# ED304396 1989-03-00 Teaching and Learning Economics. ERIC Digest.

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Author: Seiter, David M.

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## Teaching and Learning Economics. ERIC Digest.

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Schools in the United States have a civic mission--the development of knowledge, skills, and attitudes needed for responsible citizenship in a constitutional democracy. This mission cannot be fulfilled without effective teaching and learning of economics in elementary and secondary schools. Educators are challenged to transform knowledge in the discipline of economics into lessons on economic literacy for citizenship, which involves the "ability to conduct objective, reasoned analysis of economic issues" (Banaszak 1987, 2).

How well are educators in the United States meeting the challenge of developing economic literacy in general education for citizenship? Does economics have a solid place in the core curriculum of secondary schools? Do most young Americans have the capacity to apply knowledge in economics to public issues and problems? Results from nation-wide administration of the TEST OF ECONOMIC LITERACY indicate serious deficiencies in the teaching and learning of economics in schools. This ERIC Digest examines (1) the economic learning of secondary school students, (2) the means to improve the place of economics in the curricula of elementary and secondary schools, (3) the means to improve classroom instruction in economics, and (4) the implications of improved teaching and learning of economics.

### WHAT DO STUDENTS LEARN ABOUT ECONOMICS?

High school students in the United States tend to be ignorant of key ideas in economics, such as gross national product, inflation, profits, and investment. These findings are derived from a national survey of 8,205 eleventh- and twelfth-grade students in public and private high schools in thirty-three states; this survey was sponsored by the Joint Council on Economic Education (Walstad & Soper 1988).

Respondents correctly answered only forty percent of the forty-six multiple choice items in this survey of knowledge. These students performed particularly poorly in response to questions about the national and international economy. They correctly answered only thirty-four percent of the questions on the national economy and only thirty-six percent of the questions on international economics.

Students who have completed a high school course in economics tend to have higher scores on tests of economic literacy than students with no formal education in this subject (Walstad & Soper 1988, 6-7). Furthermore, economics instruction in secondary schools also influences students to develop positive attitudes about the economic system and the subject of economics (Ingels & O'Brien 1988; Soper & Walstad 1988). However, most students who have completed a secondary school course in economics still exhibit significant deficiencies in their knowledge of economics, especially macroeconomics (Walstad & Soper 1988, 10).



## HOW CAN THE PLACE OF ECONOMICS IN THE CURRICULUM BE IMPROVED?

One obvious means to the improvement of economic literacy is a stronger emphasis on this subject in the curricula of elementary and secondary schools. Currently, only twenty-eight state-level departments of education require inclusion of economics in some form in the school curriculum. Only fifteen states mandate a high school economics course (Brennan 1986).

Leaders of the Joint Council on Economic Education strongly recommend that all students take an economics course before graduation from high school (Walstad & Soper 1988, 7-8). They suggest an emphasis on topics and concepts in macroeconomics. Furthermore, they urge systematic infusion of economics throughout the social studies curricula of elementary and secondary schools.

Merely strengthening the place of economics in the curriculum, however, does not guarantee effective teaching that yields high levels of economic literacy among students. Both the quantity and quality of classroom instruction are critically important in the teaching and learning of economics in schools (Miller 1988).

### HOW CAN INSTRUCTION IN ECONOMICS BE IMPROVED?

The quality ofinstruction depends upon the knowledge of teachers. There is a strong positive relationship between teachers' knowledge of economics and levels of economic literacy achieved by their students. This relationship prevails not only for teachers of separate courses in economics, it also applies to teachers of other subjects, such as history or geography, who infuse economics into their courses.

Education in economics should be part of the preservice and inservice education of social studies teachers. Walstad and Soper report (1988, 8): "Our findings suggest that significant improvements in the economic literacy of U.S. high school students will be made when students take an economics course, from teachers who have taken many economics courses and who teach macroeconomics and international economics, and in a school district that has made a substantive commitment to economic education."

Teachers with ample knowledge of economics are able to plan effectively for the introduction and organization of basic concepts. For example, they are able to relate the learning of new concepts to prior learning experiences of students. They are also able to avoid overwhelming learners with too many details. According to Miller (1988, 54): "This puts special emphasis on the teacher's knowledge of economics, because he or she must know what can be safely omitted without distorting the picture."

Knowledgeable teachers are also able to distinguish simple from complex concepts in



economics and to vary instructional procedures accordingly. For example, conjunctive concepts, such as goods and services, are simply and clearly defined; they can be presented effectively by means of a definition-to-example approach to instruction. By contrast, disjunctive concepts are more complex and have alternative meanings depending on their context. They must therefore be presented and learned within various contexts (Miller 1988, 54-55).

Substantial knowledge of economics is needed to utilize an economic reasoning model, which Miller recommends as an effective means for organizing instruction (1988, 43-44). There are five steps in the process:

- -- State a problem or issue.
- -- Determine the goals to be attained.
- -- Consider alternative means for achieving these goals.
- -- Select economic concepts needed to understand the

problem and use them to appraise the alternatives.

-- Choose an alternative with desired consequences--the attainment of the most goals or the most important goals.

This model emphasizes application of economic concepts to problems and issues that are likely to be important concerns of citizens. A necessary condition for appropriate selection and presentation of significant problems is knowledge of economics and its applications in public affairs.

### WHAT ARE SOME IMPLICATIONS OF IMPROVED TEACHING AND LEARNING OF

ECONOMICS IN SCHOOLS?Knowledge of economics and ability to apply it to significant problems and issues are essential elements of responsible citizenship in a democratic society. Citizens must be able to comprehend and use basic economic concepts in order to perform adequately as producers, consumers, investors, and voters in public elections. Widespread improvements in ability to perform these roles will yield enormous benefits to individuals and the nation.

By contrast, the personal and public costs of inability to perform these roles are too large and harmful to be ignored. In particular, our nation needs citizens who can



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understand and use economics if the United States is to maintain its competitiveness in the world economy.

Knowledge and skills in economics, which are needed for citizenship, will not be learned by most individuals unless they are systematically and effectively taught in elementary and secondary schools. Therefore, economics belongs in the core curriculum, the common learning experiences required of all students as part of their general education for citizenship.

#### REFERENCES AND ERIC RESOURCES

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#### ED.

David M. Seiter is journal columns coordinator and writer for ERIC/ChESS and an instructor for the Davis County Schools, Farmington, Utah.

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