

Editor's Note: Tawni Ferrarini, a prominent American economic educator who has worked on Korea, was invited to contribute the following comparative commentary. Professor Ferrarini is the Sam M. Cohodas Professor of the Center for Economic Education and Entrepreneurship at Northern Michigan University (NMU). In her work, she focuses upon the use of classroom technology and the integration of economics across subjects, settings and, countries. In 2012, the Council for Economic Education honored her with the Albert Beekuis Center for Economic Education award. She is also a Fraser Institute Senior Fellow and is coauthor of *Common Sense Economics: What Everyone Should Know About Wealth and Prosperity*.

A Commentary on Economic Education in the ROK and the US

By Tawni Ferrarini

In some key respects, economic education in the Republic of Korea (ROK) and the United States is similar. Economics is often described as the science of decisionmaking in a world of scarcity. Economic educators in each country share five comparable goals. First and foremost, there is an organized effort to impart pedagogical techniques and develop high-quality curricula centered on the effective teaching of basic economic topics, concepts, and applications. Second, both countries attempt to develop age and grade-appropriate curricula. Third, courses and professional development opportunities are available to teachers with varying economics backgrounds. Fourth, both nations attempt systematic program assessment by highly qualified economic educators in order to improve both student and teacher economic understanding. Fifth, efforts to organize economic education in the ROK and US are rooted in a belief that understanding sound economic principles built on strategic decision-making in market-based economies is critical for each country's future.

Organized efforts such as the ROK's Economic Information and Education Center (EIEC), an affiliate of the Korea Development Institute, and the Council for Economic Education (CEE), the premier economic education nonprofit organization in the US, have historically involved both economists and educators. These organizations focus on curriculum development and training for teachers, many of whom have little or no background in economics and only a few interested students. Comparatively, incentives for K-12 teachers to complete one or more economics courses when they are undergraduates are weak in both countries. In each respective country, the EIEC and the CEE constitute only one of several public and private sector organizations active in economic education.

Readers of the previous article are aware of the role of national government-created or approved texts, standards, and entrance examinations in the ROK. The situation differs in the US. In contrast to the ROK, most of the formal responsibilities for K-12 education rest with each individual state. The US government cannot mandate what is taught across K-12 classrooms, nor does it determine high school graduation requirements. Furthermore, there are no US counterparts to the ROK's standardized university entrance examinations and national graduation requirements. In the US, college entrance requirements are left to institutions of higher education. The most popular American university examinations are the Scholastic Assessment Test (SAT) and American College Test (ACT). Neither examination includes an economics component.

In recent years, forty-five out of fifty state governments in the US have voluntarily adopted the Common Core State Standards, which theoretically will provide some educational consistency and are supported by President Barack Obama's administration. The focus is to first make US youth proficient in math and language arts and then implement Common Core State Standards for other subjects. However, it is now far from clear that these standards will be implemented by all states and, even if so, how many academic disciplines will be included.

Twenty-two states require economics for high school graduation, sixteen of these states require testing, and thirty-six total states require

K-12 personal finance study.¹ Some American high schools offer advanced placement (AP) economics courses, which provide opportunities for high school students to earn credit for college-equivalent courses in those colleges and universities that grant credit to students who pass AP exams. AP micro and macroeconomics courses debuted in 1989, when a total of 5,781 micro and macroeconomic examinations were administered. Fast-forwarding two decades to 2012, 62,351 and 99,903 exams were administered in micro and macroeconomics, respectively. This total of 162,254 represents a twenty-eight fold increase from 1989—an impressive rise. However, only just over half of students passed the 2012 exams.² Reasons given for this low performance are similar to those offered by the EIEC authors who complained about too much economic theory. High school students are challenged by the tests because the focus is primarily on mathematics rather than economic reasoning.³

Despite the US government's limited role compared to the ROK and most other nations in formulating educational requirements, the federal government is involved in economic education with two major funded programs: assessment of economics and intermittent economic education grant funding.

In 2006, the federal government's National Assessment of Educational Progress (NAEP) added economics to the national assessment for grade twelve. NAEP, a national assessment in basic academic subjects, is considered by many testing experts as the nation's best indicator of K-12 student performance. NAEP's overall economics results are disappointing. In two test administrations to date (2006 and 2012), the average scores for over 10,000 students were, respectively for each year, 150 and 152, based upon a scoring scale of 0-300.⁴ Although economics is now officially part of the NAEP assessment, the student knowledge base in economics in many states is either modest at best or virtually nonexistent.

