

The Wall Street Journal Instructor Guide

An Overview for Economics and Finance Professors
Fall 2018

About The Wall Street Journal's Instructor Guide

We developed this guide to help you maximize The Wall Street Journal as a resource for your classes. You'll be able to energize discussions and engage students with tangible examples of course concepts that your students can apply in the real world. In addition, with the help of faculty partners, we've curated a special collection of our most popular and thought-provoking articles across management. For each of these readings, we provide a summary, correlation to course topics, classroom applications and questions suitable for launching discussions and conducting assessments.

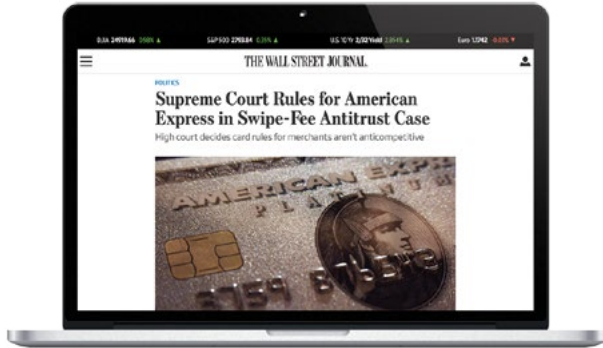
Here are some of the many ways to incorporate WSJ into your courses:

- **Course Readings:** Assign articles as required reading alongside your textbook sections. For best results, include assessment questions on quizzes and exams.
- **Discussion Launchers:** Use articles to spur classroom and threaded discussions in online and hybrid courses on core concepts and current events.
- **Extra Credit:** Allow students to read optional articles and answer assessment questions for extra credit.
- **Group Projects:** WSJ is a rich source of real-world topics for group research and presentation projects.
- **Research Papers and Case Studies:** WSJ features provide timely citations for research projects.

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Supreme Court Rules for American Express in Swipe-Fee Antitrust Case



Reporter: Brent Kendall and Anna Maria Andriotis (6/26/18)

Reviewed By: Steven P. Rich, Baylor University

Topics: Credit Card

Summary: The Supreme Court backed American Express Co.'s policy of preventing retailers from offering customers incentives to pay with cheaper cards, a major victory for the company that puts its business model on solid legal ground. The court's 5-4 decision Monday, which split the court along ideological lines, handed a loss to a group of more than a dozen states and the Justice Department, which brought an antitrust challenge against an AmEx policy that prohibited retailers and other businesses from offering consumers discounts or incentives to pay with cheaper cards.

Classroom Application: The article can be used to discuss who wins and who loses from the Supreme Court ruling in favor of American Express Co.'s policy of preventing retailers from offering customers incentives to pay with cheaper cards.

Questions:

1. What was the vote at the Supreme Court on American Express Co.'s policy of preventing retailers from offering customer incentives to pay with cheaper cards?
2. Why is this a "major victory" for American Express?
3. Is the ruling good for consumers? Why or why not?

How Amazon Became One of Washington's Most Powerful Players



Reporter: Brody Mullins, Laura Stevens and John D. McKinnon (6/21/18)

Reviewed By: Steven P. Rich, Baylor University

Topics: Capital spending

Summary: When Jeff Bezos founded Amazon.com Inc. more than two decades ago, he sought to keep the online bookstore away from the government's reach. He has said he looked into placing its headquarters on an Indian reservation as a tax-saving strategy. That was then. Today, Amazon, whose revenues last year topped \$177 billion, has become deeply entwined with the federal government. Mr. Bezos has built one of the largest lobbying operations in Washington, bigger than those of powerhouses such as Exxon Mobil Corp. and Walmart Inc. Its cloud-computing business is a major government contractor, with an estimated \$1.5 billion in contracts last year, according to consulting firm GBH Insights. And the company has been pushing hard to change the law to allow government employees to buy more of their own supplies on Amazon.com.

Classroom Application: This article can be used to discuss why Amazon spends so much on lobbying and whether this is a good investment.

Questions:

1. How much revenue did Amazon have last year?
2. Why is Amazon spending so much now on lobbying?
3. Is this a good investment? Why or why not?

