

**A REVIEW OF ECONOMIC EDUCATION
IN KENTUCKY'S PUBLIC SCHOOLS**

INTERIM JOINT COMMITTEE ON EDUCATION

Research Memorandum No. 495

LEGISLATIVE RESEARCH COMMISSION
Frankfort, Kentucky
July 2002

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MEMORANDUM

TO: Senator David Williams, Co-Chair
Representative Jody Richards, Co-Chair
Legislative Research Commission

FROM: Senator Lindy Casebier, Co-Chair
Representative Frank Rasche, Co-Chair
Interim Joint Committee on Education

SUBJECT: Economic Education Study Report

DATE: June 25, 2002

House Concurrent Resolution 82 (HCR 82) of the 2000 General Assembly directed the Interim Joint Committee on Education to study the principles of economics and the need for promoting economic education in Kentucky that requires “all students to acquire knowledge to make economic, social and political choices.” The Interim Joint Committee on Education reviewed information collected by staff and took testimony from Department of Education staff, the Education Professional Standards Board staff, and the chairman of the board and executive director of the Kentucky Council on Economic Education. The committee adopted recommendations December 5, 2001. The recommendations were subsequently adopted by the 2002 General Assembly in House Joint Resolution 25.

SUMMARY

In 2000, the General Assembly adopted House Concurrent Resolution 82 that directed the Interim Joint Committee on Education to study the instruction of the principles of economics and the need for promoting economic education in the public schools. The resolution cited the goal of public education in Kentucky that requires “all students to acquire knowledge to make economic, social, and political choices.”

To carry out the requirements of HCR 82, the Interim Joint Committee on Education authorized LRC staff to do an in-depth review of the issues relating to economic or consumer education as well as listened to testimony on the subject. A workplan that focused on some key questions were identified to aid in the study:

- How is economic education defined?
- How is economic education included in Kentucky’s education program?
- How do Kentucky’s requirements align with other states?
- Are Kentucky teachers adequately prepared to teach economic education?
- What resources are available within the state and nation?
- Is there a need to improve economic education in the state?
- Are there recommendations to enhance economic education in Kentucky?

While some persons advocate mandating consumer education or financial literacy, this approach is contrary to the state policy of local decision making. Kentucky does not require a specific course in consumer education or economics, but economics is required to be incorporated into the social studies curriculum. Specific academic expectations require students to acquire knowledge and skills in economics and consumer education. Economic principles are an assessment component in social studies in the Commonwealth Accountability Testing System, and practical and vocational skills are also a part of the testing system.

There is wide variability among schools as to how consumer education and economics are included in the curricula as each school makes its own decisions. A small percentage of Kentucky students is actually enrolled in specific courses in this area, which necessitates all Kentucky teachers’ being able to integrate these concepts and skills into their various curricula.

The 1999-2000 statewide test scores indicate that students score as well or better on the economics portion of the social studies test as they did on the balance of the test. The state mean subscores for economics are as high as or slightly higher than the other social studies subscores, with history scores as the lowest.

There is not a teaching certificate in economics, but teachers of social studies, consumer and family life skills, and other career and technical education areas, including business education and marketing, are required to develop skills in these areas. However, the amount required varies by university program. A wide variety of resources is available to teachers and schools; however, there appears to be a concern about the lack of resource coordination and the lack of awareness of some teachers as to what is available.

RECOMMENDATIONS

The Interim Joint Committee on Education recommends that:

- **The Kentucky Department of Education should continue to partner with private organizations, public and private colleges and universities, and other public entities to offer meaningful professional development for teachers.**
- **The Kentucky Department of Education should continue its efforts to develop teacher academies that focus on developing teachers' knowledge and skills in economics and in consumer education.**
- **The Kentucky Department of Education should maximize the use of its website to communicate the professional development and other resources that are available to teachers.**
- **Local schools and teachers should be encouraged to use some of the local professional development funds to participate in economics and consumer education related programs conducted by the Kentucky Council on Economic Education (KCEE) and other appropriate providers.**
- **The Professional Growth Fund should be extended to encourage all teachers' participation in consumer education courses or professional development institutes, not just social studies teachers.**
- **The Department of Education, the KCEE, and other interested parties should continue collaboration, and if funds are made available, the department may choose to contract with the KCEE to carry out coordinating functions in the areas of consumer education for the state.**

INTRODUCTION

In 2000, the General Assembly adopted House Concurrent Resolution 82 (2000 HCR 82) that directed the Interim Joint Committee on Education to study the instruction of the principles of economics and the need for promoting economic education in the public schools. The resolution cited the goal of public education in Kentucky that requires “all students to acquire knowledge to make economic, social and political choices.”

