

EFFICACY OF ECONOMICS IN THE K-12 CURRICULUM IN CALIFORNIA: A
CASE STUDY

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ABSTRACT

This study was undertaken to determine the process by which economics has evolved as a required and assessed subject of study in kindergarten through twelfth grade in the state and to determine the factors behind the development of the state's economics requirements. I attempted to determine how California's requirements paralleled the economic content knowledge set forth in the *Voluntary National Content Standards in Economics* and its predecessor national and state-level documents and to establish the reasons for any differences I found.

A qualitative case study approach was employed through the use of interviews, primary and secondary source analysis, and triangulation of the findings.

I found that decisions concerning the amount and content of economics instruction in California had clearly been influenced by state and federal legislation and occasionally by judicial fiat. The passage of both California S.B. 813 and S.B. 1213 into law in the 1980s continues to keep economics in the curriculum at the 12th grade level and ensures that California high school graduates have been introduced to the subject. This began well in advance of the publication of the *Voluntary National Content Standards in Economics*. Nonetheless, California teachers had the advantage of being able to consult both the 1987 *History-Social Science Framework for California Public Schools* and the national economics content standards to help facilitate their instruction prior to the time the state economics standards were published.

If assessments are key indicators of the viability of a discipline, the dearth of economics testing in California stands as a partial failure of one of the goals of the *Voluntary National Content Standards in Economics*: to maintain economics' place in the elementary and secondary curriculums. The case study has shown that, in California, economics, while remaining as a required course in high school, is neither tested as much as mathematics or language arts in state assessments nor taught as much as mathematics or language arts in grades K-11. Overall, there has been movement toward a universal acceptance of economics as a regular, identified subject, but its place is not unquestionable like history, mathematics or language arts.

ACKNOWLEDGMENTS

Long ago while a student at Wichita State, I had the opportunity to study French Literature and became enamored of the writings of Gustave Flaubert. I especially admired his writing philosophy of always trying to use “le mot juste” (the right word) in his work. Little did I suspect that in writing this dissertation years later that I would be required to use “le mot plus juste.”

My thanks go to my committee chair Barbara Phipps for helping me to find the better word. With her help and the contributions of dissertation committee members Susan Twombly, Joe O’Brien, George Crawford and Joshua Rosenbloom, the finished product is much more refined than I ever could have imagined.

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CHAPTER I

INTRODUCTION

Over the past twenty years, the standards reform movement has altered the American educational landscape. Battles have been waged in local, state and national forums concerning what students need to know from entering kindergarten until finishing high school. Questions about whether economics should be part of a student's body of knowledge, as reflected by its inclusion in or omission from national and state content standards and assessments, have been answered in multiple ways throughout the United States.

School districts, federal and state bodies of government, national economics organizations, such as the American Economics Association and the Council for Economic Education and its affiliates have all played roles in establishing the place of economics in the curriculum. Since 1960, when concerns arose about the amount and quality of economics instruction in the K-12 curriculum (Lynch, 1994), debate has ensued concerning the scope and sequence of the subject in the schools and whether it should be mandated or just encouraged (Walstad & Watts, 1985; Siegfried & Meszaros, 1997; Buckles, Schug & Watts 2001). The Council for Economic Education (CEE)--formerly the National Council on Economic Education (NCEE) and previous to that the Joint Council on Economic Education (JCEE) and its network of state councils on economic education and university-based affiliated centers for economic education have been principals in these debates and developed position

statements, content guides, and teaching materials to encourage and guide the placement of economics in the schools.

The JCEE published the *Master Curriculum Guide in Economics: A Framework for Teaching the Basic Concepts* in 1977 and the related *Economics: What and When: Scope & Sequence Guidelines K-12* in 1988 to facilitate economics instruction in grades K-12. The content in the *Framework* listed basic economics concepts such as scarcity, supply and demand, market failures and monetary policy among the twenty-two that should be addressed at the pre-college level. Although controversy arose over both the capabilities of instructors to infuse all the concepts and when and how they would do so, the two documents were considered the expert position on placement of economics content in the curriculum prior to the advent of the standards movement in the 1980s (Walstad, 1992).

