

ECN-305 Money and Banking

Course Information

Term: Fall 2025
Course: ECN-305-01
Class Day(s): Monday, Wednesday, Friday
Class Time: 12:00–12:50 PM
Location: Antone 121

Contact

Instructor: Peter K. Hazlett
Email: peter.hazlett@salve.edu
Website: peterhazlett.com
Office: O'Hare 135
Office Hours: Wednesday 1:30–2:30 PM
Friday 1:30–3:30 PM

Course Description

The institutions of money and banking have been around for thousands of years, preexisting electricity, the fall of the Roman Empire, the birth of Christ, and the Egyptian pyramids. It is the purpose of this class to investigate the incentives driving these institutions, and how they have evolved over time. We will study pivotal moments in which these institutions have shaped significant historical episodes—why the Medici's invention of double-entry bookkeeping entangled them in the bloody Pazzi conspiracy that left one family member murdered, how cotton bonds hastened the downfall of the Confederacy in the American Civil War, and why some Dutch tulips sold for over \$1 million (2025 USD) in 1636.

Throughout history, financial institutions have gone through periods of volatility and instability that ultimately led to crises and widespread wealth loss. To understand these crises, we must recognize that banking systems are not simply economic arrangements but the product of political bargains among governments, bankers, and other interest groups. These bargains help explain why the U.S. experienced recurrent banking panics in the 19th and early 20th centuries, Mexico and many Latin American countries struggled with chronically underdeveloped financial sectors, and Canada avoided banking crises altogether for over a century. Together, these cases reveal that financial crises cannot be separated from the political institutions in which they are embedded.

After exploring the history of money and banking and how our current financial institutions emerged, we will turn to the future and possible alternatives to the systems we know today. Historical experiments with the gold standard, fiat money, and private or competitive currencies can help us think about the design of more robust institutions going forward. What lessons do these past arrangements hold for the rise of cryptocurrencies, stablecoins, and central bank digital currencies, and can these new forms of money offer desirable alternatives to today's monetary regimes?

Course Objectives

This course is not designed to provide a technical tour of the U.S. monetary system or to memorize the many terms and features of today's financial sector. Instead, the objective is to equip students with the tools to understand the incentives that shape financial institutions and drive human decision-making within them. The aim is to build a conceptual framework—rooted in the economic way of thinking—that explains why these institutions exist and why people participate in them.

We will pursue these objectives through a combination of lectures, exams, readings, and discussion. Lectures will introduce the basics of monetary institutions, while exams will test comprehension. Students will read three books that examine not only modern finance but also the broader historical development of monetary institutions. In class discussions, students will critically engage with the ideas of these authors, evaluating their theses and considering what they mean for our understanding of financial institutions. Through the discussion-leading assignment, students will also gain practice in structuring and guiding productive conversations about economic ideas.

Texts

Required

The Ascent of Money A Financial History of the World, 10th Anniversary Edition
by Niall Ferguson

Fragile by Design: The Political Origins of Banking Crises and Scarce Credit
by Charles W. Calomiris and Stephen Haber

Better Money: Gold, Fiat, or Bitcoin?
by Lawrence H. White

Recommended

The Economics of Money, Banking, and Financial Markets, 13th edition
by Frederic S. Mishkin

Prerequisites

The only prerequisite for this class is successful completion of ECN-101 Introductory Macroeconomics. You are expected to be familiar with this material. Please review it as you feel necessary.

Grading and Coursework

Your grade will consist of reading quizzes, participation in discussions, and a discussion leading assignment, midterm, and final.

Reading Quizzes

Quizzes will be given at the beginning of each class for which there is an assigned reading, and will cover the material due that day. The assigned readings are denoted with a ★ in the [Course Schedule](#). Your lowest quiz score will be dropped and will not be counted in your final grade. Quizzes cannot be made up, but can be exempted if you have an excuse from the school or health office.

Category	Percentage
Quizzes	25%
Participation	30%
Discussion Leader	10%
Midterm	15%
Final	20%

Participation in Discussions

Approximately two days a week will consist of a discussion of the readings assigned that day. You will be graded on the quality and quantity of your contributions. These two areas are not substitutes: neither a large number of low-quality comments nor a few high-quality comments will be sufficient to earn full credit. Rather, you should aim to be actively engaged in the discussion, making a reasonable number of high-quality contributions to most discussion days.

Discussion Leader Assignment

Each student will have the opportunity to lead the discussion for a day. They will be graded on their preparation, summary of the reading, the questions posed to the class, and the management of the discussion. More details will be given in the assignment rubric.

Midterm

The midterm will be taken during the class period on **Monday, October 27** and will cover material from the readings and class lectures. You will have the full class time to complete the exam. Electronic devices are prohibited.

Final Exam

The final will be on **Friday, December 12** at **11:30 AM**. The test is cumulative, covering material from the readings and class lectures from the whole semester.

Bonus Opportunity

You will be given the opportunity to earn up to 2% added to your final grade by submitting a response to the weekly topics of the [Wall Street Journal Future View](#). The only requirement is that your response include some form of economic analysis. Each response will be graded out of 10 points. If you do not earn full credit on your first attempt, you may continue submitting until you reach the maximum of 10 points, but no more than 10 points in total will be awarded. Responses must be emailed to me no later than Monday at 11:59 PM, before the journal's deadline.

