Who Picks Up the Tab?

A 50-minute classroom simulation about states and markets

I start with something students already know. A ticket costs one thing when you click and another thing when you pay. You can close the screen. What other choice do you actually have? We take that question into five situations, from finding a first job to paying for the light on a walk home.

Each pair works one case. They make a choice, predict what a real change did, and turn the sheet over to see the evidence. Then they try the move again and decide what they would do. I designed this for an introductory political science class of about 30. The cases supply the background, so students can come in cold.

What I want students to be able to do

- Read a study result by saying what it counts, who or what it compares, and what changed.
- Explain how a public rule or funding decision changes somebody's choices, costs, or benefits.
- Use the evidence to defend a policy and name a person who might still pay or lose out.

Print and set up

For 30 students, print student packet pages 1–10 three times, double-sided, flipping on the long edge. That makes 15 sheets, three per case. Print 15 copies of packet page 11 single-sided and cut each in half. The separate Forms PDF has the same individual slip on page 1 and an optional hearing tally on page 2.

Mark five clusters A–E. Leave one case sheet per pair, front up, and one slip per person. Have the PowerPoint or slide PDF ready, plus pens, a timer, and a board or tally sheet. Keep the case backs covered until minute 13.

The 50-minute clock

Minutes	Slide	What to do
0–3	1	Seat students, hand out any missing sheets, and ask the opening question.
3–6	2	Play one secret round of KEEP or FUND and score it together.
6–13	3	Try the move, vote, and predict. Check in at minute 10.
13–22	4	Reveal the data, answer the comparison question, and try the move again.
22–27	5	Choose again with your partner and give a reason using the result.
27–31	6	Tally the choices and prepare hearing lines.
31–41	7	Hear all five cases. Each student notes two other cases.
41–44	8	Mini-lecture. Explain four problems and the response each calls for.
44–46	9	Mini-lecture. Compare who gains and who faces a cost.
46–49	10	Read the new example and write the individual exit.
49–50	10	Collect the case sheets and individual slips.

From the first choice to the final vote

Let students make a decision before you give them the term for what just happened. That first answer gives them something to revisit when they see the data.

0–6 minutes · Open with the lights

"Think of the last price or offer you walked away from. What other choice did you actually have?"

Take one answer, then show slide 2. Ask each pair to circle KEEP or FUND on one of its slips, out of sight of other pairs. Everyone keeps their own slip for later. When all pairs are ready, have one person per FUND pair raise a hand. Each FUND vote gives one point to every pair, including that pair. Each KEEP vote adds three points to its own pair.

If six pairs choose FUND, a funding pair gets six points and a keeping pair gets nine. Ask what happens if one funding pair switches while everyone else holds still. The pair now gets five shared points plus three, or eight. It gained two and every other pair lost one. With fifteen pairs, all FUND gives each pair fifteen points. All KEEP gives each pair three.

The points are the classroom model. The real evidence about lighting comes in Case D. Ask what neighbors could do if they could make a commitment to each other.

6–13 minutes · First move, first vote, prediction

Ask pairs to number themselves within their case, usually 1, 2, and 3. Give partners a moment to read their roles and about ninety seconds to make the move. They may speak, point to a choice, or write it. Then they circle a policy option and predict the effect of the specific historical change printed on the front. I ask for the prediction even when it concerns a different rule from the one the pair prefers.

At minute 10, check that every pair has started making its three marks. If time is tight, drop the optional explanation on the front. If a pair disagrees after a short conversation, each partner marks a choice and the pair writes SPLIT.

13–27 minutes · Reveal, replay, decide

At 13, tell them to turn over the sheet and swap who reads and writes. Model the comparison once. "Signs with the new wording got twelve visits. The old signs got ten. I'm counting visits and comparing the two kinds of signs." Give pairs time to answer the question under their table and replay the classroom move under the change printed in step 4.

At 22, have pairs record their final votes before they hear the other groups. Give them this sentence if they need a start. "The study found ___. We would try ___. ___ would carry it out. ___ might still pay or lose out." Give credit to a student who keeps a first answer and can tell you what in the evidence made it hold up.

Hear all five cases

The reports make the activity work across the room. Each student goes deep on one case and leaves with comparisons from the others.

27–31 minutes · Tally and prepare

At each case cluster, reveal the final votes together. Give options 1, 2, and 3 their own columns and put each split group in SPLIT once. Ask the groups to prepare one short line for the hearing. If the vote is unanimous, ask who might still pay. If it is divided, make space for a reason from the dissenting side.

