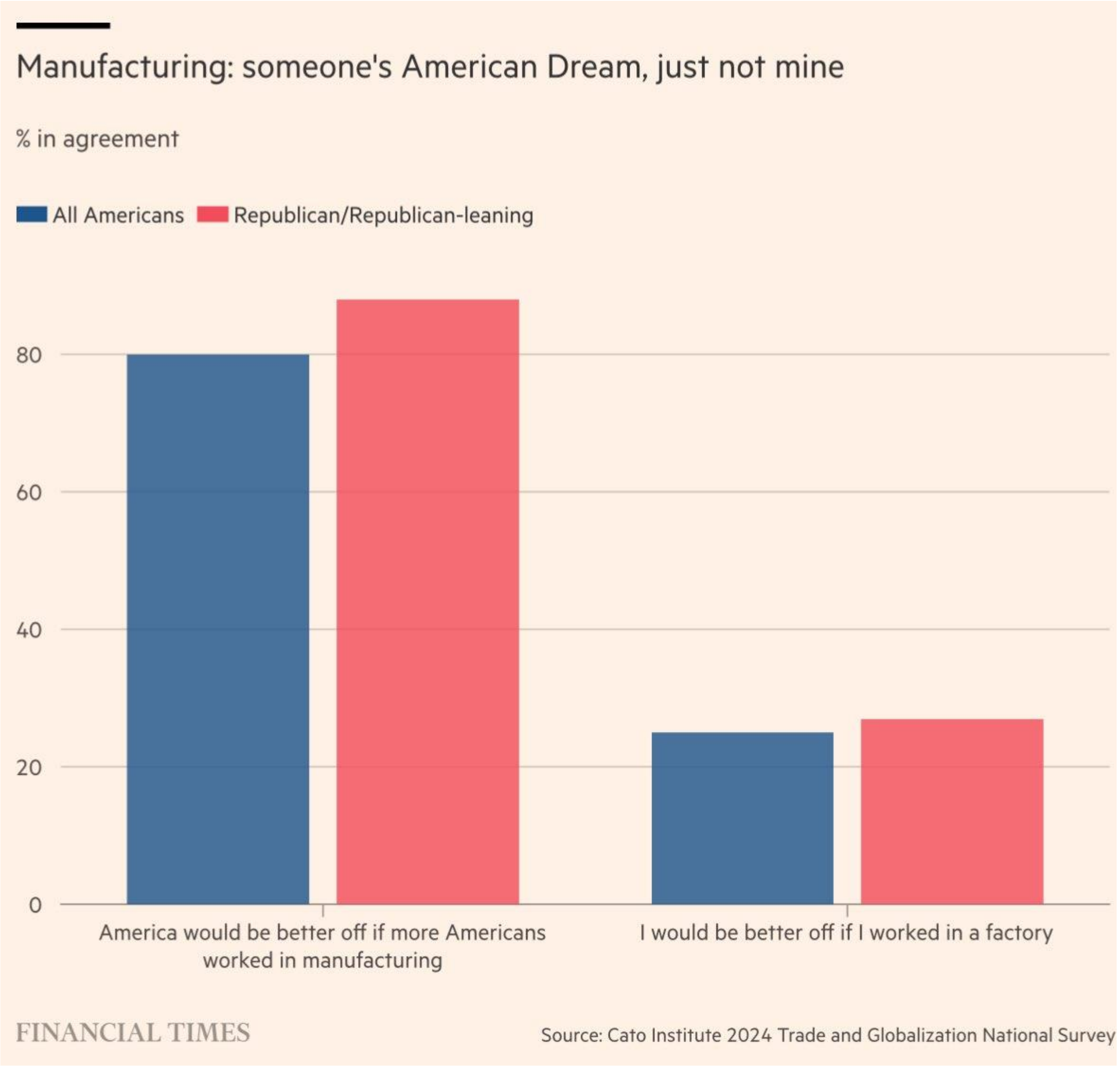
- Why did we off-shore American manufacturing and hollow out the middle class?
- Why do we still burn fossil fuels for electricity?

