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ECONOMIC UNDERSTANDING OF SENIOR STUDENTS
IN THE OMAHA, NEBRASKA PUBLIC HIGH SCHOOLS

by
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Professor Wesley C. Meierhenry

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N. L. S.

PREVIEW

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CHAPTER I

INTRODUCTION

It is clearly evident that our nation's secondary schools are being called upon to assume greater responsibility in the area of economic education. Coupled with this demand is a severe criticism of our schools' present efforts in this area. Leaders in government, labor, business and education are campaigning for schools to provide American youth with more understanding and deeper appreciation of our free enterprise system. Our democratic society will not survive beyond the day when our citizens fail to discharge the political economic responsibilities which democracy places upon them. This point of view is being expressed: Since economic behavior involves decisions by citizens the schools have to share the responsibility for equipping students to permit such decisions to be made more intelligently.¹⁻²⁻³

Although the past decade has witnessed numerous programs dedicated to increasing economic competence in our high school

¹Allen Robinson, "Let's Add Economics to the 3 R's of Education," Banking 56:65, 1964.

²Kenneth Sheldon, "An American Desert--Economic Education," Journal of Education, 148:51, April, 1966.

³Luther H. Hodges, "We're Flunking our Economic ABC's," Saturday Evening Post, 30:8, March, 1962.

graduates, common belief is that greater effort is needed. Today's literature manifests general dissatisfaction with youth's ability to cope with present and potential economic problems.

The "lack of understanding" accusations have been general and vague. Little has been written to identify empirically current levels of student knowledge in economics. Very little recognition is given to the existence of a spectrum or range of economic understanding. It was, therefore, deemed appropriate and important that research be conducted toward appraisal of present levels of economic knowledge of secondary school students.

Statement of Problem

The purpose of this study was to (1) provide quantitative evidence useful in describing the extent of economic understanding possessed by Omaha high school seniors; (2) determine if differences in economic understanding exist among high school seniors who differ in course selection and personal factors; (3) present empirical evidence and recommendations helpful to educators responsible for establishing secondary school curriculum; and (4) provide the basis for further research into questions concerning need for economic education and evaluation of current practices and achievements in the field.

Significance of Study

It was felt that the present study would provide information which would:

1. Determine the existing level of economic understanding possessed by high school seniors.
2. Determine whether or not personal factors influence economic understanding.
3. Assist in identifying weaknesses and strengths in the curricula areas charged with teaching economic understanding.
4. Provide information for use by high school principals in evaluating their individual curricula to determine whether or not the economic understandings needed by their students are being met.
5. Evidence presented as a result of this study should aid in bringing about a better balance between the expression of need for economic understanding and the provision for its achievement.

The Procedure for the Study

The literature, as it related to student economic understanding and the public school program, was examined. The following areas of the literature were reviewed to determine factors for consideration in the development of a program that would provide students with sufficient economic understandings to meet the challenges of society:

1. The need for economic understanding.
2. Increased economic emphasis since World War II.
3. Economic education fused with other courses.
4. Economic education as a part of secondary education,

The two types of instruments used in the study were (1) a questionnaire designed to gather selected student personal data and (2) a test to measure student level of economic understanding.

The Test of Economic Understanding, Form B, published by Science Research Associates, Incorporated, was administered to all June 1966 graduating seniors in the seven Omaha high schools. (See Appendix B, page 135). Conclusions pertaining to measurement of senior's economic understanding must be qualified by the fact of collection through the multiple-choice type of objective examination.

Test administration was conducted by classroom teachers. Administrative procedure was explained to all teachers. Study results, however, must be qualified by the fact that test evidence was collected through general classroom administration conducted by individual teachers. It was assumed that test administration was conducted in a satisfactory and proper manner.

Student information concerning grade average, father's education, post high school plans, enrollment in economics and other selected factors constitutes an essential part of the data for this study. The collection of these data were made by use of a student questionnaire. Data collected through this system of self appraisal must necessarily be limited to the extent that honesty in student response can be assumed.

Basic Assumptions

1. There is general and widespread recognition of the need for economic understanding.
2. Efforts to expand instruction for economic understanding have been increasing during the past decade.
3. There is general concurrence that economic education should become part of general education. This implies economic instruction at the secondary school level.
4. Emphasis has been placed on exploration of means to increase high school economic instruction. Indicators point to continued and growing emphasis.
5. There is insufficient evidence on which to base and from which to direct expanding economic education efforts and activities.