To carry out the requirements of HCR 82, the Interim Joint Committee on Education authorized an in-depth review of the issues relating to economic or consumer education. The workplan adopted by the committee specified the following key questions:

- How is economic education defined?
- How is economic education included in Kentucky’s education program?
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- Are Kentucky teachers adequately prepared to teach economic education?
- What resources are available within the state and nation?
- Is there a need to improve economic education in the state?
- Are there recommendations to enhance economic education in Kentucky?

Staff reviewed the current Kentucky Revised Statutes and administrative regulations as well as a variety of Department of Education documents to determine the level of economic education in the Kentucky curriculum. Interviews were conducted with teachers, staff of the Department of Education, the Education Professional Standards Board, the regional resource centers, universities, and representatives of the Kentucky Council on Economic Education (KCEE). The Interim Joint Committee on Education took testimony from department staff, the Education Professional Standards Board staff, and the chairman of the board and the executive director of the KCEE.

A concern about the accessibility and quality of economic education has surfaced among prominent policy makers and special interest groups throughout the country. A 1998-1999 survey by the National Council on Economic Education (NCEE)¹ identified that most Americans have had no formal education in basic economics or personal finance, despite their ultimate career choices in related fields. Further, the survey

¹ The National Council on Economic Education was formed in 1949 as a nonprofit partnership of leaders in education, business and labor, devoted to helping students think, choose, and function in a changing global economy. The NCEE provides training and materials to teach economic principles for K-12 and coordination of state councils, university-based centers, and an international economics training initiative.

indicated that nationally in 1998 and 1999, at least sixty-six percent of high school students and forty-nine percent of adults failed a test on basic economic principles, leading to the conclusion by NCEE that “the level and quality of economic education in public schools is woefully inadequate to prepare students” to fulfill their adult roles in society.

Some consumers are often plagued by the lack of skills in using credit, purchasing, saving, investing, and managing their resources. For example, a bankruptcy trustee in California reported at the 2000 annual meeting of the National Conference of State Legislatures (NCSL), that \$1.3 to \$1.4 million dollars were lost by businesses in the last couple of years due to college freshmen taking bankruptcy, citing the primary cause as overuse of credit cards.

At the 2000 NCSL meeting, the Executive Director of the JumpStart Coalition² said that children learn money management from home, school, and life experiences. From these sources kids must learn about credit, management, income, saving, and investing. If the home has problems in this area, then the children do not learn. Only ten percent of students learn about personal finance in school. She believes the basic reason for that is, generally, personal finance in this country is taught in electives like business or family and consumer science. She said that if economic education is not a core subject, then it does not get the attention it needs. She said it is important to convince states that personal and consumer finance are vital subjects that fit naturally into other curriculum areas.

In a recent address, the chairman of the Federal Reserve System stressed the overwhelming significance of economic education/financial literacy. In his opinion, education can help provide individuals with the financial knowledge necessary to create household budgets, initiate savings plans, and make strategic investment decisions for retirement and for children’s education. He said that while data available to measure the efficacy of financial education are not plentiful, he found the research available on the benefits of financial education programs to be encouraging. For example, a recent study by Freddie Mac, one of the nation’s largest purchasers of home mortgages, finds that home buyers who obtain structured home ownership education have reduced rates of loan delinquency.

² JumpStart Coalition for Personal Financial Literacy was organized in 1995 to encourage curriculum enrichment to ensure that basic personal financial management skills are attained during the K-12 educational experience. Active in twenty-six states, with plans to expand to all fifty states, the coalition brings together a diverse range of partners nationally from business and government. There is no Kentucky coalition but numerous teachers and schools have accessed JumpStart resources on an individual basis.

The chairman also noted that an evaluation conducted by the National Endowment for Financial Education (NEFE)³ on its high school programs found that participation in financial-planning programs improved students' knowledge, behavior, and confidence with respect to personal finance, with nearly half of participants beginning to save more as a result of the program. He said that a recent study of the relationship between financial behavior and financial outcomes revealed that comprehension of the general principles of sound financial behavior, such as budgeting and saving, is actually more beneficial in producing successful financial results over time than specific and detailed information on financial transactions. He indicated that these findings underscore, in particular, the importance of beginning the learning process as early as possible.