Decline of American Manufacturing



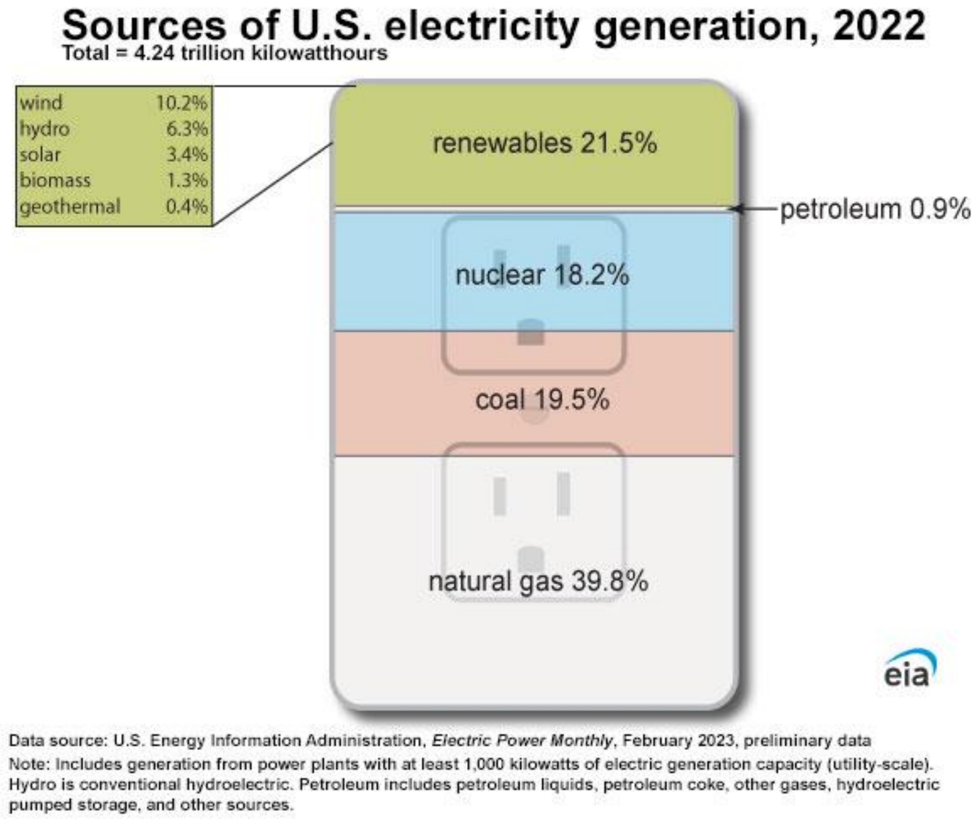

America would be better off if more Americans worked in manufacturing
Agree
18
Disagree
10
Powered by Poll Everywhere

I would be better off if I worked in a factory


Manufacturing: someone's American Dream, just not mine
% in agreement
All Americans
Republican/Republican-leaning
80
60
40
20
0
America would be better off if more Americans worked in manufacturing
I would be better off if I worked in a factory
FINANCIAL TIMES
Source: Cato Institute 2024 Trade and Globalization National Survey

Understanding Decision Making

- Why do we still burn fossil fuels for electricity?
  - Is it because we hate clean air and water?



Understanding Decision Making

No! It’s just cheaper

American Power & Gas of Pennsylvania LLC

800-380-9261

Compare

Variable
Rate Structure

1 Months
Term Length

$0.06490
per kwh

$45.43
estimated monthly

Discount Available: **No**
Cancellation Fee: **No**
Term End Date: **NO**
Monthly Fee: **No**

Enrollment Fee: **No**
Introductory Prices: **No**
Renewable Energy: **25%**

See Offer Details

Rate last updated on August 15, 2025

Our famous 25% rebate is available to all of our customers. We have sent out over $2,400,000 in rebates this year! Are you getting one? Interested in upgrading to 100% green energy for an additional 3 cents? Call us to learn more!

American Power & Gas of Pennsylvania LLC

800-380-9261

Compare

Variable
Rate Structure

1 Months
Term Length

$0.09490
per kwh

$66.43
estimated monthly

Discount Available: **No**
Cancellation Fee: **No**
Term End Date: **NO**
Monthly Fee: **No**

Enrollment Fee: **No**
Introductory Prices: **No**
Renewable Energy: **100%**

See Offer Details

Rate last updated on August 15, 2025

Our famous 25% rebate is available to all of our customers. We have sent out over $2,400,000 in rebates this year! Are you getting one?

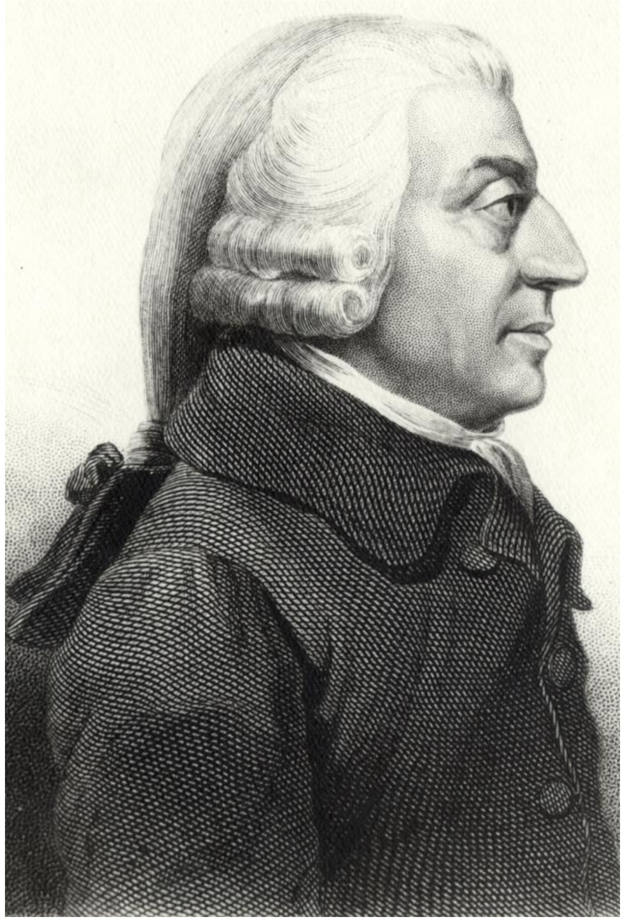
Understanding Decision Making

Economic decision makers generally aren’t irrational

- There’s a reason why they do what they do
- If you want to change behavior, you must change the incentives

“It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest.”