Grading Scale

You will earn a letter grade based on your overall course percentage from the weighted categories listed above. Letter grades correspond to the percentage ranges shown in the table. Final percentages will be rounded: 0.5 and above will round up, while 0.49 and below will round down.

Office Hours

Weekly office hours will be held in my office, O'Hare 135, on Wednesday from 1:30–2:30 PM and Friday from 1:30–3:30 PM. If you are unavailable during these

Grade	Percentage
A+	97–100%
A	93–96%
A-	90–92%
B+	87–89%
B	83–86%
B-	80–82%
C+	77–79%
C	73–76%
C-	70–72%
D	60–69%
F	<60%

times, email me to arrange an appointment.

Technology Policy

Cell phones, pagers, and other communicative devices are not allowed in this class. Please keep them stowed away and out of sight. Laptops and tablets will not be permitted during the lecture, but are permitted during discussions for the purpose of taking notes or accessing the readings only. Engaging in activities not related to the course (e.g., gaming, watching videos, email, chat, etc.) will result in a significant deduction in your participation grade. If you need to use technology during the lecture, whether for accommodations or other legitimate needs, please speak with me in advance.

Audio/Video Recording & Pictures

For the privacy and comfort of your fellow students, audio and video recordings, as well as photography, is strictly prohibited during class.

Academic Conduct

Students are expected to interact with faculty and fellow students with courtesy, respect and integrity in all academic settings. Any behavior that disrupts an appropriate and effective learning environment is unacceptable and may be subject to discipline, whether it occurs in class, on campus, or on the Internet. Student behaviors that enhance the learning environment include dialogue and discussion of course material and issues; asking questions to improve comprehension; listening to and respecting the views of others; and completing readings and assignments in preparation for class. Student behaviors that hinder the learning environment include extended personal discussions during class; the use of cell phones, and the inappropriate use of laptops or other devices during class; consistently interrupting class by entering and exiting the room during the class session; and treating classmates or the instructor with disrespect. In all academic settings, students should be aware of their responsibility to engage in the material being covered in order to benefit from educational opportunities. Moreover, students must be certain that their presence enhances rather than hinders the educational environment of fellow students.

Academic Integrity Policy

Learning in our Mercy Tradition must strive for discovery and truth. It must cultivate the kind of integrity that is courageous enough to face the truth about ourselves and inspire trust in others. Put simply, academic integrity is carrying out scholarship honestly and responsibly. Academic integrity is upheld when individuals work independently when asked, acknowledge the work of others when appropriate, and complete examinations without unauthorized aid. Students are required to understand and follow the academic integrity policy (full text is available at [Academic Integrity Policy and Forms](#)).

Disability Accommodation

Salve Regina University is committed to providing equal access for students with disabilities to all of its programs and services in accordance with the Americans with Disabilities Act (ADA) of 1990, and Section 504 of the Rehabilitation Act. If you have a disability that entitles you to instructional or other accommodations, you must register with the Student Accessibility Services, and arrange to provide them with documentation of your disability. The Office is open Monday–Friday 8:00–4:00 PM EST, and can be reached by phone (401-341-3150) or via email (accessibilityservices@salve.edu). Student Accessibility Services will provide you with letters of accommodation for your professors as appropriate. You should arrange to speak with the professor as soon as possible (ideally within the first week of class) to discuss arrangements for implementing your accommodations.

Use of Salve Email

All official email communication at Salve Regina University involving faculty, students, and staff is to be conducted using Salve email (addresses ending in @salve.edu). Students must regularly check their Salve email for important notifications from their faculty, the Registrar, and others.

Academic Support

The Academic Center for Excellence (ACE) provides peer tutoring appointments that help students at all skill levels achieve academic success. Subject tutors review content and provide specific study strategies for courses in many disciplines. Writing tutors help any undergraduate student with every phase of the writing process from brainstorming to revision. Peer academic coaches help students reach academic goals by supporting students with time-management, note-taking, studying strategies and more. For more information or to schedule an appointment, visit the [Academic Center for Excellence](#) online or call (401) 341-2226.

Credit Hour and Workload Expectations

Salve Regina University awards academic credit hours for the successful completion of this course, and the course requires a significant commitment of time and effort from the student. Accreditation regulation requires that students complete (1) one hour of classroom or direct faculty instruction and a minimum of two hours of out of class work each week for approximately fifteen weeks for one semester hour of credit, or the equivalent amount of work over a different amount of time; or (2) at least an equivalent amount of work for other learning activities such as laboratory work, internships, practica or studio work. The learning outcomes, assignments and workload for this course reflect this expectation.