The US Department of Education's Office of Innovation and Improvement (OII) has funded some economic education initiatives through its *Excellence in Economic Education: Advancing K-12 Economic and Financial Education Nationwide*. The OII funded the CEE's 2010 revision of the 1997 National Voluntary Standards in Economics. The twenty standards emphasize key economic concepts; provide grade-appropriate learning benchmarks; and identify learning outcomes appropriate for life, employment, citizenship, and policymaking. In 2013, the voluntary *National Standards for Financial Literacy* were established to complement the economics standards, with the Federal Reserve System financially supporting this work. The standards provide a framework for teaching personal finance through economic reasoning. Their mastery is intended to help K-12 students make responsible financial decisions; understand buying and saving tradeoffs; make strategic career choices in given market conditions; weigh the cost/benefits of financing, saving, and investing; understand investment alternatives; and avoid financial pitfalls.

To infuse economic standards, offer workshops, and get curricula into schools, the CEE relies heavily on independent university-based centers and nonprofit state councils. Each center and council is independent yet

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connected through its affiliation to the CEE. In 2012, approximately forty-one state councils and 202 university-based centers reached 55,000 teachers with access to over five million students.⁵

Why does all of this matter? Even though the federal and state governments appear to provide little incentives for K-12 economic education, everyone makes choices, and economics examines the science of choice. For more than a decade, teaching time spent on social studies, the subject where most economic content appears, has declined, although there are signs that this trend might be ending. However, the significant expansion of AP economics, along with the national influence of the CEE network, suggests a growing demand for advancing economic and financial literacy throughout US school systems.

Despite a widespread lack of economic knowledge among teachers in both countries and current government policies that work against improvement of economic understanding, the topic is too important to ignore. Complex models and complicated jargon notwithstanding, economics is simply the science of choice as applied to ordinary life. Everyone chooses and, therefore, employs the economic way of thinking daily. Once students fully comprehend this important point, the study of economics becomes understandable, even enjoyable.

It is vitally important to increase the quantity and quality of hands-on learning, real-world applications, and relevancy of economics in everyday life. The CEE, its affiliates, and other US organizations—such as the Association of Private Enterprise Education—have developed rich economic education curricula and pedagogy and provide possible useful models. The EIEC needs to train middle school teachers. US experience indicates that this can be done successfully with material that can stand alone or be infused into existing math, geography, and civics lessons. Also, many CEE

resources are enhanced with various technologies that engage and excite today's digital generation of teachers and students. Elements of the EIEC intensive courses for practicing teachers in turn hold promise for economic educators in the US and elsewhere in search of an exemplary model.

Mental and actual visualization of the Korean peninsula can serve as a reiteration on why economic understanding is important in the first place. Search the Internet and find a satellite view of North and South Korea at night. Within its borders, the North is dark and lifeless. By contrast, the South is bright and reflects an economy full of life, energy, and thriving people. Embrace the difference and ask why understanding economics matters to the people living in each country. Why does North Korea's economy pale in comparison to South Korea? How does South Korea's economic structure help ordinary people prosper? Once teachers and students connect the answers, the economic education stage is set for success.

History suggests that the day will come when the ROK welcomes their Northern counterparts. Given the EIEC's laudatory efforts in program development, I think it will be ready to help the ROK's Northern neighbors learn about economically sound decisions in every area of life. ■

NOTES

1. For more information on the current state of economic and personal finance in the US, see the "Survey of the States 2011: The State of Economic and Personal Finance Education in our Nation's Schools," *Council on Economic Education*, last modified November 1, 2011, <http://tiny.cc/8wco5w>.
2. For details on the economics exams, the contents and score distributions, visit: <https://apscore.collegeboard.org/>. Search for AP Macroeconomics and AP Microeconomics.
3. Tawni Ferrarini, James Gwartney, and John Morton. "Advanced Placement Economics: The Good, the Bad, and the Ugly," *Econ Journal Watch*, last modified January 2011, <http://tiny.cc/6vco5w>.
4. "National Assessment of Educational Progress: Economics, Grade 12," *National Center for Education Statistics*, last modified 2012, <http://tiny.cc/fvco5w>.
5. For additional information on the impact of the CEE network, see "Impact," *Council on Economic Education*, last modified 2012, <http://tiny.cc/kuco5w>.

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