– Adam Smith



Optimal Resource Allocation

Fundamentally, we have limited resources

- Time
- Money

Thus,

- People face trade-offs
  - Should I save for a new phone or order DoorDash?
- Societies face trade-offs
  - Should we raise taxes to fund SEPTA?

Optimal Resource Allocation

Many things are desirable; not all are feasible

- Given that tradeoffs are everywhere, how do we optimally allocate our resources?
- Economics teaches you to think systematically and methodically about this:
  - Consider opportunity costs
  - Think at the margin and ignore sunk costs
  - Predict second-order effects
  - Account for equilibrium effects
  - And many more

Applications of Economics

Economics has broad applications to

- Political science
- Sociology
- City planning
- And many others!

Political Science

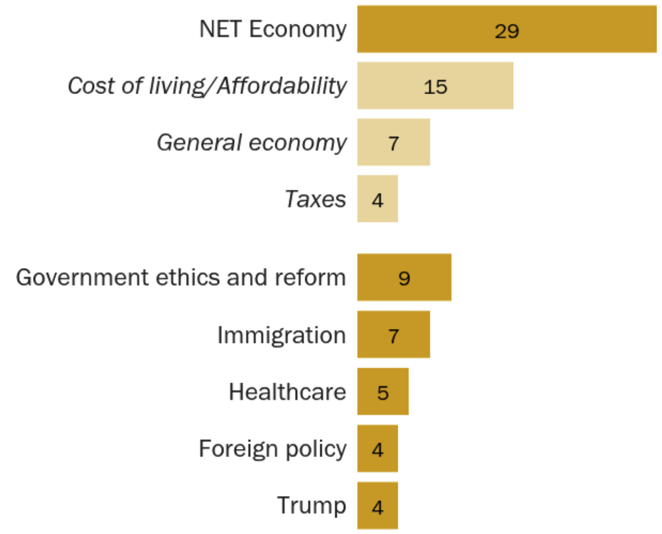
- What is most important for voters?
  - Almost always, the economy

*not actually Clinton's quote

- What led to the rise of Trump in 2016?
  - Many potential explanations
  - Globalization and free trade?

Economic issues are top of mind for voters in the midterms this year

What one issue would you most like to hear the candidates running for Congress in your district talk about during the campaign? (open end, % among registered voters)

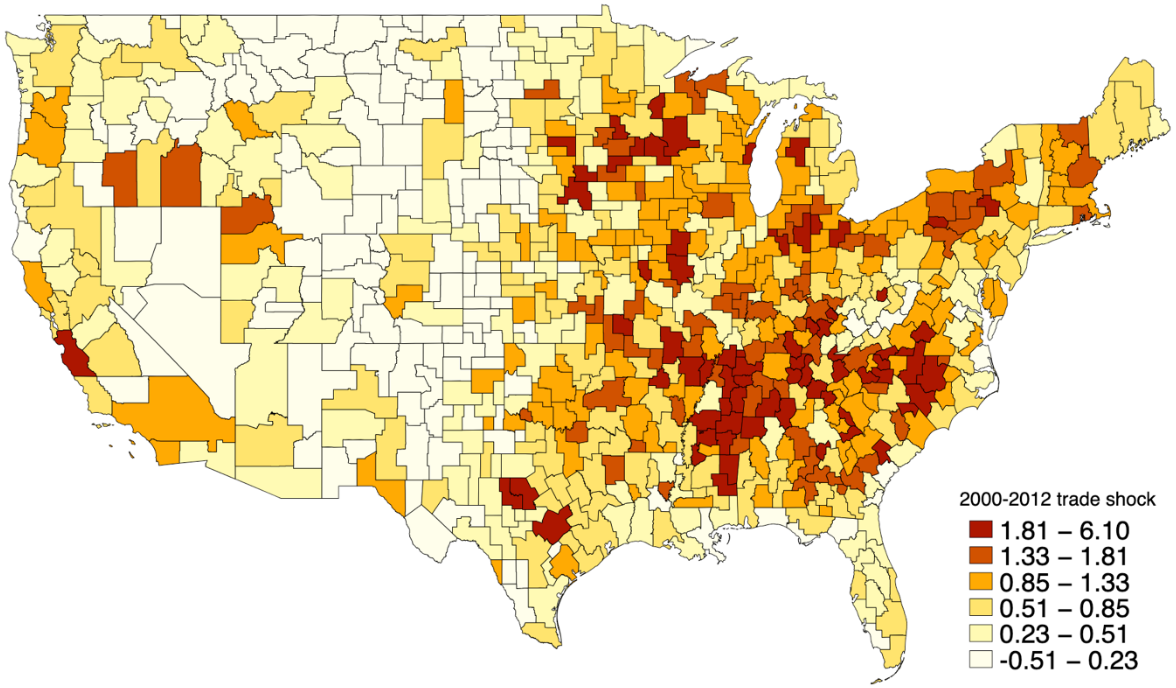


Note: Based on registered voters. Only response options that made up 4% or more of responses are shown here. Refer to topline for full question wording and response list.
Source: Survey of U.S. adults conducted July 6-12, 2026.