Hypotheses

No significant differences will be observed in the Test of Economic Understanding scores of Omaha high school seniors who differ in:

1. sex
2. school attended
3. post high school education plans
4. high school grade average
5. work experience

6. education of father
7. inclination for political party affiliation
8. enrollment in general business
9. enrollment in economics
10. evaluation of adequacy of present high school economic instruction
11. high school major interest
12. selection of primary sources of economic information
13. opinion on government's role in selected economic practices in the United States

Delimitation of Problem

This study was limited to the June 1966 graduating seniors in the seven Omaha public high schools. The conclusions therefore may be or may not be applicable to seniors in other schools.

Definition of Terms

High School Grade Average: A number-grade of 1, 2, 3, 4 or 5 indicates the level of achievement for high school performance as indicated by seniors in response to the question, "What is your high school grade average?"

High School Senior: An Omaha high school student who was enrolled in grade 12 and was expected to graduate in June of 1966.

Economics Course (High School): A formalized school course

recognized by the senior as an economics course in response to the question, "Have you ever taken an economics course?"

General Business Course: A formalized school course recognized by the senior as a General Business course in response to the question, "Have you ever taken a General Business Course?"

Economics: The science that investigates the conditions and laws affecting the production, distribution, and consumption of wealth, or the material means of satisfying human desires.

Economic Literacy: The possession of basic economic understanding and skills needed by the citizen for intelligent and responsible participation in the everyday activities of modern society. Principally, these fundamental economic concepts, facts, and institutions outlined in the National Task Force Report as the minimum essential for effective citizenship.

Personal Factors: For the purpose of the present study the following factors were considered (a) high school attended; (b) sex; (c) post high school educational plans; (d) high school grade average; (e) work experience; (f) education of father; (g) inclination for political party affiliation; (h) enrollment in a general business course; (i) enrollment in an economic course; (j) evaluation of adequacy of present high school economic instruction; (k) high school major interest and (l) selection of primary sources of economic information.

CHAPTER II

REVIEW OF THE LITERATURE

A review of professional magazines, pamphlets, conference summaries, committee publications and related research comprises the major source of articulation of ideas and information involving economic education at the secondary level. The materials reviewed pertained to (1) the need for economic understanding, (2) increased economic emphasis since World War II, (3) economic education as a part of general education, (4) bases for increased emphasis on economic education, and (5) empirical investigations and leading compilations of opinion influential in the field of economic understanding.

Need for Economic Understanding. There is general and widespread recognition of the need for economic understanding. Recognition of the need is not new, although forces outside public education demanding greater emphasis has accelerated rapidly in the past decade.

McAllister emphasized this trend:

Economic education is attracting increased attention from educators. A growing awareness that effective citizenship requires better understanding of our American economy has focused attention in this area. As long ago as 1938, the need for economic education was recognized by the Educational Policies Commission of the NEA, when it listed economic efficiency as one of the goals of American public school education.¹

¹ A. R. McAllister, "Economic Education: A New Horizon," The Instructor, 73:7, January, 1964.

Meno Lovenstein, Ohio State University, linked economic literacy with democracy:

In view of the amount of discussion economics generates, it is startling--in a democracy it is frightening--that the general public even those members of it who have had some formal training in the subject, shows so little understanding of economics.¹

Increased tension between the two major world economic systems has placed greater stress on economic understanding. Melby pointed out the necessity of an economically literate citizenry in this manner:

In the present cold war for human freedom, our opponents believe that we shall ultimately lose because our economic system will fail us. The only way we can prove them wrong, and the only way we can make human freedom a reality, is to give our citizens the economic attitudes and understanding that will equip them to develop sound economic policies and which will make our economic system a foundation for freedom, rather than a source of weakness in crisis.²

Moe L. Frankel, director of the Joint Council on Economic Education pointed out the relevance between economic literacy and survival:

The future is controlled by the economic decisions of our citizens. Economic education, which makes possible increasingly wise citizen decisions, therefore, is essential to the survival of our free society.

¹ Meno Lovenstein, "Economics and the Educational Administrator," The School-Community Development Study Monograph Series, 1958, p. 3.

² Ernest O. Melby, "Economic Education is a Must," Journal of Educational Sociology, 23:388, March, 1950.