The standards movement, in response to political and public pressure to improve K-12 education, particularly due to the perception that U.S. students were losing ground academically to their international peers, gathered momentum in the 1990s as a means of holding schools more accountable for student learning. Adherents to content standards and grade-level benchmarks urged the schools to challenge their students to attain core competencies in a multitude of subjects. Reacting to the shifting educational paradigm, states and school districts, often in conjunction with universities or national educational interest groups, developed or refined curricular frameworks, assessments and instructional materials and conducted teacher workshops in specific disciplines (Jennings, 1998, Spillane, 2004).

Among the national content standards in the social sciences, specific standards in economics were the last to be formalized, although economics standards were included in the National Curriculum Standards for Social Studies, published in 1994 by the National Council for the Social Studies. Separate national content standards for civics and government published by the Center for Civic Education, and geography, published by the Geography Education Project were issued in 1994. The history standards, published by the National Center for History in the Schools, came out two years later while the economics standards, published by the National Council on Economic Education, were released in 1997.

The rationale for the writing and release of the *Voluntary National Content Standards in Economics* was, according to Siegfried and Meszaros (1998), “to guide economics instruction in American schools” (p. 139). Concerns had earlier been raised that without standards, economics would lose its place in elementary and secondary curriculums (Siegfried & Meszaros, 1998).

By 2009, every state except Rhode Island had opted to include economics in their state standards. In 2009, twenty-one states required economics to be offered and twenty-one required it be taken (Council for Economic Education (CEE), 2009). In 1998 when the national economic content standards came out, California was one of thirteen states to require economics be taken, having had a high school economics course requirement in place since the 1986/87 school year. Prior to the adoption of the *California History/Social Science Content Standards* in 1998, the *History-Social Science Frameworks for California Public Schools* informed economics instruction in

the state.

Purpose of the Study

In this research, I carried out a case study documenting the history of state economics requirements for students at the elementary and secondary school levels in the state of California. This study was undertaken to determine the process by which economics has evolved as a required and assessed subject of study in kindergarten through twelfth grade in the state and to determine the factors behind the development of the state's economics requirements. The *Voluntary National Content Standards in Economics* and its antecedent documents provided the framework for what economics is desirable to be taught in these grades. I attempted to determine how California's requirements paralleled the economic content knowledge set forth in the national-level documents and to establish the reasons for any differences I found. I also considered a wide range of factors that might influence the nature of economics in the K-12 curriculum, including, but not limited to, various national-level events, such as the publication in 1983 of "A Nation at Risk," the publications of the *Master Curriculum Guide in Economics: A Framework for Teaching the Basic Concepts* in 1977, the related *Economics: What and When: Scope & Sequence Guidelines K-12* in 1988, and the *Voluntary National Content Standards in Economics* in 1997 and other state-level factors that shaped policy. The state-level factors might have included the structure and autonomy of the state's education system, political party in power, influence of special interest groups, including those advocating for standards adoption and assessment, as well as those seeking promotion of a particular

perspective, and funding available to enact and implement economic and social science standards reform.

I conducted the case study in the state of California primarily because the state had the reputation of having developed exemplary frameworks in economics for grades K-12 prior to the development of national or state economics content standards. Because of its size and stature in both education and the economy, what happens in California often has national implications as well. Finally, I chose the state because I taught economics classes there and had multiple contacts in the state that facilitated research.

The methodology featured a within-case analysis, with qualitative data collected through personal interviews and analysis of primary and secondary source documents.