- **Pair 1 gives the finding.** "The study counted ___. It found ___ compared with ___."
- **Pair 2 gives the change.** "When the rule changed, ___ could now ___. We'd try ___ because ___."
- **Pair 3 gives the tally and the cost.** "Our votes were ___. A person who could still pay or lose out is ___."

31–41 minutes · Report from your seats

Call A through E. Each case gets two minutes. Use 10 seconds to introduce it, 25 seconds per reporting pair, 25 seconds for listeners to write, and 10 seconds to switch. Students record what changed and who was affected in two cases other than their own. A pair can share its line aloud, appoint a reader, or give you its written line to read.

If the room is different from the one you planned

- **Attendance.** With fewer than 30, spread groups evenly across the five cases. With two groups on a case, the second group gives both the change and the cost. With one group, have it give a short combined report. If a case has no group, read its finding from the next page. For 31–36, keep fifteen groups by adding trios. In Case D, only the two named roles make a pledge. With a larger class, print extra sheets and choose three reporting groups per case while everyone still votes.
- **A late start.** At minute 32 or 33, use one 60-second report and 25 seconds to write per case, then move immediately. At 34–36, use one 40-second report and 20 seconds to write per case. At 37 or later, read the five short findings and collect the pairs' written work. Keep 41 for the synthesis and 46 for the exit.
- **Access and equipment.** Read prompts aloud when helpful. Students can mark a choice without performing the scene. Give a partner the writing job or accept dictated phrases. For larger print, enlarge the relevant case and slip. If you lose projection, put the opener, report order, and exit on the board. If copies run short, share the case for reading and let each pair write on scrap paper.

Bring the argument back to the room

Save minutes 41–46 for two ideas, then give students three minutes to show what they can do with them on their own.

41–44 minutes · Slide 8 · Why markets can fall short

"When does walking away work? What would have to change before it becomes a real option?"

Bring up the ticket and the job together. The buyer needs the full price early enough to compare. The worker needs someone who can actually make another offer. Name imperfect information and employer market power. Connect the ticket case to full-price disclosure and the job case to enforcing competition rules. A free bag can leave a cleanup cost for others. That's a negative externality. A light helps paying and nonpaying neighbors. That's a public good. Ask who can set and collect a bag charge or keep a streetlight working.

44–46 minutes · Slide 9 · Who gains from a rule

"If you already rented there, which number would you look at first? What if you had just arrived and needed a place?"

Introduce distributional tradeoff after they answer. A rent limit can help current tenants stay. Some affected owners also supplied less rental housing, which matters to future applicants. I ask which outcome the students would prioritize and what they would measure next. A group can agree on the evidence and still disagree about the policy.

46–50 minutes · Individual exit

"A rental app shows all required fees before you apply. There's still only one room near campus. What did seeing the full price fix? What problem is still there? Use a case from today to explain."

Collect one case sheet per pair and one slip per person at minute 49. Look for what earlier price information helps the renter do, the shortage of choices that remains, and a link to a case. Short phrases are enough. One strong answer says, "I can tell whether I can afford it before applying, like the buyer in the ticket case. The full price still leaves me with only one room to choose from." If someone calls it a monopoly, ask what they know about who controls the listings.

Five findings if the hearing runs short

- **A · Ticket.** Late-fee visitors spent 20.6% more per visitor than those who saw the full price first.
- **B · Job.** Ending the hiring rules was followed by about 6% higher advertised annual pay relative to comparison employers.
- **C · Bag.** Bag use fell from 328 to 21 per person per year soon after Ireland's charge.
- **D · Light.** With extra lights, serious outdoor nighttime crime in and around the studied sites fell by about 36%.
- **E · Rent.** Covered tenants were about 20% more likely to stay in 2000–04. Affected owners supplied about 15% less rental housing over time.

Evidence key for tickets and jobs

When a group gives you a percentage, ask what the number describes and what it is being compared with. Then ask what someone can do differently.

A · The concert ticket · Imperfect information

In August 2015, StubHub assigned U.S. visitors by chance to see the mandatory fee up front or near the end of checkout. Over ten days, the late-fee group was 14.1% more likely to buy at least once and spent 20.6% more per visitor. People who spent zero are part of the spending average. A good report names the comparison group and says “per visitor.”

In the classroom scene, a $42 seat becomes $50 with its required $8 fee, over the buyer’s $48 budget. The farther seat is $46. On the replay the buyer hears $50 first and can compare sooner. If someone proposes a fee cap, ask what price and sales evidence would tell them whether the cap worked. The study changed when the buyer saw the full price.

