

# **Teaching MMT in an Adult Education Context**

**James Keenan & Adam Rice**

**Third International MMT Conference  
Public Forum  
Sunday, September 29, 2019  
Stony Brook University**

*Teaching MMT in an  
Adult Education Context*

## **What We're Doing**

*Money and the Public Purpose -- A Macro Perspective*

- 5-week, 2-hour/per week course
- Henry George School of Social Science, New York City

## Teaching MMT in an Adult Education Context



### MONEY AND PUBLIC PURPOSE – A MACRO PERSPECTIVE



Modern Monetary Theory (MMT) argues that the government's power to create money gives us much more fiscal space to tackle problems like global warming and increasing inequality than is acknowledged by orthodox economics.

In this five-session, ten hour course, students will get a taste of macroeconomics — the study of the overall determination of output, employment and prices — from the MMT perspective. Upon taking this course students will be able to understand and participate in current economic policy discussions.

**Instructors: James Keenan/Adam Rice**

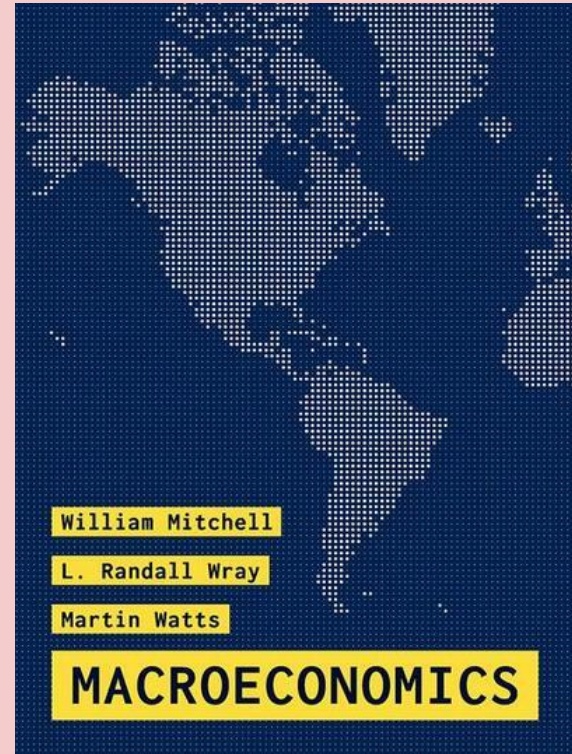
**Dates: 9/9, 9/16, 9/23, 9/30, 10/7**

**Times: 6:30PM – 8:30PM**

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## Adult Education Context

- Non-degree program
- Free and open to the public
- Uses *Macroeconomics* by Mitchell, Wray and Watts as textbook



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**How Did We Get Here?**

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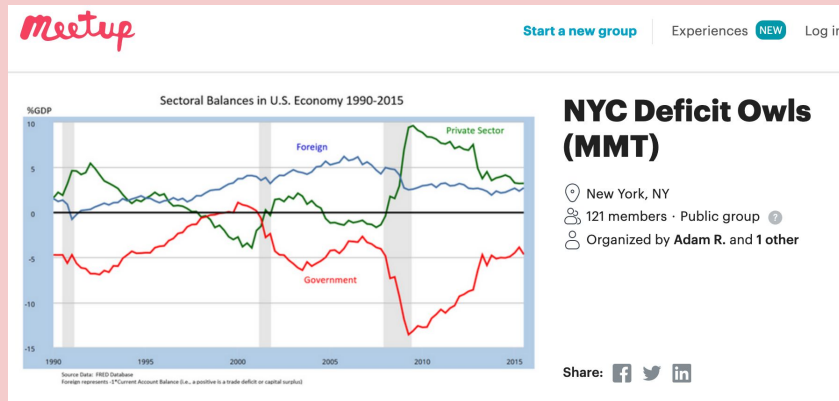
**Adam Rice**

- Studied some Economics at University of Michigan
- Moved to NYC in 2013
- Spent career in venture capital, media, and technology
- First learned about MMT in 2016 while researching cryptocurrencies

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## Adam Rice

- Started New York City Deficit Owls Meetup Group
- Started MMT-focused podcast *Pocket Change* (<https://pocketchange.show/>)



