

Communicating Economics - Tutorial Plan 1 'Lies, Damned Lies, and Statistics'

Duration: 50 minutes



Tutorial description

Numbers are very persuasive. But numbers are always constructed for specific purposes; they involve making difficult choices, many of which remain opaque to their users. A good example is the GDP growth rate. What exactly does it mean? Why do people care about it? Should we pay so much attention to it? Find an item of news reporting published in the preceding 12-months which involves the use, and possibly the abuse, of GDP statistics. Post a link to your news item to the tutorial discussion on Canvas, and be prepared to discuss and justify your choice in class.

Further reading

Coyle, D. (2017) 'Rethinking GDP', *Finance and Development*, 54(1), pp.16-19. Available at: <https://www.imf.org/external/pubs/ft/fandd/2017/03/pdf/coyle.pdf>

Learning outcomes

By the end of the tutorial students should be able to:

1. Explain what GDP measures and why it is widely used
2. Critically evaluate how GDP statistics are used in news reporting
3. Distinguish between appropriate and misleading uses of GDP statistics
4. Consider how different audiences interpret economic statistics
5. Communicate economic ideas clearly and critically in discussion

Student preparation

Before the tutorial, students should have:

- Selected a news article published within the previous 12 months
- Prepared a short justification of their choice to discuss in class
- Posted their article to the tutorial group discussion on Canvas
- Read at least two or three articles posted by classmates
- Read the further reading

Tutorial structure

Time	Activity	Purpose
0-5 min	Introduction and overview	Set expectations
5-10 min	Warm-up discussion	Why do GDP figures receive so much attention?
10-20 min	Small-group discussion	Peer learning and critical evaluation
20-45 min	Whole-class discussion	Compare different examples
45-50 min	Summary and key takeaways	Consolidate learning

0-5 minutes

Introduction and overview

- Display the opening slide with the tutorial description and briefly remind students of the exercise.
- Outline today's goals:
 - Evaluate the use of GDP statistics
 - Think about how these are communicated
 - Think about different audiences

5-10 minutes

Warm-up discussion

- Ask the class: "When GDP growth is announced, why does it usually make the headlines?"
- Possible prompts:
 - Why do politicians care?
 - Why do financial markets care?
 - Why do journalists care?
 - Why does the public care?
- Expected themes:
 - Economic health
 - Jobs
 - Living standards
 - Elections
 - Government performance
 - Interest rates
 - Investment
- Common misconceptions to address:
 - GDP measures wealth
 - GDP measures wellbeing
 - GDP measures everyone's standard of living
 - Higher GDP automatically means higher incomes
 - One quarter of negative growth means recession
 - Small changes in GDP should always be interpreted as economically significant
- Transition: "GDP is often treated as a scorecard for the economy, but is that always appropriate?"

10-20 minutes

Small-group discussion

Students are divided into pairs. Each student presents their article to their partner, and discusses their answers to the three questions below.

1. **What is the article trying to do?** Prompt students to identify:
 - Inform?
 - Persuade?
 - Criticise?
 - Praise government?
 - Explain data?
 - Predict future events?
2. **How has GDP been used?** Encourage students to look for whether GDP was:
 - Defined?
 - Explained?
 - Simply quoted?
 - Compared correctly?
 - Taken out of context?
 - Confused with living standards or economic wellbeing?
3. **How convincing is it?** Students should consider three audiences:
 - General public: Would they understand it?

- Policymakers: Is there enough evidence?
- Economists: What caveats might they raise?

Tutor role: Circulates between pairs and asks questions such as:

- What does that GDP figure actually measure?
- Compared with what?
- Is this nominal or real GDP?
- Is it quarterly or annual growth?
- Would another statistic tell a different story?
- What assumptions are being made?

20-45 minutes

Whole-class discussion

- Invite 5-6 students from different pairs to summarise their article in a 2-minute presentation.
- After each presentation ask the class:
 - "What did this article do well?"
 - "What could have been explained better?"
 - "What questions would you ask the journalist?"
- Look for recurring themes. Examples might include:
 - GDP presented without context
 - Confusing GDP growth with prosperity
 - Selective use of statistics
 - Over-interpreting small quarterly changes
 - Ignoring uncertainty
 - Using GDP for political purposes
- Possible follow-up questions
 - When is GDP useful?
 - When is it misleading?
 - What statistics might complement GDP? Possible answers:
 - Productivity
 - GDP per capita
 - Inflation
 - Unemployment
 - Inequality
 - Wellbeing indicators
 - Household income

45-50 minutes

Summary and key takeaways

Finish by highlighting three key messages.

1. Statistics are never completely neutral. Choices are made about:
 - What to measure
 - How to measure it
 - How to present it
2. GDP is useful, but it has limitations. It does **not** directly measure:
 - Happiness

- Inequality
 - Environmental sustainability
 - Quality of life
3. Good economists ask questions before accepting statistics. For example:
- What exactly is being measured?
 - Compared with what?
 - Over what period?
 - Is there missing context?
 - Who benefits from presenting the statistic this way?

Conclude with: "One of the most valuable skills you will develop as an economist is not simply understanding statistics, but questioning how they are used."