Some efforts have been made at the Congressional level to enhance economic education. In January, 2002, HR 61, the Youth Financial Education Act to amend the Elementary and Secondary Education Act of 1965 was introduced to allot grants to state educational agencies. The bill proposed to provide funds to local educational agencies and public schools for personal financial literacy education programs for students in K-12, and for professional development programs to prepare teachers and administrators for offering financial education. A similar bill, SB 807, was introduced on May 1, 2001. While neither bill has been adopted, these efforts indicate interest in educating students in financial literacy.

³ The National Endowment for Financial Education (NEFE) evolved from and served as the parent entity of the Denver-based, non-profit College for Financial Planning from 1992-1997. Currently, the foundation offers free help to all ages of Americans in acquiring the information and gaining the skills necessary to take control of their personal finances and to make educated financial choices. It also partners with other concerned organizations to achieve its goals.

KENTUCKY'S ECONOMIC EDUCATION PROGRAM

How Is Economic Education Defined?

The National Council on Economic Education defines economic literacy as the knowledge and ability to assess problems, make choices, and understand the choices of others as consumers, workers, and citizens in local, national, and global economies. Various states and organizations use variations of this term. Others sometimes elaborate the definition to mean “educational activities and experiences, planned and supervised by qualified teachers, that enable students to understand basic economic and consumer principles, acquire the skills and knowledge necessary to manage personal and household finances, and develop a range of competencies that will enable them to become responsible consumers in today’s complex economy.”

How Is Economic Education Included In Kentucky’s Education Program?

In 1990, the General Assembly reformed Kentucky’s public schools to create a strong assessment and accountability system that sets statewide goals and standards and then allows educators at the school and district level, with the input of the community, to make decisions on how to operate their schools and achieve the goals. The capacities that students are expected to acquire and the learning goals that schools are expected to achieve are set forth in KRS Chapter 158 with more specific academic expectations outlined in administrative regulation 703 KAR 4:060. Specifically, KRS 158.645 (2) says that all students are to acquire the capacity of “Knowledge to make economic, social and political choices.” KRS 158.6451(1)(b)2. states that one of the goals for Kentucky’s schools is to “Apply core concepts and principles from mathematics, the sciences, the arts, the humanities, social studies, and practical living studies to situations they will encounter throughout their lives.”

The minimum requirements for high school graduation adopted by the Kentucky Board of Education are stated in 704 KAR 3:305. Beginning with the graduating class of 2002, three social studies credits to incorporate U.S. history, economics, government, world geography, and world civilization are required. The minimum content required for all students before graduation from high school is explained in the *Program of Studies*, a document developed by the Kentucky Department of Education and incorporated by reference in administrative regulation 704 KAR 3:303.

In testimony before the Interim Joint Committee on Education, a Kentucky Department of Education (KDE) consultant cited ways in which economics is woven into the curriculum. She explained that economics is one of the five strands that has been identified in Kentucky as part of the social studies program (September 5, 2001). The

consultant said that consumer economics is also addressed in the practical living vocational studies area. In social studies, the economic content is divided into the four major concept areas of scarcity, economic systems and institutions, markets and production distribution, and consumption. These are the areas that are assessed on the state core content test. Practical living is more targeted to consumer economics where the students are taught to access consumer information, compare products and services, and learn how people rely on services and resources through private, public, and volunteering agencies. KCEE in collaboration with the KDE has produced a document called *Steps* that helps teachers correlate what they are to teach with different programs and activities. *Steps* is available from the Kentucky Council on Economic Education.

Curriculum decisions are made at the local level. At the primary and elementary level the curriculum is addressed in a variety of ways. At the middle school level, economics is sometimes taught as a separate area of study and it is sometimes difficult to integrate into the required courses. The KDE consultant said that at the high school level economics is sometimes taught as a part of a ninth grade course like geography, government, or civics. Economics is also an integrated part of modern world and U.S. history.

Though a specific economic education course is not required in Kentucky's curriculum, economics, financial literacy, and consumerism are taught throughout the general curriculum in kindergarten through grade 5. In middle and high school, these subjects are integrated into social studies courses and practical living/vocational studies, or may be taught as separate classes. The Department for Technical Education provides similar curriculum in the state-operated area technology centers. Related courses are also offered through School-to-Work/School-to-Careers programs in local school districts and state-operated area technology centers. These programs focus on workplace readiness and in some schools incorporate economic education, consumerism, or financial literacy. Students learn about checkbook balancing, interest rates, interviews, resumes, advanced mathematics, stock market information, and various business programs.