Responsibility and freedom cannot be separated from economic understanding.¹

Industrial leaders have taken a positive stand on economic education. Roger M. Blough, Chairman, Board of Directors, United States Steel Corporation, clearly stated that economic understanding was linked with economic freedom:

A nation dedicated to individual freedom and self-determination must consider universal continuing education to be unfinished business. For a society committed to preserving economic freedom, understanding of economic fundamentals should be a significant goal of universal education.²

Blough emphasized his stand:

As long as America remains free, as it must, economic education always will be (and should be) unfinished business. In our dynamic society each person makes economic choices every day which affect the course and direction of the economy. Given a sound grasp of economic fundamentals by a majority of our citizens, we have no reason to fear that America will cease to be free.³

Alfred C. Neal, president of the Committee for Economic Development, felt that many business leaders recognized the need for economic understanding. He said:

Businessmen are probably in closer agreement about the need to teach more economics in our schools than about almost anything

¹ Moe L. Frankel, "Economic Education," The Library of Education, 1965, p. 14.

² Roger M. Blough, "Unfinished Business," National Association of Secondary-School Principals Bulletin, 49:35, November, 1965.

³ Ibid., p. 43.

else relating to education. Individually and through their various associations businessmen have been giving increasing attention and support to economic education.

Business leaders are firmly committed to an educational process that will produce understanding of how our economic system works and a "way of thinking" about economic problems that will before too long, lead to better decisions.¹

The National Association of Manufacturers was decisive in its pronouncement concerning the need for economic understanding:

The National Association of Manufacturers believes it is essential for every citizen to have a basic understanding of our economic system.²

Increased government involvement in our national economy demands greater economic understanding. Dr. Louis R. Salkever made this statement:

Though the full impact of this economic revolution is upon us, and though we live in a representative democracy in which people--informed or not-- make the ultimate decisions, millions of Americans remain blithely uninformed about the most elementary facts of economic life.³

The need for economic understanding was one of the recommendations of the White House Conference of 1960:

¹Alfred C. Neal, "The Businessman's Interest," Challenge, March, 1964, p. 29.

²National Association of Manufacturers Educational Advisory Committee, "This We Believe About Economic Education," New York: National Association of Manufacturers, September, 1959, p. 3.

³Dr. Louis R. Salkever, "Understanding the American Economy," Senior Scholastic, 83:7, November 15, 1963.

The 1960 Golden Anniversary White House Conference on Children and Youth called together more than 7000 experienced and dedicated people. Their task was to attempt to decide which approaches offered the greatest promise of solving the serious problems which involve young people today. One of the recommendations was that the curriculum should include an understanding of the American economic system.¹

A recent article on economic education in Nation's Business pointed out that the need for economic understanding was so universal as to even get agreement among notoriously disagreeing economists.

Dr. Howard S. Ellis said:

Economists are not noted for agreement. On one thing, however, there would seem to be little room for disagreement. In training our youngsters for a future which, at best, is uncertain, we can hardly afford to short-change them in the tools with which they will have to work against a formidable adversary which has made a quasi-religious dynamic out of economics. The Soviet youngster in the equivalent of our high school receives a heavy weekly dosage of economics-oriented subjects all seen, of course, through the distorting prism of Marxiam-Leninist ideology.

Can we afford not to teach our own youth the fundamentals of our economic system?²

The need for economic understanding was again linked to national survival by John D. Garwood:

The past 15 years have witnessed a growing interest in economics, an interest which has taken on the dimensions of a national

¹Dorris Lee, "Some Recommendations from the White House Conference," National Educational Association Journal, 49:67, September, 1960.

²Dr. Howard S. Ellis, "One Crisis You Can End," Nation's Business, 49:81, July, 1961.

movement to raise the level of economic literacy in our high school and college graduates. Much must be done to overcome the country's economic illiteracy. The teaching of economics must be introduced into all schools. In a world of ideological conflict, a knowledge of economics is indispensable to survival.¹

Roger M. Blough stated that the unenlightened electorate must be economically literate:

Almost all of the great issues of the day have deep economic implications. Indeed, many of the issues are primarily economic, such as the problem of where, how, when and upon whom to levy the tax burdens of the community. Of course, any individual who looks at the mounting deductions from his paycheck to meet the steadily rising costs of various government services becomes an instant economist.

As citizens and voters all of us have the privilege--and the obligation--to know the issues and our elected officials' attitudes toward them.²

The need for economic understanding increases with the complexity of our society. W. Randolph Burgess, Director of the Atlantic Council of the United States commented:

One hundred years ago 60 out of every 100 workers in the country were engaged in the relatively simple pursuits of agriculture, in which cause and effect as to the relations among labor, and product, and compensation could be easily understood. Today less than seven out of every 100 workers are so engaged. The country has been changing steadily from a rural to an urban civilization.

In this urban existence, the public welfare depends on the mechanisms by which groups of people learn to work together,

¹John D. Garwood, "Need for Economic Education," School & Society, 92:289, October 17, 1964.

²Blough, op. cit., p. 39.