Rationale

A number of authors have written about state mandates on economic education (Buckles, 1992; Kourilsky & Quaranta, 1991; Walstad, 1992, Walstad & Rebeck, 2000). Even more have written about the standards movement, particularly its evolution over the past twenty years in the United States (Eisner, 1995; Graff, 1999; Finn & Kanstoroom, 2001; Gagnon, 2003; Ravitch, 1995). In 1991 Gordon and Wade looked specifically at the history of the state of New York in moving toward a mandate in economic education. They also touched upon the experiences of California and Florida. Meininger (1997) dealt with a state economics curriculum mandate in Ohio and its consequences. Graff (1999) omitted only economics in her

study of the national standards in the social studies' impact on standards at the state level. The present study looked specifically at the role national economics content standards played in defining the place of economics in K-12 curriculum in California.

This study is important because, in economic education research to date, no one had documented how much change, if any, occurred in state economics standards following the adoption of the *Voluntary National Content Standards in Economics*. As Buckles, Schug and Watts (2001) put it, "For researchers, the standards and assessment reforms provide a rare opportunity to see if and how different states, districts and schools have adopted the national standards ... and how they have decided to measure student achievement in those fields" (p. 145).

A case study of California, looking at what economic content has found its way into the K-12 curriculum and the process by which it has waxed and waned, may provide valuable insights in several ways. In addition to illuminating this process for one subject, economics, it may shed light more generally on curricular decision-making, what is taught in the schools, and why.

CHAPTER II

LITERATURE REVIEW

A constant in economic education today is that, like most subject matter, economics content is conveyed differently depending upon the grade level and, in many cases, the locale in which it is taught. In grades K-8 economics principles such as scarcity, supply, demand and incentives are usually taught at some point in social studies classes, but they can be incorporated into other curricula including mathematics, the language arts and science. At the high school level, however, economics may be taught as an entirely separate course, usually in the social sciences, business education or consumer education domain. Due to the analytical nature of the subject and the cognitive ability of the students, economics content is generally more extensive and more refined at the high school level. It should be noted, however, that in a majority of the states high school students receive instruction in economics not in a separate course, but within the confines of a civics, government, business, or history class.

The National Standards Movement

Writing and implementation of the *Voluntary National Content Standards in Economics* occurred in the midst of a standards movement in the United States that was in rapid ascent during the 1990s. Jennings (1998), in his book documenting the historical role of state and national government development of curricular standards, credited educators, public opinion and state officials for providing the impetus to standards-based curricular reform that occurred during the 1970s and 1980s. The

states, he noted, especially California under the leadership of State Superintendent of Public Instruction Bill Honig, developed curricular frameworks prior to the federal government becoming involved because research indicated that decisions on curriculum made at the local school or district level had not consistently resulted in improvement of student comprehension of subject content. It was also the teaching profession, Jennings continued, led in the late 1980s by the National Council of Teachers of Mathematics, which was actively engaged in highlighting what students should know and how they would be able to achieve it through standards-based instruction.

In the meantime, the federal government, responding to the publication of *A Nation at Risk* by the National Commission on Excellence in Education in 1983 took on a more activist role. The commission, established by Congress to examine the reasons behind failing schools, initially concentrated not on standards-based reform, but upon more frequent testing and an increase in course requirements to remedy the perceived problems with public education. Jennings noted, however, it was really with the election of George H.W. Bush to the presidency in 1988 that standards-based reform became a national goal. In 1989, Bush and the nation's governors met in Charlottesville, Virginia and submitted six educational goals to be met by the year 2000. Goal 3 of the six included the provision that economics was one of the subjects in which students would need to demonstrate competency. Bush's educational reform plan, codified in the America 2000: Excellence in Education Act, had an economic rationale for its existence as well. The National Council on Education Standards and

Testing (NCEST), established as part of America 2000, had the principal objective of raising educational standards to ensure that America's human capital would measure up to its international competition (Jennings, 1998).

Lewis (1995) clarified the distinction between the different types of standards that underwent scrutiny by Congress, the President, and state government officials during the discussion of America 2000 and later, Goals 2000. Content standards, he noted, established what should be learned in various subjects and generally emphasized critical thinking skills and problem solving strategies. Performance standards, on the other hand, established competencies for learning through assessment devices such as the National Assessment of Educational Progress (NAEP) tests. Opportunity-to-learn standards referred to giving all students an equal opportunity to demonstrate mastery of subject content listed in the national standards. World standards referred to standards that applied to students in other countries that U.S. students would seek to emulate (pp. 746-747). The *Voluntary National Content Standards in Economics* (1997) were, as the name indicated, focused on content. Referring to the standards collectively, Lewis (1995) warned that they could produce endless controversy over content, as was then happening with the history standards, and also result in test-driven instruction.

