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Economic Education for the Twenty-first Century

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The need for economic literacy has grown exponentially throughout the world, and especially in America, in the past decade. It has intensified as a result of the rapid advancement of technology, which links the entire world. Communication is instantaneous. Technology has created highly efficient ways of doing business and generating economic interaction, thereby radically changing the process and focus of work.

Yet, economic education in this country has not advanced nearly as quickly to keep pace with the need to prepare young people effectively to enter the changing workplace.

Recent polls of economic literacy show a nation poorly adapted to the present and poorly prepared for its future. Fifty percent of the high school students surveyed do not know what a federal deficit is; sixty percent do not understand the purpose of profits; seventy percent cannot identify the most widely used measure of inflation; sixty percent think wages are set by government (Walstad 1992).

The United States faces a concomitant quality-of-education crisis. There is recognized need for systemic change, even a sense of urgency. Policy makers have tried to respond, and the need is so all-encompassing that overwhelmed educators have had to move on several fronts at once. The pressure for prioritization has focused on the three Rs and science. Other subjects of considerable import, such as economics, have received minimal publicity. While there is ongoing effort for reform — and for viewing reading literacy and economic literacy together as complementary, essential skills — such direction has neither been fully articulated nor taken hold.

The public is growing concerned about how to increase students' understanding of basic economics throughout K-12 schooling. The business community, whose members are closest to and perhaps feel most strongly about the cost of economic illiteracy, perceives there is a serious lack of economic and financial competence on the part of educators. Business support for economic-education efforts is more vigorous than ever, especially in terms of issues of workplace readiness and standards. At the forefront of these efforts are such prestigious national-level

corporate associations as the Business Roundtable and the National Alliance of Business.

The need for economic literacy in the United States is broad and complex and ranges from encouraging students approaching high school graduation to take greater interest in economic ways of thinking and problem-solving to teaching inner-city elementary students the critical importance of work, saving, and the basics on how to survive in today's complex society.

The challenge is this: The future American standard of living depends on our finding a way to reach all young people with an understanding of the market process and the skills of freedom—that is, to be economically literate.

In this light, 1997 was an important year for economic education. The year began with the publication of Voluntary National Content Standards in Economics by the National Council on Economic Education (NCEE 1997d). After the subject of economics was included in the *Goals 2000: Educate America Act* (1994), the National Council on Economic Education assembled a coalition of organizations to write voluntary content standards to guide economics instruction in American schools.

The purpose of standards is to help to raise the quality of economic education in America's schools. Standards in economics are intended to ensure that students entering a complex global economy can fully and effectively participate in it. The standards are the result of more than a decade of general concern on the part of educators and other citizens regarding educational reform in the United States. The standards are benchmarks, guides, and concepts that foster and fortify incremental learning experiences. Standards are not hurdles to be overcome. They are signposts to point the way to economic literacy, not to circumscribe it.

NCEE established a Writing Committee to prepare these voluntary content standards; its chairman was John Siegfried of Vanderbilt University. Each standard is accompanied by a rationale for its inclusion. The rationale explains to educators, parents, and citizens why it is essential for students to understand that standard, and how the students' lives and the lives of other citizens improve with that understanding. In addition, each standard also includes a set of benchmarks, divided into achievement for grades four, eight, and twelve. The benchmarks identify building blocks underlying the principles embedded in the standard. They contain assumptions, intermediate conclusions, and elaborations for each standard.

To a large extent, the benchmarks develop the economic reasoning behind the standard. In this way, the standards and benchmarks add up to more than a simple list of "things to know." As students observe the reasoning process used by economists and practice it themselves, they will acquire analytical skills they can apply to emerging economic issues unforeseen at the time these standards were written.

The Voluntary National Content Standards in Economics now provide a powerful tool for educators, specifying what students in kindergarten through grade twelve should learn about basic

economics so they will be better informed workers, consumers, producers, savers and investors and, most important, citizens.