Central Bank Leaders Warn Trade Conflicts Could Damage Global Economy



Reporter: Tom Fairless (6/21/18)

Reviewed By: Marc Tomljanovich, Drew University

Topics: Central Banking, Economic Performance, European Central Bank, Federal Reserve, Interest Rates, Monetary Policy, Tariffs, Trade

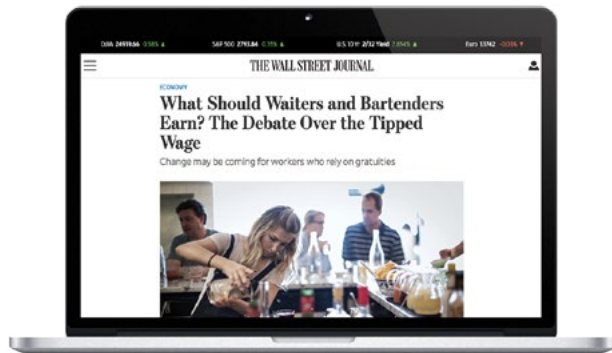
Summary: The heads of the largest central banks warned this week about the dangers of rising trade conflicts on global financial markets and the world economy. Disruptions in financial markets are especially worrisome to central bankers, as low interest rates worldwide mean central bankers have little ammunition to counteract new macroeconomic problems.

Classroom Application: Students consider how rising trade tensions may harm financial markets throughout the world. They study the linkages between financial markets and economic growth. Finally, students offer monetary policy solutions to these potential disruptions, while learning about the limited tools at central banks' disposals to fight these potential fissures.

Questions:

1. Briefly describe the rising trade tensions between the U.S. and its main trading partners over the past several months.
2. What are the dangers of rising trade problems on financial markets, according to the heads of the major central banks? Be as specific as possible.
3. Are there any positive outcomes of rising trade tensions, according to central bankers? Briefly explain.
4. Why are strong financial markets important for a country's economic growth?
5. What actions would central banks in theory launch, to counteract any problems with economic growth in their countries? Why are central banks worried about these policy moves at this point in time?

What Should Waiters and Bartenders Earn? The Debate Over the Tipped Wage



Reporter: Rachel Feintzeig (6/15/18)

Reviewed By: James Dearden, Lehigh University

Topics: Labor economics

Summary: In Washington, D.C., and in some states, dual wage scales for tipped and nontipped service workers may be coming to an end. Many employers aren't happy about it. Perhaps surprisingly, some workers aren't either.

Classroom Application: Students can examine the effect of increasing the minimum wage for tipped service workers on the demand for service workers, the supply of service workers, prices set by restaurants, tip percentages by patrons, and earnings of tipped service workers.

Questions:

1. What is the effect of increasing the minimum wage for tipped service workers on the employment of these workers? What is the effect on the supply and demand for tipped service workers?
2. What is the effect of increasing the minimum wage for tipped service workers on restaurant menu prices? What is the effect on the tips by restaurant patrons?
3. With an increase in the minimum wage for tipped service workers, are restaurants more likely to move to a non-tipping policy?
4. Are tipped service workers made better off by an increase in the minimum wage?

Global Investment in Wind and Solar Energy is Outshining Fossil Fuels



Reporter: Russell Gold (6/12/18)

Reviewed By: Steven P. Rich, Baylor University

Topics: Capital spending

Summary: Global spending on renewable energy is outpacing investment in electricity from coal, natural gas and nuclear power plants, driven by falling costs of producing wind and solar power. More than half of the power-generating capacity added around the world in recent years has been in renewable sources such as wind and solar, according to the International Energy Agency.

Classroom Application: The article can be used to discuss what is driving the growth of investment in renewable energy, whether this will continue, and whether it would have happened without government incentives.

Questions:

1. How much was spent on renewable energy in 2016? How did this compare to new spending on nuclear, coal, gas and fuel oil power plants?
2. What is driving the increase in global spending on renewable energy?
3. Will this continue to be the case? Why or why not?
4. Would the investment in renewable energy have happened without government incentives? Why or why not?