Although the first Bush administration changed the dynamic of the discussion about standards, Jennings (1998) noted, America 2000, for a variety of political reasons, did not make it through Congress. On the other hand, the importance of working cooperatively at the state and federal levels to define

educational standards had, by that time, been established. This was primarily the result of federal funding and the good will engendered by the governors' conference. Cooperation between the different levels of government was influenced then and later by pressure from business leaders such as I.B.M. CEO Louis Gerstner and ALCOA CEO Paul O'Neill, who warned of the debilitating effect poorly prepared students had on U.S. workplace productivity.

Ultimately, in 1994, President Clinton signed the Goals 2000: Educate America Act, "which placed the national goals into law, supported the certification of voluntary national education standards and national skill standards, and encouraged the states through grant aid to develop their own standards for education" (p. 8). President George H. W. Bush's appointees and his Secretary of Education Lamar Alexander had earlier chosen the organizations that would write the national standards. These national standards were to serve as a guide to the states as they sought to improve their own content standards and assessments both during and after the Clinton administration's tenure.

As Ravitch (1995) noted, though, the federal role in education historically had been a limited one and dealt primarily with the special needs population. Cooperation between the federal and state levels of government on crafting content and performance standards included the understanding among the participants that the initiatives produced would be voluntary. President Clinton, a former governor of Arkansas and chairman of the 1989 education summit in Virginia, made it clear before and after passage of the Goals 2000 plan that it could be entered into

voluntarily by the states. The incentive for the states to raise their content and performance standards to the Goals 2000 level was federal aid. A majority of states, however, as Jennings (1998) pointed out, had already developed or were developing both types of standards. But while the standards movement did confer on both the state and national governments a more active role in education, Spillane (2004) averred, it was still local school districts' responsibility to implement the standards.

Schwartz and Robinson (2000) noted an important feature about Goals 2000, distinguishing it from America 2000, was that no national tests would be derived from the national standards listed in the text of the law. The national standards could be used as an exemplar for the states as they constructed their own standards and assessments, had they, like California, Kentucky, Maryland and Oregon, not already created or revised their own. In addition, the authors noted, any state that did subscribe to reforming its standards had already received "annual federal grants ranging in size from \$370,000 in Wyoming in 1994 to \$54.7 million to California in 1997" (p.183). While this type of federal financial assistance was welcome, Schwartz and Robinson (2000) added, a 1997 Urban Institute survey indicated that school districts found state agencies, professional associations, and educational publications to be the most valuable providers of technical assistance.

In sum, implementation of Goals 2000 resulted in more educational policy-making on both the state and national levels, especially with respect to content standards. Many states also developed or were developing performance assessments to measure students' mastery of the state content standards by the time Goals 2000

was passed in 1994. In order to reach more ambitious educational goals, however, local schools and school districts had the responsibility to determine the optimal way to meet the standards.

Figure 2-1 provides an historical overview of state and national efforts to codify standards-based education.

Figure 2.1. National Standards Mileposts

1989	National Governors' Education Summit (Charlottesville, VA.) – Spurs movement to create national standards. Develops national educational goals.
1991	America 2000: Excellence in Education Act – Proposed act would among other things establish national standards and assessments. Did not pass, but discretionary funding for development of national standards was approved by Bush administration.
1991	National Council on Education Standards and Testing Act enacted. Set in motion national shift from pursuing goals to attaining standards in education
1994	Goals 2000: Educate America Act – Signed into law. Provides federal funding to states to set their own standards.
1995	New Republican majority in Congress - Seeks repeal of Goals 2000, but Clinton vetoes cuts in funding for federal aid to education
1996	2nd National Governors' Conference on Education - Governors and business leaders promote writing and attaining meaningful state academic standards.
2001	No Child Left Behind Act passed – Requires testing based on state standards.