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**Jim Keenan**

- Started attending NYC Deficit Owls Meetup group in early 2018
- Attended 2nd International MMT Conference in NYC in September 2018
  
- *But way before then ...*



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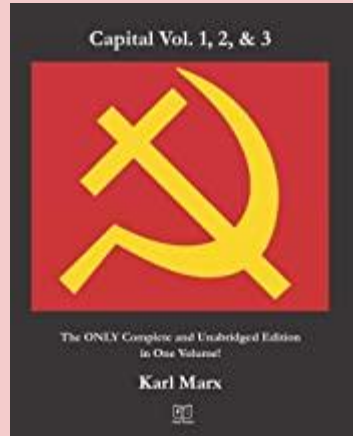
**Jim Keenan**

- M.A. in Political Economy  
New School for Social Research (1977)

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### Jim Keenan

- Read the usual suspects ...



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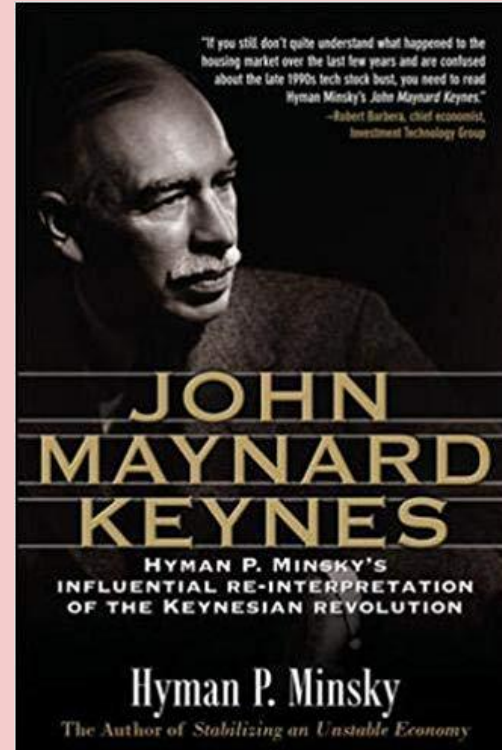
**Jim Keenan**

Left academia, but not before reading ...

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**Jim Keenan**

Left academia, but not before reading ...



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**Jim Keenan**

Other careers

- Typographer
- Social worker
- Computer programmer
- Open-source software community organizer

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**Jim Keenan**

Forced into retirement in 2016, but ...

- Thanks to Adam's Deficit Owl group
- ... and last year's MMT Conference ...
- ... was able to pick up a thread of my life I dropped in 1980 ...
- ... 38 years previously

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**Adam Rice and Jim Keenan**

Promoted “after-party” for  
*Functional Finance at 75*,  
February 2019

**The New York Deficit Owls want you!**



[https://commons.wikimedia.org/wiki/File:Athene\\_cunicularias.jpg](https://commons.wikimedia.org/wiki/File:Athene_cunicularias.jpg)  
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The New York Deficit Owls is a meetup.com group (<https://www.meetup.com/Modern-Monetary-Theory-in-New-York-City>) organized by Adam Rice which has been meeting monthly since January 2018. We meet for dinner and drinks and talk MMT in a social atmosphere. We often meet on the third Tuesday of the month -- and that means we're meeting tonight!

Join the NYC Deficit Owls tonight (<https://tinyurl.com/y23uvpu8>) after the Anti-Austerity Forum at:

**Shades of Green  
125 E 15th St**

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**Adam Rice and Jim Keenan**

Started “Modern-Monetary-Theory” list at Google Groups  
and (JK) attended Minsky Conference at Levy Institute, April 2019



## ***Teaching MMT in an Adult Education Context***

### Modern Monetary Theory Shared publicly

30 of many topics ★

[Manage group](#) · [Manage members](#) · [Members](#) · [About](#) 

Welcome to Modern Monetary Theory at Google Groups.

Modern Monetary Theory (MMT) is an approach to macroeconomic theory and policy which is drawing increasing attention in discussions of public policy in the United States, the United Kingdom, Australia, the countries of the EuroZone and elsewhere.

There are many places on the Internet -- web pages, Wikipedia articles, YouTube videos, blogs -- to find information about MMT. Why, then, should you join this group?