Schools generally use three curriculum designs for teaching economics. Schools might choose to present economic education through a specific, nine-week survey course or to integrate economics curriculum in other ways. The curriculum might be integrated into some history, geography, or civics classes. Schools might offer an introductory social sciences course which includes a unit on economic principles at the ninth grade level.

A staff review of curriculum did not indicate a major emphasis on economics in the other core subjects outside of social studies, although the scope would vary from school to school depending on the teachers' choice of teaching and learning strategies.

Social Studies Curriculum

To determine whether economics is included in the curriculum, staff conducted an analysis of the social studies component of the Commonwealth Accountability Testing System (CATS). Questions relating to economics within the social studies assessment in the current testing cycle comprised 18% at the elementary level, 20% at the middle school level, and 15% percent at the high school level of the entire social studies test item pool. Beginning in 2002, the percentage of questions relating to economics will comprise 10% at the elementary, 10% at the middle school, and 15% at the high school level. Although the percentages devoted to specific areas were established by teachers, some educators have expressed concern that the reduction in assessment items will lead to teachers' spending less time on economics principles and skills in the future. It is unknown whether that will be a result.

The 1999-2000 CATS scores indicate that students scored as well as or better on the economics portion of the social studies test than they did on the balance of the test. The state mean subscores for economics were as high as or slightly higher than the other social studies subscores, with history scores the lowest.

Practical Living and Vocational Studies Curriculum

With the exception of the required health course, schools and districts set their own course requirements or curriculum integration to address the required core content for practical living and vocational studies. These areas primarily relate to Academic Expectation 2.30, "Students evaluate consumer products and services and make effective consumer decisions," and some of Academic Expectations 2.36 and 2.7: "Students use strategies for choosing and preparing for a career," and "Students demonstrate skills and work habits that lead to success in future schooling and work." The suggested practical living curriculum is based on new skill standards or national standards for family and consumer sciences education. These standards contain a wide range of concepts from basic consumerism, family living, and personal finances management to utilization of community resources and career majors.

The updated career and technical program of studies lists eighteen elective courses by recommended grade level, the specific academic expectations incorporated, and specific areas of emphasis. The courses fall into three major categories: consumer economics, life skills, and career and family. Of the eighteen economic-related courses, seven were actually taught in Kentucky schools during the school year 1999-2000. Approximately 20,000 students were served in these courses with 1122 specifically enrolled in a consumer education course.

It is unclear how much teachers are integrating the practical living and vocational content into their overall curricula. However, according to testimony by the Commissioner of Education before the Interim Joint Committee on Education (October

12, 2000), there is a concern based on CATS results that students have generally had the lowest scores in practical living and vocational skills and in the arts and humanities.

In discussing the nature of the test, staff pointed out that because the test is designed for school-wide accountability, not individual student accountability, a student may not be tested adequately on the specific academic expectation. The student may get only two or three questions on consumerism, or the other related areas for that matter. In fact, it is possible for a given student to get no questions on consumerism, but this would be a rarity. Additionally, students are tested in the eleventh grade, but may take the practical living classes in the tenth, eleventh, or twelfth grades.

In the 1999-2000 school year, curriculum development teams visited schools across the state to analyze the practical living/vocational skills scores. They reported that in the high performing schools, teachers were very much aware of the *Core Content for Assessment* and the *Program of Studies*, periodically reviewing these documents, and emphasizing the consumerism components. The lower performing schools did not appear to have emphasized the core content work as much.

Career and Technical Education Curriculum

Business and marketing courses, areas of career and technical education, provide instruction in economics. The Department of Education had teachers develop the curricula using national skill standards with a panel representing industry to evaluate the concepts.

The business and marketing curricula, along with other areas of career and technical education, are cross-referenced to academic expectations, which provide the framework for teaching basic economic concepts within the scope and sequential guidelines. Staff believes that this directs students to successful testing. While specific vocational programs are not tested on CATS, seniors may voluntarily avail themselves of skill standards testing.

During 1999-2000, 1224 students participated in business courses in middle schools and 21,146, in high schools. However, there may be some duplicate count with students taking more than one course in a year.

Kentucky Virtual High School Curriculum

The Kentucky Virtual High School (KVHS) may open the door for more students to access economic courses. During school year 2000-2001, the Kentucky Virtual High School, under a federal grant, offered only Advance Placement (AP) courses in economics. The cost to a student for ½ credit is \$275.00; the cost for 1 credit is \$500.00. In some cases, the school district will pay the cost, and in other situations, the student

must pay. In the fall of 2001, KVHS and the Kentucky Council on Economic Education (KCEE), a not-for-profit local affiliate of the National Council on Education, joined forces to provide an on-line course called “Living, Learning, and Earning—Practical Economics,” geared to the tenth grade level, for ½ credit. KVHS plans to expand with a more elaborate curriculum made up of individual units to be used in pieces with classroom curriculum in social studies.