The fact that economics was one of nine subject areas in the *Goals 2000: Educate America Act of 1994* demonstrates its importance as a core subject in American schools. The standards are designed purposefully to advance economic literacy, which is critically important for the future of our students — who are our future. The year 1997 featured significant advances in the uses of technology to extend and enhance our reach in economic education.

Recent technological advances have resulted in rapid and dramatic change in the development of new educational programs and materials. In 1992, NCEE and its Nebraska Council affiliate received a grant from the National Science Foundation (NSF) to reach and develop a teacher resource for economic education on CD-ROM — putting the United States at the forefront of using technology to improve economic literacy. In 1996, NCEE formalized its commitment to using new technologies to improve the quality and reach of economic education by establishing NCEE's Technology Initiative. The objectives of the initiative are to reach more students efficiently, teach more teachers effectively, and enhance the reach of NCEE's EconomicsAmerica network.

In 1997, NCEE joined the National Endowment for the Humanities, the American Association for the Advancement of Science, and the National Geographic Society — the major organizations identified by the MCI Communications Corporation — to help to develop the Internet as a learning tool.

The third theme or emphasis in the past year has been the increased correlation of economic concepts and principles into the kinds of lifelong learning skills people can use in their daily lives, throughout their lives. This focus is evidenced by new materials ranging from *EcoDetectives: Economics and the Environment* (NCEE 1997a) to *Learning from the Market* (NCEE 1997b) to *Personal Decision Making: Economics of Personal Finance* (NCEE 1997c). These are designed for intended student outcomes, preparing them to become competent decision makers; productive members of the workforce; effective participants in the global economy; knowledgeable consumers, prudent savers and investors; and responsible citizens.

The National Council on Economic Education was founded nearly fifty years ago with the vision of a nationwide, comprehensive program for economic education in America's schools that leads in the development of national and state content standards in economics; assists in the development of national, state, and local standards-based curricula; publishes classroom-tested materials and strategies for teachers and students; provides university/college-based courses, workshops, and professional development for teachers; and conducts evaluation, assessment and research. That vision today clearly is being implemented in new ways which are responsive to changing educational challenges. An international program has been developed to help build economic-education infrastructures in emerging market economies; to create economic-

education delivery systems; to provide professional development for teachers and teacher trainers; to translate, adapt, and develop instructional materials; and to support multilateral exchange of ideas, methods, and materials.

Each year, NCEE programs reach 120,000 teachers and more than seven million students in 70,000 schools in the United States. NCEE delivers programs, services, and materials nationally and internationally through a unique network of affiliated EconomicsAmerica Councils and Centers, including forty-eight state and regional councils and 270 university/college-based centers for economic education. The network also delivers programs and courses and collaborates with a growing number of international partners in fifteen countries in eastern Europe through the Economics International program.

NCEE's vision for economic literacy is based on a belief in a balanced non-partisan presentation of economic issues; respect for the highest standards of academic excellence; respect for the ability of all students at every level to learn and apply economic principles; and belief in the proven influence of teachers to effect change in their students, schools, and school districts.

The council believes all regions of the United States benefit with equal excellence and effectiveness from its credibility with teachers, capacity to respond to local needs, and capability to get into the schools — and into the heads and hearts of students — with standards, materials, curriculum, professional development for teachers, and assessment and evaluation. Together with a growing number of foundation, corporation and association partners, this commitment to effective economic education — education that makes a difference — will continue well into a new century and millennium.

References

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About the Author

Robert F. Duvall (Ph.D., Claremont Graduate School) has been president and CEO of the National Council on Economic Education since 1995. He has led the nationwide EconomicsAmerica network in developing the Voluntary National Content Standards in Economics and has guided a program to familiarize teachers in eastern Europe and the former Soviet Union with free-market economics. He has served as vice president for development and college relations at Rollins College, president of Pacific University, and a member of the Association of Independent Colleges and Universities' National Commission on Financing Education. In 1992 he was Distinguished Visiting Fellow at Clare Hall, Cambridge University.