Course Schedule

Date	Class Topic	Readings
Friday, September 5	Syllabus & Introductions	
Monday, September 8	What is Money	<ul style="list-style-type: none"> • <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 3 • <i>On The Origins of Money</i> by Menger • “The Economic Organisation of a P.O.W. Camp” by Radford
Wednesday, September 10	Dreams of Avarice	★ <i>Ascent of Money</i> by Ferguson, Introduction & Ch. 1 [60]
Friday, September 12	Of Human Bondage	★ <i>Ascent of Money</i> by Ferguson, Ch. 2 [50]
Monday, September 15	The Meaning of Interest Rates	<ul style="list-style-type: none"> • <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 4 • <i>The Theory of Interest: As Determined by Impatience to Spend Income and Opportunity to Invest It</i> by Fisher
Wednesday, September 17	Blowing Bubbles	★ <i>Ascent of Money</i> by Ferguson, Ch. 3 [51]
Friday, September 19	The Return of Risk	★ <i>Ascent of Money</i> by Ferguson, Ch. 4 [49]
Monday, September 22	The Behavior of Interest Rates	<ul style="list-style-type: none"> • <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 5 • “Portfolio Selection” by Markowitz • <i>Portfolio Selection: Efficient Diversification of Investments</i> by Markowitz
Wednesday, September 24	Safe as Houses	★ <i>Ascent of Money</i> by Ferguson, Ch. 5 [49]
Friday, September 26	From Empire to Chimerica	★ <i>Ascent of Money</i> by Ferguson, Ch. 6 [53]
Monday, September 29	The Risk and Term Structure of Interest Rates	• <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 6

Date	Class Topic	Readings
Wednesday, October 1	McAuley Day	
Friday, October 3	The Slight Depression & The Descent of Money	★ <i>Ascent of Money</i> by Ferguson, Ch. 7, 8 [67]
Monday, October 6	The Stock Market, Rational Expectations, and the Efficient Market Hypothesis	<ul style="list-style-type: none"> • <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 7 • “The Tulipmania: Fact or Artifact?” by Thompson
Wednesday, October 8	From Euro to Ethereum	★ <i>Ascent of Money</i> by Ferguson, Ch. 9 [39]
Friday, October 10	If Stable and Efficient Banks are Such a Good Idea, Why Are They So Rare?	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 1 & 2 [57]
Monday, October 13	Fall Break	
Tuesday, October 14	Tools of Conquest and Survival: Why States Need Banks	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 3 & 4 [45]
Wednesday, October 15	Banks and Democracy: Britain in the Nineteenth and Twentieth Centuries	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 5 [48]
Friday, October 17	Economic Analysis of Financial Structure and Regulation	<ul style="list-style-type: none"> • <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 8 & 10 • “The Market for “Lemons”: Quality Uncertainty and the Market Mechanism” by Akerlof
Monday, October 20	Crippled by Populism: U.S. Banking from Colonial Times to 1990	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 6 [50]
Wednesday, October 22	Rethinking the Fed’s Framework: Lessons from the Post-Pandemic Inflation	★ “Rethinking the Fed’s Framework: Lessons from the Post-Pandemic Inflation” by Cutsinger [19]
Thursday, October 23	Speaker Event: Dr. Bryan Cutinger’s Talk	5:15–6:15 PM O’Hare 260 (Little Bazarsky)

Date	Class Topic	Readings
Friday, October 24	The New U.S. Bank Bargain: Megabanks, Urban Activists, and the Erosion of Mortgage Standards	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 7 [53]
Monday, October 27	Midterm	
Wednesday, October 29	Leverage, Regulatory Failure, and the Subprime Crisis	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 8 [27]
Friday, October 31	Durable Partners: Politics and Banking in Canada	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 9 [48]
Monday, November 3	Banking Management and Industry Structure	• <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 9 & 11
Wednesday, November 5	Mexico: Chaos Makes Cronyism Look Good	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 10 [35]
Friday, November 7	When Autocracy Fails: Banking and Politics in Mexico Since 1982	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 11 & 12 [49]
Monday, November 10	Central Banks & the Federal Reserve System	• <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 13 • “Has the Fed been a failure?” by Selgin, Lastrapes, & White
Wednesday, November 12	The Democratic Consequences of Inflation-Tax Banking in Brazil	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 13 [36]
Friday, November 14	Traveling to Other Places: Is Our Sample Representative?	★ <i>Fragile by Design</i> by Calomiris & Haber, Ch. 14 & 15 [56]
Monday, November 17	The Money Supply Process	• <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 14
Wednesday, November 19	Markets and Governments in the History of Money	★ <i>Better Money</i> by White, Introduction & Ch. 1 [38]
Friday, November 21	How a Gold Standard Works	★ <i>Better Money</i> by White, Ch. 2 [37]

Date	Class Topic	Readings
Monday, November 24	No Class	★ 🎧 Lawrence White on Currencies and Better Money
Wednesday, November 26	Thanksgiving Break	
Friday, November 28	Thanksgiving Break	
Monday, December 1	The Tools of Monetary Policy	• <i>The Economics of Money, Banking, and Financial Markets</i> by Mishkin, Ch. 15
Wednesday, December 3	Common Misconceptions about the Gold Standard	★ <i>Better Money</i> by White, Ch. 3 & 4 [77]
Friday, December 5	How a Bitcoin Standard Works	★ <i>Better Money</i> by White, Ch. 5 & 6 [60]
Friday, December 12	Final Exam	11:30 AM