

Preface

The spread of instant electronic communication has changed not only the economy itself but also the way students learn economics and the way instructors teach the subject. A textbook, perhaps supplemented by a few photocopied handouts, used to be almost the only source of information for students. A blackboard was often the instructor's only teaching tool. All this has changed, and so have the textbooks.

Today, both students and instructors rely on the Internet as their primary source of information about current economic events. They still need a good textbook to provide a framework for organizing all the information that is available, but that textbook needs to mesh with the material available from on-line news sources, blogs, and social media. This fifth edition of *Introduction to Macroeconomics* from BVT Publishing includes several changes that integrate it more smoothly into the world of e-learning.

First, the book has a new look with more color and more pictures. The new design is not just decorative—it also makes the analytical graphics more readable.

Second, the book has a new style. A couple of years ago I started a blog, and the exercise of blogging regularly has affected the way I write. I have revised the entire text to make the language more active with shorter sentences, shorter paragraphs, and shorter chapters. Chapter titles are more descriptive and less technical. With all these changes, the book now reads less like a series of journal articles and more like something students might actually want to read.

In addition to a more inviting presentation, much of the content is new. It will hardly come as a surprise to say that much has happened in the U.S. and global economies since the fourth edition came out almost three years ago. Here are some of the key changes:

- The job of picking up the pieces from the 2008 financial crisis is underway. Chapter 7 provides a retrospective on the crisis and its causes along with a discussion of the Dodd-Frank Wall Street Reform and Consumer Protection Act and other regulatory initiatives.
- Dramatic developments have occurred in the world economy. To cover them better, I have added a new chapter (Chapter 9) on exchange rates, currency areas, and international monetary policy. It includes material on exchange rates and international monetary policy from the previous edition. In addition, it explores the controversy over China's exchange rate policy and analyzes the troubles that have hit the euro area.

- Chapters 11 and 14 include new sections on Nominal GDP targeting, a monetary policy strategy that is getting increasing attention among economists both inside and outside the Fed.
- There has been an explosion of material on fiscal policy—so much that it can no longer be covered in a single chapter. Chapter 12 now covers the short-run perspective on fiscal policy and the business cycle, including discretionary fiscal stimulus, automatic stabilizers, and the budget process. Chapter 13 takes the long-term perspective on sustainability of government deficits and debts, and concludes with an entirely new section on fiscal policy rules.
- Fortunately, the U.S. economy has not fallen into either deflation or hyperinflation, but not all has been quiet when it comes to inflation policy. I cover all the latest developments in a thoroughly revised Chapter 14.

There are new case studies and examples in every chapter, and in addition, many more for which there is no room in the book itself. Every week, Ed Dolan's *Econ Blog* provides new material to both students and instructors. The blog's Resource Center for Teaching Economics, found at dolanecon.blogspot.com, brings regular posts on micro- and macroeconomic topics. A *Topic Index and Course Planning Guide* helps instructors and students find relevant older posts by grouping them in a way that reflects the sequence of a typical economics course. In addition to original material, the blog regularly features links to news items, articles from the business press, government documents, and other material relevant to the course. Students and instructors can also follow [@DolanEcon](https://twitter.com/DolanEcon) on Twitter to keep up with the latest economic news. I also invite instructors and students to suggest topics for blog posts or submit guest posts of their own on favorite subjects.

Finally, this edition recognizes the fact that instructors no longer rely solely on blackboards and photocopied handouts as teaching aids. Most instructors now regularly use slide shows, smartboards, and videos in class, and course Web sites to help students with their studying between classes.

One important aid to e-teaching and e-learning is a complete set of PowerPoint™ slides, which include all of the graphs and tables from each chapter, plus other relevant material that is available as a supplement to *Introduction to Macroeconomics* from BVT. Beyond the basic slides for each chapter, *Ed Dolan's Econ Blog* provides additional content in PowerPoint format, including monthly updates on the job market situation, inflation, and GDP, that can be cut-and-pasted directly into classroom presentations or posted to a course Web page.