This group is intended to provide a place where people interested in MMT can converse whether they are complete beginners, eager students or noted experts. Do not be afraid to ask questions here. You can also use this group to post thoughts about MMT which are not sufficiently polished to put on a blog site or into an academic article.

Since a Google Group is, effectively, a mailing list, it is technologically simple and has a low barrier to entry. All you need is a Google account (Gmail or otherwise) and the email address associated with that account.

The purpose of this group is collective learning. You don't have to be an expert. You just have to be polite. Thanks.

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The image is a screenshot of the Levy Economics Institute website. At the top left is the logo for the Levy Economics Institute of Bard College, which includes a crest with the year 1784 and the text "Levy Economics Institute of Bard College". To the right of the logo, the text reads "LEVY ECONOMICS INSTITUTE of Bard College" in large, white, serif font. Below this, in a smaller white font, is the text: "A nonprofit, nonpartisan public policy think tank founded through the generous support of Bard College trustee Leon Levy." Below the header is a dark blue navigation bar with white text for "About Us", "Research", "Network", "Topics", "Scholars", "Publications", and "Events". Below the navigation bar is a light blue horizontal bar with white text for "Ford-Levy Institute Projects", "Στα Ελληνικά", "Levy-UNDP", "Graduate Programs in Economic Theory and Policy", and "LIM". The main content area is white and features the word "Conference" in a large, dark blue serif font. Below it, in a smaller, italicized dark blue font, is the text: "28th Annual Hyman P. Minsky Conference on the State of US and World Economies". Below that, in a dark blue serif font, is the word "Program". Underneath "Program" is the text "Preliminary Program" in a smaller, italicized dark blue font. At the bottom of the main content area, in a dark blue serif font, is the date "Wednesday, April 17, 2019".

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**Adam Rice and Jim Keenan**

Through an attendee at  
NYC Deficit Owls Meetup  
Group, were invited  
to represent MMT in  
a debate at  
Henry George School,  
NYC, May 2019



**MONEY TALKS**

Debating Monetary Reform - A Hard Look at MMT

212.889.8020 • WWW.HGSSS.ORG • 149 East 38th Street, NY, NY 10016

**Saturday**  
**May 4th, 2019**

**1:30 PM**  
**to 4:00 PM**

Our May 4th **Money Talks** workshop will feature a debate on **Monetary Reform** with four distinguished speakers, James Keenan and Adam Rice from **Deficit Owls NYC**, Sue Peters from the **Alliance for Just Money** and Dan Sullivan from the **Council of Georgist Organizations**.

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***Macroeconomics Published***

Used publication of new MMT textbook to pitch Macro/MMT course to Henry George School



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## What We Did on Our Summer Vacation



- Prepared curriculum and slides  
<http://lerner-minsky.org/resources/hgsss/201909-course/>
- First session: September 9

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The screenshot shows a Chromium browser window with the title "Index of /resources/hgsss/201909-course - Chromium". The address bar displays "Index of /resources/hgsss/" and "lerner-minsky.org/resources/hgsss/201909-cou...". The page content is a directory listing with the following structure:

### Index of /resources/hgsss/201909-course

<u>Name</u>	<u>Last modified</u>	<u>Size</u>	<u>Description</u>
 <a href="#">Parent Directory</a>		-	
 <a href="#">money-and-public-purpose-week-1-slides.pdf</a>	2019-09-09 14:06	388K	
 <a href="#">money-and-public-purpose-week-2-slides.pdf</a>	2019-09-15 18:58	268K	
 <a href="#">money-and-public-purpose-week-3-slides.pdf</a>	2019-09-15 18:58	166K	

Apache/2.4.10 (Debian) Server at lerner-minsky.org Port 80

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## Outline of Curriculum

### Week 1

- Exercise: Taxation Drives the Currency
- Framing Economic Discussions
- Overview of Modern Monetary Theory
- Whirlwind Tour of Economic History

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## Outline of Curriculum

### Week 2

- How Economists Think
- National Income Accounting
- Sectoral Balances
- Fundamentals of Keynes' Theory of Effective Demand



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## Outline of Curriculum

### Week 3

- Currency
- Banking
- Financial Assets and Credit Creation
- Monetary Policy Operations