Future plans between KVHS and KCEE include additional online economics offerings such as a practical living course for seniors or perhaps a micro/macro concepts course and modules for use with younger students. In addition to the courses, KVHS intends to work with the Council to develop professional development for teachers to learn to teach economics effectively, whether through an independent course or through incorporating concepts into other content areas.

Teaching Strategies

Some unique curriculum units and strategies, using school-based enterprises, are being used in Kentucky schools. These enterprises include banks, stores, greenhouses, and catering. A Henry County school established an “At Your Service” initiative, featuring a restaurant, signmaking, desktop publishing, and catering. A Rockcastle County school combined two classes for a project where the welding class made wrought iron items and the business class marketed and shipped the products.

Several schools used “reality stores,” which are designed for eighth graders by 4-H and County Extension Offices, where students assume job, family, and education criteria and try to determine how to best use limited funds for housing, clothing, food, and medical costs. Others have used microsocieties through the EconomicsAmerica Programs,⁴ which are configured at the elementary level, whereby fourth and fifth graders take on roles of community leaders in business, government, and schools, and the kindergarten through third graders are the citizens who deliver the mail and perform other, more mundane jobs, again mimicking real life experiences. The goal is to impart to students the importance of getting as much education as possible, because learning is closely aligned to ultimate financial success and a more comfortable lifestyle.

A variety of business and education interests groups have collaborated on developing curriculum to aid teachers and students. A recent KCEE/KDE partnership was formed to develop processes for integrating economics into middle and high school mathematics programs. A curriculum development seminar, “Mathematics and Economics: Connections for Life (9-12),” for teachers, connecting the mathematics core content to economics materials was hosted by a private sector industry. The fifteen lesson curriculum was developed by an economics professor from St. Cloud State

⁴ A nationwide, comprehensive program for economic education in America’s schools that develops national and state content standards in economics.

University in Minnesota, in coordination with the National Council of Teachers of Math, and was funded by the private business sector. The curriculum includes three algebra sections, three calculus sections, two data analysis sections, and the rest in combination—all relating pragmatically to economics in daily living.

Many Kentucky schools utilize the Junior Achievement (JA) program which may be provided at all three levels of schools. The purpose of JA is to “educate and inspire young people to value free enterprise, business, and economics to improve the quality of their lives.” According to their own program evaluation the sequential curriculum pays off over first time exposures. They report that JA students at all three levels consistently outperform other students who have not had JA training “on objective-referenced tests.” The programs are designed to reinforce daily school attendance and the importance of staying in school, and to encourage entrepreneurship, economic empowerment, and ethical practices in business. About three-fourths of the student population lives in areas served by JA. Students do seem to take advantage of JA classes where they are available, according to Kentucky Science and Technology Corporation’s publication, *Kentucky’s Entrepreneurial Capacity—1999*.

Teachers must request JA Programs for use in their classrooms. The teachers become “partners in the classrooms,” while business people enter the classrooms to present their experiences. Private corporations, foundations, and individuals provide funding to pay for the curriculum. Additionally, other volunteers, such as parents, other students involved in community service learning, and corporate individuals, assist in the education arena. They may visit classrooms once a week for five to twelve weeks. Staff reported that the Junior Achievement operating areas in Kentucky and Southern Indiana reached 65,503 students with the economic education programs in the school year 2000—2001.

The Kentucky 4-H, the youth development component of the Kentucky Cooperative Extension Service, annually offers opportunities to more than 200,000 youth through individual self-study projects at home, organized clubs in communities and schools, special interest groups, camp, television, after-school child care programs, or as part of the school curriculum to learn about a wide range of subjects including teamwork/conflict resolution, workforce/career preparation, animal science, food preparation, safety, nutrition, and consumerism.

According to the Kentucky Cooperative Extension Service at the University of Kentucky, the following numbers of youth were involved statewide through 4-H/Youth Development in 2000: 2640 students were involved in consumer education; 101 in entrepreneurship; 818 in American private enterprise; 6,354 in financial planning; and more than 16,000 in reality store development programs.

How Do Kentucky's Requirements Align With Other States?

