



# ESSENTIAL CONCEPTS & COMPETENCIES:

Disciplinary Frameworks for  
Teaching, Learning, & Assessment

## About Essential Concepts and Competencies:

Over the past two years, each of the Measuring College Learning panels has defined a set of essential concepts and competencies for undergraduate-level learning in its discipline. Essential concepts and competencies are deep understandings and complex skills that faculty believe are fundamental to the discipline, valuable to students, and worth emphasizing given limited time and resources. Essential concepts and competencies should not be seen as fixed, universal, or comprehensive. Rather, they are meant to be reasonable and productive frameworks that can orient discussions about teaching, learning, and assessment.

### Students of economics

#### should understand...

**Individual decision-making:** Individuals, households, firms, communities, countries, and other agents make decisions about how to use the resources they control, which affects their well-being and the welfare of others.

**Markets and other interactions:** Agents interact with each other through markets and other mechanisms, which helps to determine the production, consumption, and distribution of goods and services.

**The aggregate economy:** Individual decisions and interactions combine to form aggregate outcomes for an economy, which are described, predicted, and assessed in macroeconomic analyses.

**Role of government and other institutions:** Governments, and other organizations and institutions, can regulate or influence economic activity in ways that affect the distribution of resources, individual well-being, and social welfare.

### Students of economics

#### should be able to...

**Apply the scientific process to economic phenomena:** Ask an economic question, gather information, form a hypothesis, identify data to test the hypothesis, analyze the data, and draw conclusions and suggest future research.

**Analyze and evaluate behavior and outcomes using economic concepts and models:** Use economic concepts and models to: predict or explain behavior and outcomes; evaluate choices made by firms, individuals, or groups, and suggest allocations that may help them better achieve their objectives; evaluate the efficiency and equity of economy-wide allocations, and suggest government policies to improve social welfare.

**Use quantitative approaches in economics:** Work with mathematical formalizations of economic models and perform mathematical operations; confront any observed correlation knowing it is not evidence of causation and explain why; explain the design and results of laboratory and field experiments; and, explain the conduct, results, and limitations of basic econometrics.

**Think critically about economic methods and their application:** Explain economic models as deliberate simplifications of reality, identify the assumptions and limitations of each model, select and connect economic models to real economic conditions, explain the strengths and limitations of economic data and statistical analyses, and think creatively and combine existing economic ideas in original ways.

**Communicate economic ideas in diverse collaborations:** Demonstrate fluency in economic terminology and graphical tools, demonstrate knowledge of major economic institutions and magnitudes of common economic statistics, explain economic reasoning and methods to economists and to non-economists, integrate economic insights with those from other disciplines in multidisciplinary examinations of individuals and societies, and discuss economic issues and policies in ways that promote mutual understanding and inquiry.