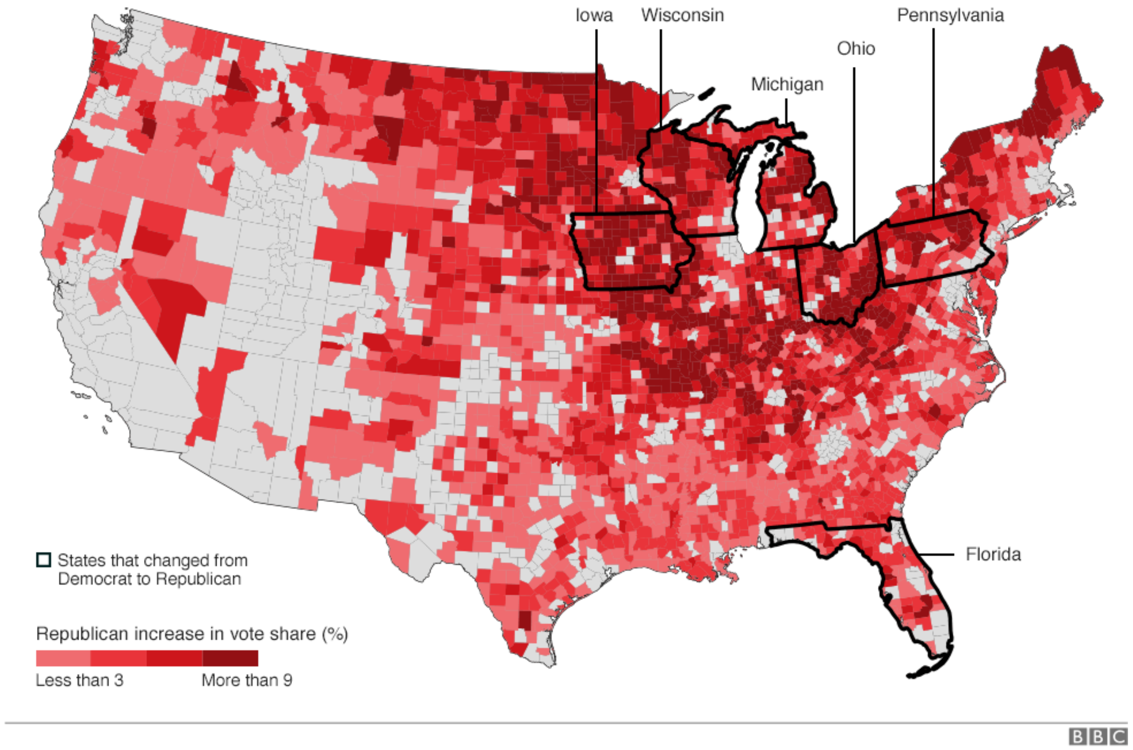
PEW RESEARCH CENTER

Political Science

Figure 4: Chinese Import Penetration (2000-2012) in U.S. Commuting Zones



Counties where Trump increased the Republican vote



Autor, Dorn, and Hanson (2021)

Sociology

Unequal American Dream

- Children from poorer families face barriers to moving upwards on the socioeconomic ladder, regardless of abilities

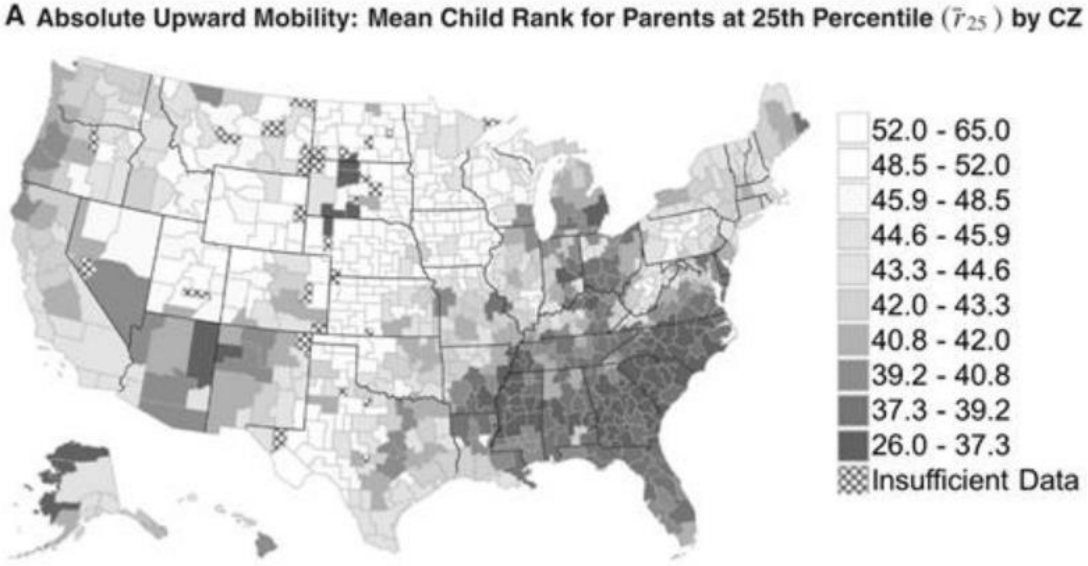
Where in America do children do better economically than their parents?