According to an NCSL Survey (June 2000), at least sixteen states reported some form of economics, personal finance, or family and consumer sciences are included on assessments. Usually these courses are integrated into classrooms studying economics, business, and math. Most states include a component of personal finance education in state standards. At least fourteen states teach basic principles of personal finance at the elementary level. Additional states include some form of economics, personal finance, and family and consumer science in their curriculum. In thirty-six states, the specific selections of courses is made by "local education agency option," Kentucky being one of these.

The NCSL survey reported that Florida, Illinois, and Rhode Island require students to complete a course on personal finance management skills. Florida requires life management skills. "At least six other states—California, Connecticut, Indiana, Missouri, Ohio, and Virginia—require education officials to develop or encourage schools to offer personal finance course work." Schools in Virginia allow students to work in a school bank and put money in the bank. Many states reported that partnerships work well. Louisiana launched a pilot program in spring 2000 to train high school teachers to use personal-finance curriculum materials. Some forty high schools across the state are teaching the concepts this year, and state officials plan to offer similar training to middle and elementary schools beginning next spring.

Are Kentucky Teachers Adequately Prepared To Teach Economic Education?

The Education Professional Standards Board governs the certification of teachers but the board approves each teacher preparation program based on national standards for accrediting teacher preparation institutions. Each university or college determines what certificates it will offer. There is not a specific certification for economics. Some of the related certification areas include certificates in social studies, consumer and family life sciences and business and marketing education which would have content-specific requirements in the area of economics, financial management, and consumer behavior as determined appropriate at each institution.

According to testimony from the staff of the Education Professional Standards Board, there is no set curriculum for all institutions. Each institution addresses this issue differently and establishes its own requirements for graduation. In setting programs, the universities try to determine how much a prospective teacher needs to know in order to teach a subject area. For example, the University of Louisville requires nine hours of economics for high school certification in social studies, while the University of Kentucky requires one course for the same certification.

Each institution is approved by the Education Professional Standards Board to offer certification programs if it meets the National Council for Accreditation of Teacher

Education (NCATE) accreditation standards or the state standards that parallel the NCATE standards. In the case of social studies, an institution must meet the requirements established by the National Council for Social Studies (NCSS). For all levels of certification these standards call for curriculum on production, distribution, and consumption of goods and services; global connections; and general principles of economics.

Prospective teachers must pass a national test, PRAXIS, to be eligible for certification. For elementary certification, there are no economics questions on the PRAXIS exam. On the test for middle school certification, which has a ninety item test, thirteen to sixteen percent of the PRAXIS, i.e., twelve to fourteen items, is composed of economic-related questions. Fifteen percent, i.e., nineteen items of the 130 questions on the high school test required for social studies certification, are related to economics.

As the majority of Kentucky's students do not enroll in specific courses in economics or consumer education, there is concern by those supporting economic education that all teachers need adequate preparation to integrate the concepts and content to enable Kentucky students to gain the skills needed to understand and use credit, to manage income, saving, and investing.

Kentucky teachers have several financial resources available to them for continuing education and there are agencies and organizations within Kentucky that can provide needed assistance. Teachers and schools have access to more than \$15,000,000 in state funds for professional development. School-based decision making councils have policy control over 65% of these funds. The funds may be used for stipends for teachers, for registration fees for workshops and institutes, and a variety of other related costs. In addition, the 2000 General Assembly established a Professional Growth Fund which permits teachers to pursue in-depth professional development or college credit work and be reimbursed for up to \$2500 in expenses. These sources of funds may be used to pursue additional training in economics, consumer education, consumerism, and financial management based on teachers' needs.

The Department of Education has partnered for more than twenty years with the Kentucky Council on Economic Education (KCEE), a not-for-profit organization to deliver economic education training for teachers. The Council's mission is to help young people gain the economic knowledge and decision-making skills to sustain them through adulthood as they develop their careers and care for their families.

Professional development workshops have long been the mainstay of the KCEE. In 2000, the KCEE provided approximately seventy free workshops to nearly 2,500 teachers. In addition, KCEE works with nine college and university Centers for Economic Education across the state, all of which provide direct support to schools and training to teachers. Department staff work closely with directors and field directors at the centers. While each center maintains records of which social studies or economics teachers avail themselves of professional development training, no statewide record is maintained.

The materials developed and distributed by KCEE are based on national standards that were established by the National Council for Economic Education (NCEE). The standards are available on the NCEE website. The courses and workshops provided by KCEE include extensive work on methods and strategies for integrating economics and decision-making lessons in the K-12 curriculum.