Evolution and Evaluation of the Standards

During the debates over America 2000, Goals 2000, and the No Child Left Behind Act, a number of authors examined the changes ushered in by standards reform at the state and local level. Cohen (1995a, 1996) and Massell (2001) discussed how K-12 educators could be overwhelmed by standards and frameworks issued by the states that were then reframed by local educational authorities. Because

of the political nature of the American system of government, the educational bureaucracy had expanded to deal with the new reforms, Cohen (1996) noted, but not every area of education was addressed equally. A particular problem, Cohen (1996) argued, was that most teachers were not given an opportunity to learn what content they were expected to teach their students to prepare them for the new assessments.

Because the U.S. educational system is fragmented by design, with state, national and local government bodies having differing, but sometimes overlapping responsibilities, Cohen (1996) continued, and because government is distrusted in some circles, “private-sector organizations ... do much of the work that state agencies do in Asia and Europe, including such central matters as student assessment, materials development, and text publishing” (p. 107). Massell (2001) also noted that parents, students, teachers, administrators, university faculty and community leaders were more likely to contribute to writing state standards than had historically been the precedent.

Eisner (1995) had some additional concerns about the standards. Conformity regarding content, he believed, would restrict higher-order thinking on the part of students. While specificity in content might help some teachers, the zeal for getting the right answer to content detailed in standards documents also “distracts us from paying attention to the importance of building a culture of schooling that is genuinely intellectual in character, that values questions and ideas at least as much as getting right answers” (p.764). Six years later Eisner (2001) reiterated many of the same criticisms of the standards and added that tests that accompanied content standards

have further diminished education's mission of preparing students to do better in life. "Education", he stated, "has evolved from a form of human development serving personal and civic needs into a product our nation produces to compete in a global economy" (p.369).

For national content standards to be successful, Cohen (1995b) argued, they needed to be integrated into an overall school improvement plan. Good content standards, in his view, should be focused on key elements of a discipline, provide a clear rationale for the approach taken, and be supplemented by performance standards that highlighted examples of exemplary student work.

Another concern about Goals 2000, voiced by Schwartz and Robinson (2000), was the establishment and composition of a body called the National Education Standards and Improvement Council (NESIC). Had it received legislative and executive approval, the Council's principal duties were to review and certify the standards then being developed in 1994. By the next year, after concerns were raised about too much federal activism superseding a traditional state responsibility, NESIC was abandoned. In its wake, Schwartz and Robinson noted, three private organizations, the American Federation of Teachers, the Council for Basic Education and the Thomas B. Fordham Foundation filled the standards review void (p. 200). Another private organization, Achieve, was created a few years later to provide states with a barometer of how their standards aligned both with assessments that had been developed and with other states' standards ("Staying on course," 2002-03).

Darling-Hammond (2004) later cautioned that while the new standards and assessments created by the states in the 1990s had been in many cases “thoughtful” and “sophisticated,” they could be “waylaid” by the No Child Left Behind Act. The NCLB act required states to show, among other things, that schools were making adequate yearly academic progress in math and language arts, as indicated by student national assessment scores, and that by 2014 schools could show that 100 percent of their students had achieved math and language arts proficiency. If they did not meet the federal mandate or if they opted out of the program, the states could lose federal funding for education. “One of the first perverse consequences of NCLB,’ she noted, ‘is that many states have formally lowered their standards in order to avoid having most of their schools declared failing” (p. 247).

Nonetheless, Spillane (2004) contended that, given past educational reform movements, it was surprising that standards have had such a significant effect on classroom instruction. Unlike previous reform efforts in education, which, like consumer fads, tended to fade quickly, the standards were being used as guides to instruction and testing in the classroom. Concentrating primarily on the impact the standards movement had on local school districts and schools’ response to the standards, Spillane stated that because of limited resources, “state departments of education depended on the local school district to follow through on the implementation of their standards” (p. 13). This tended to occur, he asserted, because although the states were able to expand upon their constitutional authority to mandate

curricular change and testing, school districts retained their political influence to control implementation.