- Places with
  - less residential segregation
  - less income inequality
  - better primary schools
  - greater social capital
  - greater family stability.

Sociology

Intergenerational Mobility in the 50 Largest Commuting Zones

(1)	(2)	(3)	(4)
Upward mobility rank	**CZ name**	**Population**	**Absolute upward mobility**
1	Salt Lake City, UT	1,426,729	46.2
2	Pittsburgh, PA	2,561,364	45.2
3	San Jose, CA	2,393,183	44.7
4	Boston, MA	4,974,945	44.6
5	San Francisco, CA	4,642,561	44.4
6	San Diego, CA	2,813,833	44.3
7	Manchester, NH	1,193,391	44.2
8	Minneapolis, MN	2,904,389	44.2
9	Newark, NJ	5,822,286	44.1
10	New York, NY	11,781,395	43.8
	...		
25	Philadelphia, PA	5,602,247	40.8



Source: Chetty, Hendren, Kline, Saez (2014)

City Planning

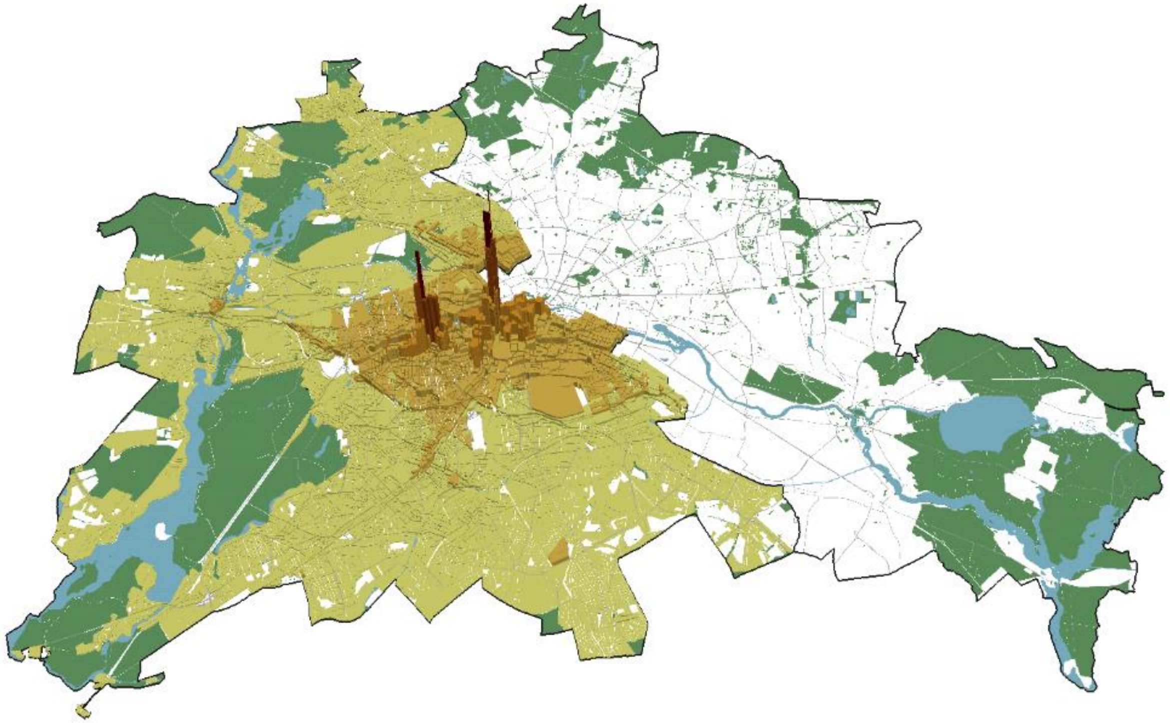
What are the benefits of cities?

- How does population density and employment density affect the level of amenities and productivity of a location?