As was noted earlier, KCEE has conducted its professional development training without charge in the past, but increasingly KCEE has more limited resources and is unsure whether it can continue services to teachers at no cost. The council sees a growing need for professional development for teachers as well as an ongoing need for formal, statewide coordination of economics and consumer education curriculum.

Other opportunities are available to teachers for professional development. Beginning in 1999, the Department of Education has conducted middle level social studies academies to assist teachers who wanted to improve their knowledge base and skills for teaching economics. Presentations included basic economic concepts, stock market discussions and other investments, entrepreneurship, comparative economic systems, labor issues, and world trade.

During 2000 and 2001 school years there were several teacher academies that focused on economics. For example, at one middle level social studies academy in 2000, the overall theme was “Looking at Culture.” A KCEE administrator presented two sessions over the five days and provided websites, hands-on exercises, and hard copy resources for teaching economics. For the first follow-up day, teachers used lesson plans which they had previously developed and revised them to show more sensitivity to different world cultures. The second follow-up Saturday later in the school year focused on the culture of poverty—how economic status creates a culture within a culture.

Some districts have taken action on their own to develop targeted programs for teachers in economics education. In 2000, the Hopkins County Schools through the Business Center in Madisonville, piloted a Teachers’ Institute on Economics (TIE) with a \$24,000 grant whereby sixteen social studies teachers (K-12) went through a five-day training on economic development, government and utilities, health care/small business/competition, production—consumption of goods and services, and business education computer programs. These five broad topics were presented by business executives, plant managers, Chamber of Commerce administrators, government officials, and EconomicsAmerica staff. Presumably this training will facilitate transferring the information to the classroom. The activity was repeated in 2001 for sixteen additional teachers.

Kentucky Educational Television (KET) provides another means for students to receive instruction in economic education or consumerism and for teachers to access professional development in economic education. KET publishes and distributes to all teachers a catalogue of instructional television series for students on the KET Star Channel 703, and professional development television seminars for teachers. Teachers

are able to determine what fits their needs by reviewing the grid relating categories and subjects for the instructional series with specific academic expectations, the *Program of Studies* and the *Core Content for Assessment*.

There are seventeen KET programs correlating to the academic expectation for economics; for consumerism there are fourteen. Further, nine of the programs are geared to high school, thirteen to middle school, and seventeen to elementary school.

For more than ten years, KET has provided professional development training for teachers in Kentucky. During the first eight years the programs were funded by the United States Department of Education Teacher Improvement Fund. In recent years, school districts have paid for the programs they have used. Professional development programs are self-sustaining, with charges to a district based on the number of students in the districts. A school that needs specific help may buy just one of a series, or a school may elect to buy an entire series. All professional development is tied to a school consolidated plan and the teachers' growth plans.

Primarily, content for the professional development has been provided by the Kentucky Council on Economic Education, the Department of Education, and postsecondary professionals. Currently there are seven professional development programs or series related to economic education that are available to teachers: two are designed for all levels; two for the primary level; two for high school; and one (Economic Education: Personal Finance) is a four-part series with developmentally appropriate curricula.

Through a School-to-Careers grant, Western Kentucky Technology Center set up a Teacher Externship Program, which other schools may use as a pattern. The Teacher Externship Program provides teachers an opportunity to visit businesses in the community or throughout the state where they can discuss what goes on in the schools, what goes on in businesses, and what each needs from the other. Teachers work in an industry or business for one to five days in particular subject areas. This enables practicing teachers to better understand how to relate the business sector and the classroom.

During testimony before the Interim Joint Committee on Education in August 2001, a representative of KCEE said that recent education research has given Kentucky high marks for staying the course for standards and tests. He noted that economics is scheduled to be tested by the National Assessment of Education Progress in 2004, and that will give a clearer picture as to how Kentucky students compare to other states in this content area. He said that teachers would be asked to do more and need to be provided with the training, tools, and support they need to help all students reach high standards. He suggested that all Kentucky teachers need help in integrating economics into their curriculum through professional development programs and materials development aligned with state standards, research, and evaluation.

The KCEE representative further recommended that the legislature give special status to the Kentucky Council on Economic Education by creating a public/private partnership and making the council the official clearinghouse and trainer for economic education. He said that Kentucky needs more training centers for equal access all over the state, to raise test scores in poor performing schools, to invest in technologies, to strengthen the entire economics curriculum, and to require not only integration but coordination in the instruction of economics.