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## Outline of Curriculum

### Week 4

- Macroeconomic Policy
- Three Macroeconomic Problems
  - Unemployment
  - Composition of Output
  - Inflation
    - Phillips Curve

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## Outline of Curriculum

### Week 4 (continued)

- Fiscal Policy in Sovereign Nations
- Monetary Policy in Sovereign Nations
- A Macroeconomic Policy Initiative: The Green New Deal

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**Outline of Curriculum**

**Week 5: Collective Self-Test**

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## **What Have We Learned So Far?**

3 sessions down; 2 to go

- Monday, September 30, 6:30 - 8:30 pm
- Monday, October 7, 6:30 - 8:30 pm

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**In Adult Education Context,  
Students Have Range of Motivations for Attending**

If this were a for-credit course ...

- Student motivation would probably vary along *requirement-vs-elective* line
- Most students would do *some* of the course reading
- Students would understand that they ultimately have to take a test
- Students *might* be motivated to get their money's worth out of their investment ... or their *parents'* investment

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**In Adult Education Context,  
Students Have Range of Motivations for Attending**

But this course is voluntary and free

- Students may have little “skin in the game”
- Are students buying the textbook?
- Are students reading the textbook?
- Are students reading other, less expensive recommended readings?
- Are students viewing/downloading the slides?

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**Assessment Difficult**

We won't really know until Week 5,  
when we ask students to take Self-Test distributed at Week 1



## **‘Sectoral Balances’ Is Difficult Concept (1)**

Sectoral balances approach, in simplest form, groups individuals and firms into the “domestic, non-government sector”

- Counterposes that sector to government and foreign sectors
- Students find putting “rich and poor alike” into one sector difficult to grasp

## **‘Sectoral Balances’ Is Difficult Concept (2)**

Students come to course with inchoate class consciousness

- Some: capital versus labor
- Others: rich versus “everybody else”
  - “All the money goes to the top”
- Others: debtors versus creditors

## **‘Sectoral Balances’ Is Difficult Concept (3)**

- Are changes in sectoral balances **symptoms** of changes in underlying factors?
- Or do changes in sectoral balances in themselves **drive** socio-economic changes?

## **‘Sectoral Balances’ Is Difficult Concept (4)**

Instructors and students found it difficult to discuss ...

- Did U.S. domestic private sector deficits after 1996 in some sense “cause” the Great Financial Crisis?
- If so, why did “it” take more than 10 years to develop?
- Or were those deficits merely evidence of deeper problems which themselves led to the crisis?

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**Plans & Ideas For The Future**

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**Encourage growth and development of “lay political economists”**

Abba Lerner-Hyman Minsky Political Economy Society

<http://lerner-minsky.org/>

Reach out to offer short, in-person courses

- Libraries
- Labor unions
- Community groups

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## **Online MMT Course**

- Coursera? Udemy?
- Video-based?

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## **College-Level Instruction**

- Are you hiring people to teach Macroeconomics for the Spring 2020 semester?
- JK ready to teach out of Mitchell, Wray & Watt textbook



## **A Functional Finance Scoreboard for the U.S. Congress**

Which Senators and Representatives are ready to reject the Household Budget Analogy?

- Stance on PAYGO
- Frame policy objectives and vote in accordance with functional finance, not “sound finance”
- Educate persuadable federal-level legislators and staff

## **But What about State- and Local-Level Legislators? (1)**

Unlike U.S. Senators and House members, state and local legislators:

- Work at a **currency-using** level of government, not at the currency-issuing level
- Must work within balance budget constraints
- Hence, likely to campaign on their balanced budget prudence

## **But What about State- and Local-Level Legislators? (2)**

If state and local legislators subsequently run for Congress ...

- We want them to campaign for **functional finance**
- ... but their opponents may try to label that as hypocrisy

Challenge for MMT as a “political movement”

- How do we educate both the politicians and the electorate?

**Working Paper No. 936**

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**Fiscal Reform to Benefit State and Local Governments:  
The Modern Money Theory Approach**

by

**L. Randall Wray**

Levy Economics Institute of Bard College  
and  
Bard College

**September 2019**

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**Thank You!**

Slides available at:

<http://lerner-minsky.org/resources/conferences/mmt-international/2019/>