- Important for analyzing
  - Productivity advantage of cities
  - Cost-benefit of transport infrastructure
  - Effects of property taxation and regional policy

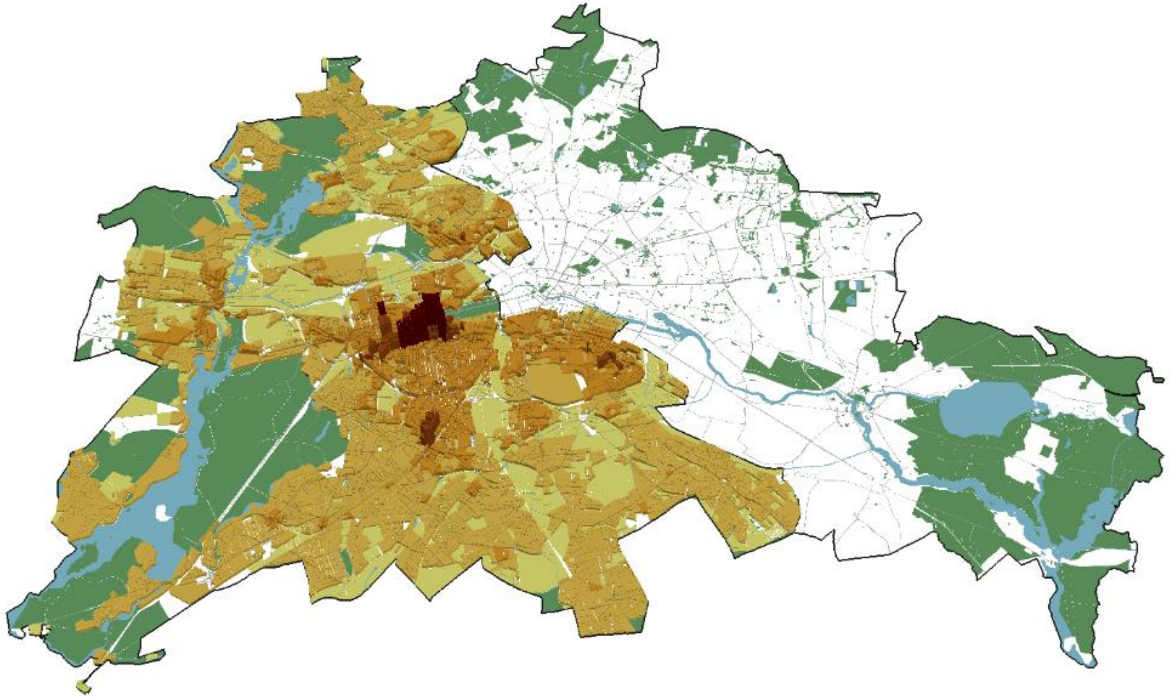
Just measure the amenities and productivity of dense neighborhoods, no?

West Berlin 1936



Ahlfeldt, Redding, Sturm, Wolf (2015)

West Berlin 1986



Ahlfeldt, Redding, Sturm, Wolf (2015)

Informed Citizen

Economics will help you think critically about government policy

<u>Examples</u>

1. Will Mayor Mamdani's rent control policies in NYC help renters?

The New York Times

Mamdani's Rent Freeze Is Approved by New York City Board

Mayor Zohran Mamdani's pledge to freeze rents for rent-stabilized apartments became a centerpiece of his campaign. Six months into his first year, a city panel delivered.

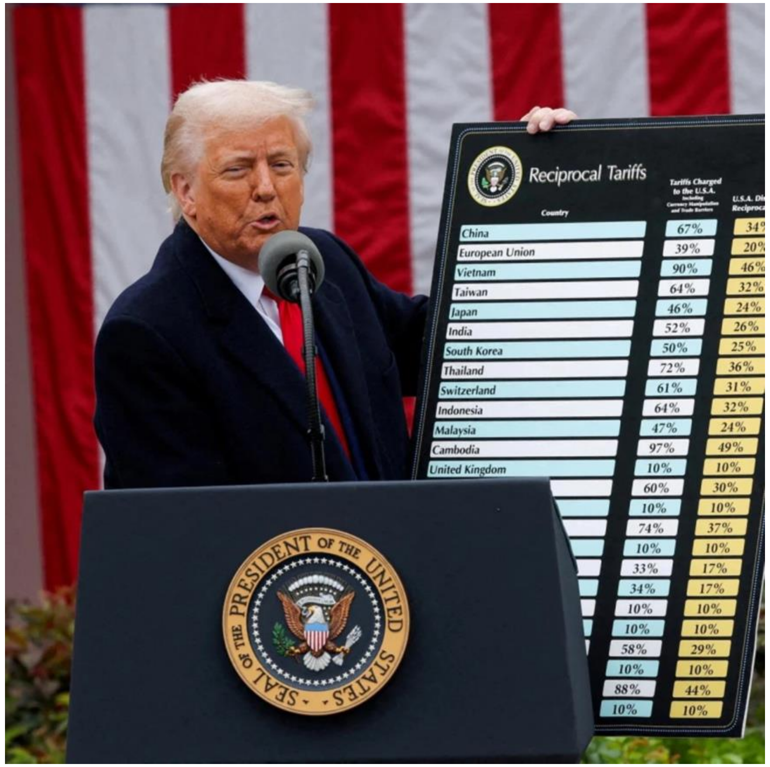
Listen · 9:06 min | Share full article | 763

Informed Citizen

Economics will help you think critically about government policy

<u>Examples</u>

2. Why are we in a trade war with Canada? (or the rest of the world, for that matter)



Can you tell the difference between *popular* vs *sensible* policies?