RECOMMENDATIONS

- **The Kentucky Department of Education should continue to partner with private organizations, public and private colleges and universities, and other public entities to offer meaningful professional development for teachers.**
- **The Kentucky Department of Education should continue its efforts to develop teacher academies that focus on developing teachers' knowledge and skills in economics and in consumer education.**
- **The Kentucky Department of Education should maximize the use of its website to communicate the professional development and other resources that are available to teachers.**
- **Local schools and teachers should be encouraged to use some of the local professional development funds to participate in economics and consumer education related programs conducted by the KCEE and other appropriate providers.**
- **The Professional Growth Fund should be extended to encourage all teachers' participation in consumer education courses or professional development institutes, not just social studies teachers.**
- **The Department of Education, the KCEE, and other interested parties should continue collaboration and if funds are made available, the department may choose to contract with the KCEE to carry out coordinating functions in the areas of consumer education for the state.**

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APPENDICES

1. House Concurrent Resolution 82 (2000)
2. House Joint Resolution 25 (2002)

APPENDIX A
00 RS HCR 82/GA

A CONCURRENT RESOLUTION directing the Interim Joint Committee on Education to study the issue of the instruction of the principles of economics and the need for promoting economic education in public schools.

WHEREAS, the General Assembly of the Commonwealth of Kentucky has expressed its intent to create a system of public education which shall allow and assist all students to acquire knowledge to make economic, social, and political choices; and

WHEREAS, the principles of economics are in evidence throughout many aspects of human personal and social activity; and

WHEREAS, a survey by the National Council for Economic Education revealed that most Americans have no formal education in basic economics or personal finance, even as they are confronted with making economic decisions in their roles as consumers, investors, members of the workforce, and participants in the global economy; and

WHEREAS, sixty-six percent of high school students and forty-nine percent of adults failed a test of their knowledge of basic economic principles conducted by the National Council on Economic Education during 1998 and 1999; and

WHEREAS, these results are evidence that the level and quality of economic education in public schools is woefully inadequate to prepare students to address the challenges and opportunities they will face upon graduation; and

WHEREAS, a firm understanding of economics and the economy are important to assist students in making good decisions regarding their personal future, and in fulfilling their obligations as responsible citizens, workers, community members, and family members;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Interim Joint Committee on Education is directed to study the issue

1 of the instruction of the principles of economics and the need for promoting economic
2 education in public schools during the 2000-2002 legislative interim.
3 Section 2. Provisions of this resolution to the contrary notwithstanding, the Legislative
4 Research Commission shall have the authority to alternatively assign the issues identified
5 herein to an interim joint committee or subcommittee thereof, and designate a study
6 completion date.
7

APPENDIX B
2002 HJR 25/GA

A JOINT RESOLUTION directing the Department of Education to implement study recommendations.

WHEREAS, during the 2001 Interim, the Interim Joint Committee on Education studied the instruction of the principles of economics and the need for promoting economic education in the public schools as required by House Concurrent Resolution 82 of the 2000 session of the General Assembly; and

WHEREAS, the committee adopted its report and recommendations on December 5, 2001, and forwarded the report to the Legislative Research Commission;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

1 Section 1. The Department of Education shall implement the recommendations of
2 the Interim Joint Committee on Education as follows:

3 (1) The Kentucky Department of Education shall continue to partner with
4 private organizations, public and private colleges and universities, and other public
5 entities to offer meaningful professional development for teachers.

6 (2) The Kentucky Department of Education shall continue its efforts to
7 develop teacher academies that focus on developing teachers' knowledge and skills in
8 economics and in consumer education.

9 (3) The Kentucky Department of Education shall maximize the use of its Web
10 site to communicate the professional development and other resources that are available
11 to teachers.

12 (4) Local schools and teachers shall be encouraged to use some of the local
13 professional development funds to participate in economics and consumer education-
14 related programs conducted by the Kentucky Council on Economic Education and other
15 appropriate providers.

16 (5) The Professional Growth Fund shall be extended to encourage all teachers'

1 participation in consumer education courses or professional development institutes, not
2 just social studies teachers.

3 (6) The Department of Education, the Kentucky Council on Economic
4 Education, and other interested parties shall continue collaboration and if funds are made
5 available, the department may choose to contract with the Kentucky Council on
6 Economic Education to carry out coordinating functions in the areas of consumer
7 education for the state.

8 Section 2. The Department of Education shall report to the Interim Joint
9 Committee on Education on the status of these recommendations prior to October 1,
10 2002.
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