Blake, Moshary, Sweeney, and Tadelis (2021). “Price Salience and Product Choice.” Marketing Science 40(4), 619–636, Table 3. Study and table

B · The first job · Employer market power

Between 2018 and 2020, Washington state’s attorney general secured agreements ending no-poach rules at participating chains nationwide. The study compares pay trends at covered employers with trends at employers that had yet to sign or never signed. Across the follow-up, the authors estimate about 6% higher advertised annual earnings and 2.3% higher worker-reported earnings. The figures come from two separate samples. Ask which outcome the student’s number measures.

The shops share a brand and have different owners. Before the change, their agreement prevents the second shop from offering this worker a job without an exception. The replay allows that employer to make an offer or decline. A student can defend keeping the restriction on training grounds, then say what evidence about training would make that argument persuasive.

Callaci, Gibson, Pinto, Steinbaum, and Walsh (2024). “The Effect of Franchise No-Poaching Restrictions on Worker Earnings.” Upjohn Working Paper 24-405, Figure 1 and note 1. Study page

Evidence key for bags and lights

A shopper can pass a cost to somebody else. The person who pays for a light can give somebody else a benefit. Ask who gets left out of the decision.

C · The grocery bag · Negative externality

Ireland introduced a 15 euro cent charge on covered plastic shopping bags in March 2002. Bag use per person per year went from 328 before the charge to 21 soon after and 31 in 2006. The optional subtraction is 328 minus 31, or 297 fewer bags. A strong report says that the comparison is national and measures bag use. To decide whether streets got cleaner, look for a separate litter measure.

A free bag is convenient for the shopper and the cashier. If it ends up in a stream or on the street, someone else may have to deal with it. The government sets the charge and shops collect it. Ask who might switch to a box or a reusable bag, and what you would count if you were comparing a ban with a charge.

OECD (2010). OECD Environmental Performance Reviews: Ireland 2010, Box 4.3. OECD review

Cork City Council. Plastic Bag Levy. Levy history and use estimates

D · The walk home · Public good

In the classroom scene two partners pledge $0, $4, or $8. The light is funded at $8 or more and extra money buys bulbs. Once there is light, either partner can use it even if they paid nothing. Ask who would keep paying to replace the bulbs, and how the city or the neighbors might make that happen.

In the 2016 New York City public-housing experiment, researchers randomly allocated additional temporary lights. The working paper estimates about 36% fewer serious outdoor nighttime crimes in and around the study sites after allowing for possible shifts to nearby places. Those crimes accounted for about 11 in 100 serious crimes. A 36% drop in those 11 is about four fewer across all 100 if other crimes stay steady. The study tested lighting. To assess donations, city funding, or walking partners, you would need evidence on how those options work.

Chalfin, Hansen, Lerner, and Parker (2019). “Reducing Crime Through Environmental Design.” NBER Working Paper 25798, section 5. Working paper and study details

Evidence key for rent and assessing student work

Treat the fifth case as a question about whose security matters and who bears the cost. It gives students a chance to disagree about a goal after they have read the same evidence.

E · The first apartment · Distributional tradeoff

In 1994, San Francisco extended rent control to older small buildings. Researchers compared renters and properties in buildings that gained coverage with similar, newer small buildings outside the expansion. In 2000–04, covered renters were 3.54 percentage points more likely to stay at the same address. The comparison group's staying rate was 18.27%. That makes the difference about 19.4% of the comparison rate, rounded to 20% on the slide and case sheet.

Over time, the authors also estimate about 15% less rental housing supplied by affected owners. Some of that housing was sold to people who would live in it, and some was redeveloped. Ask students to keep the groups and time periods straight, then decide why each number might matter more to a different person.

In the replay, the hypothetical owner wants $100 more per month and can ask for up to $50 more under the classroom rule. The renter decides whether to stay. If a pair proposes rental aid, ask who funds it, who qualifies and how they would measure whether aid helped people remain housed. Give students room to distinguish the result from their own judgment.

Diamond, McQuade, and Qian (2019). "The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco." American Economic Review 109(9), 3365–3394, Table 4 and Figure 7. Full study

How I read the case sheets

- **Evidence.** The pair gives a figure or observation, explains what it measures, and names the relevant comparison.
- **Mechanism.** The pair says what changed for someone in the case and how the change matters for a decision.
- **Policy judgment.** The pair names an actor who could carry out its proposal and someone who might still face a cost. Any of the options can earn full credit with sound reasoning.

If I have time for a follow-up, I ask what evidence would change their minds. It is a good way to see whether students know the difference between a reasonable guess, a measured result, and a choice about whose interests to prioritize.