Textbook and Other Resources

- *Principles of Economics* by N. Gregory Mankiw
  - Book only! (software unnecessary)
  - Any edition OK (but I cannot guarantee chapters will be the same)
  - Readings will be assigned at the end of each class
  - Textbook is also on reserve at the library

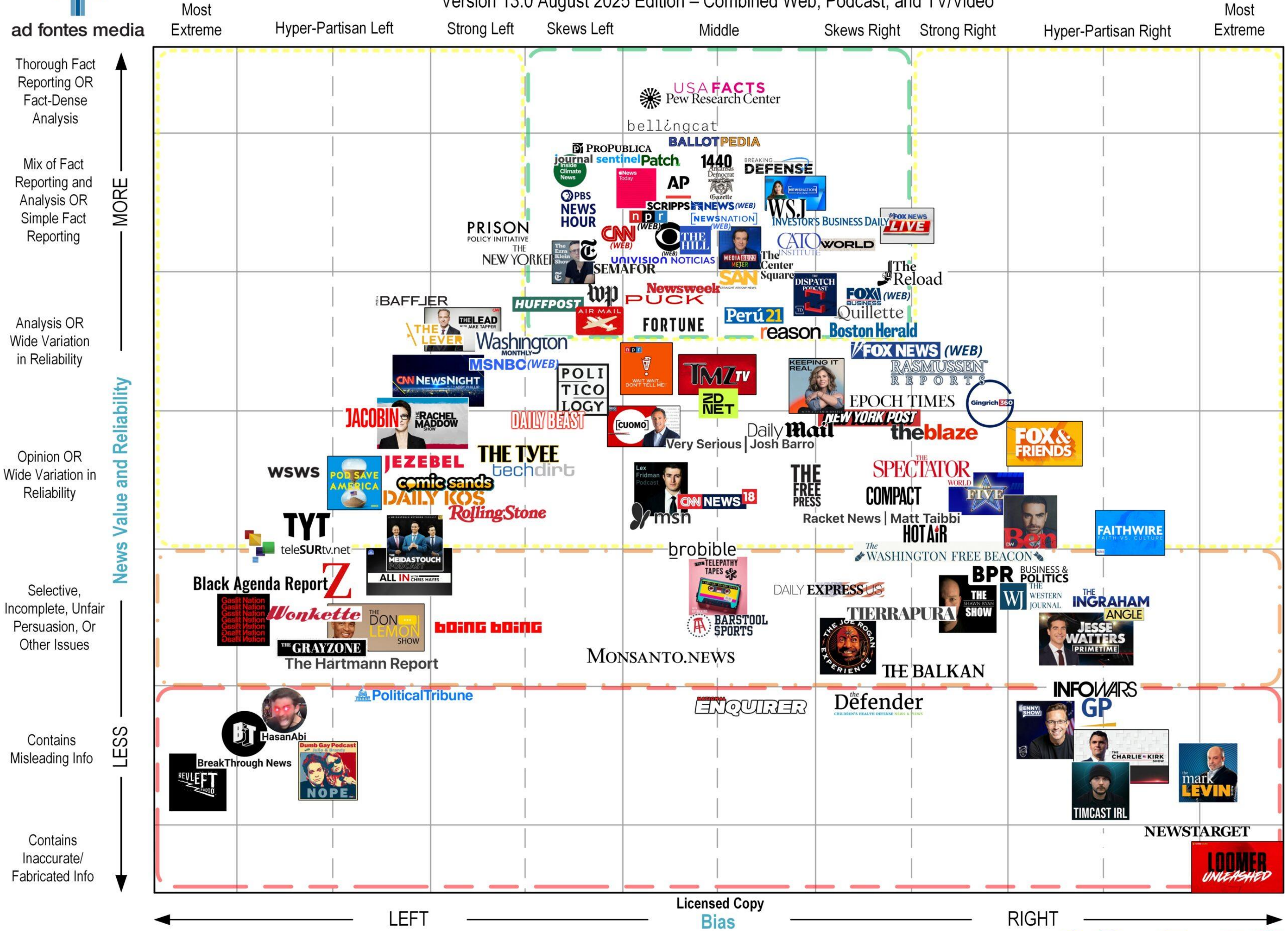
- News articles
  - College offers subscription to WSJ & NYT (amongst many others)

- Podcasts
  - Planet Money, Freakonomics, Marketplace, …

The Media Bias Chart ®

Version 13.0 August 2025 Edition – Combined Web, Podcast, and TV/Video

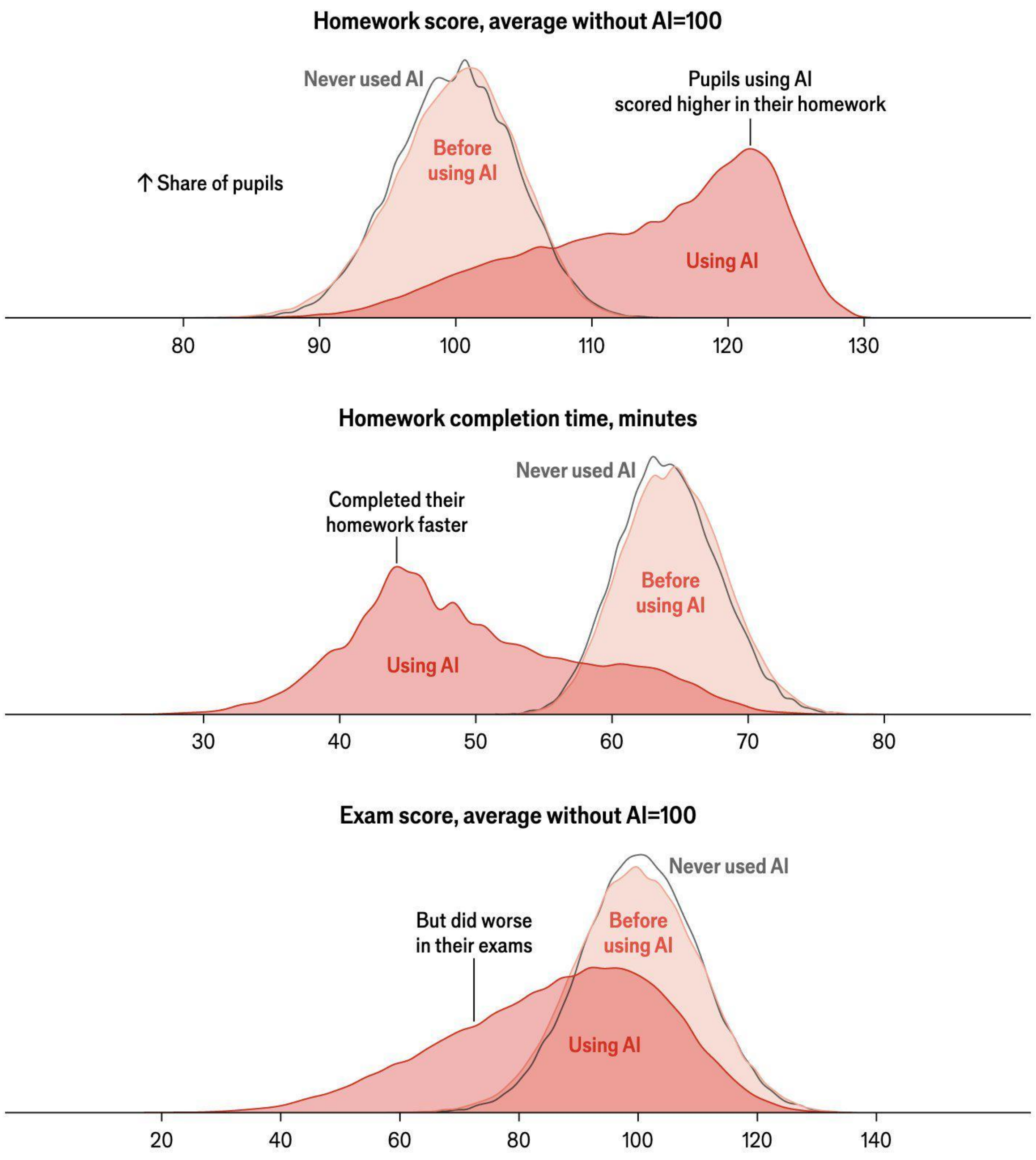
ad fontes media



Licensed Copy

Grading

- Problem sets (10%)
  - Seven problem sets
  - Graded based on completion
  - NO LATE WORK except for emergencies.
- Midterms (50%)
  - Two midterms
- Final (40%)
  - One scheduled final during finals period (time and date TBD)
  - Can replace lower midterm (but not vice versa)
- Extra Credit (1%)
  - Answer five ***Economic Thinking Questions*** throughout the semester



Source: "The generative AI learning penalty: evidence from Chinese secondary education", by D. Strömberg et al., preprint June 2026

*26,811 pupils aged 12-18

THE WALL STREET JOURNAL.

EXCLUSIVE BUSINESS

Ernst & Young Is Giving $100 Million in Bonuses to Staff for 'Human' Skills

Firm is one of a number of companies trying to foster the critical thinking, judgment and other traits needed to better work alongside AI

By Allison Pohle
Aug. 31, 2026 12:00 pm ET

With workplaces awash in AI slop, companies say they are finding that just pushing workers to use the technology isn't enough. KPMG revamped its audit internship training this summer to focus more on teaching critical thinking and judgment. Earlier this year, PwC U.S. rolled out a curriculum meant to emphasize both AI skills and human traits like empathy and creativity.

Conclusion

Economics isn't just about money but about

- Incentives
- Trade-offs
- Second-order thinking
- And so on..

Read Chapters 1 and 2 in textbook by Wednesday