In his case study of the influence of national and state mathematics and science standards on instruction in Michigan schools, Spillane (2004) noted that the standards were indeed being implemented, especially after they garnered support from local school district policy makers. But the ultimate success of the standards should be judged, he concluded, not only by whether the standards put forth by state and national policy makers were being implemented locally, but by the amount of discernible movement in curricular and assessment modifications schools and school districts had made in response to the policies.

Historical Development of Economics Standards

The genesis of economics content standards can be traced to 1885, initiated then because of the efforts of the American Economic Association (AEA), one of whose aims was to educate the public about economics (Hinshaw & Siegfried, 1991). By the end of the 19th century, the authors pointed out, this group of prominent business leaders and economists, who increasingly came from academia, had successfully argued for and attained their goal of having economics or political economy offered at the collegiate level. A decade later, the AEA began to shift to lobbying for economics instruction at the secondary level. Questions concerning what should be taught in high school economics courses, which was capable of teaching it, and how it should be taught occupied both AEA meetings and economics related journal articles for the next fifty years. But while the AEA maintained its

focus on economic education for the remainder of the 20th century, K-12 economics education became less significant to the organization than collegiate economics instruction. Newer economic education organizations, formed in part because of the efforts of an AEA Education Committee, eventually stepped into the breach.

During the latter half of the twentieth century the organization that came to the forefront in K-12 economic education was the Joint Council on Economic Education (JCEE). Other organizations, such as Junior Achievement, the Federal Reserve Banks and the Foundation for Teaching Economics (FTE) also played roles in promoting economic education or conducting specific programs, but their scope and goals were much more modest than those of the JCEE and its network. The JCEE, founded in 1949, later named the National Council on Economic Education (NCEE), and most recently the Council for Economic Education (CEE), “is an independent, nonprofit, nonpartisan educational organization incorporated ... to encourage, improve, coordinate and service economic education” (Brennan, 1986, p. i). Highsmith (1994) characterized the NCEE’s principal means of economics transmission as follows:

The most important of the national council’s programs, its EconomicsAmerica school program (formerly DEEP – the Developmental Economic Education Program) is designed to infuse economics into the curriculum of school districts from kindergarten through grade twelve. With 2,800 school districts participating, EconomicsAmerica schools establish a contractual relationship with a local center, statewide council, and the

national council. This contract commits the school district to curriculum reform aimed at including economics in all grade levels, K-12 (p. 16-17).

The DEEP and EconomicsAmerica programs' concepts were derived from suggestions that came out in the 1961 Report of the National Task Force on Economic Education (Saunders, Bach, Calderwood, Hansen & Stein, 1984). The Task Force Report eventually led to the 1977 publication by the then JCEE of the *Master Curriculum Guide in Economics: A Framework for Teaching the Basic Concepts*. According to its authors, the *Framework*, with its list of 21 economic concepts, was "designed primarily for those who construct curricula or who spell out the grade placement and most appropriate methods of teaching economic concepts in K-12 classes" (p.1). Symmes (1991) and Walstad (2001) both noted the exceptional impact the *Framework* had on the content of economics curriculum and its instruction. Surveys of teachers and administrators revealed an increasing use of concepts from the *Framework* in economics textbooks, assessments and teaching materials. Much of the credit for disseminating these economics resources could be attributed to the JCEE and various state councils on economic education (Kourilsky & Quaranta, 1991).

The DEEP programs were derived from the *Framework*. Buckles (1991) pointed out, however, while some components of the DEEP process in select states met with considerable success, others experienced their share of problems from the Program's inception in 1964. One of the greatest obstacles was attracting sufficient funding to reach substantial numbers of teachers and students. Another was that

when districts were able to insert an economics course into the curriculum, it was sometimes difficult to maintain the course's place there when competition from other disciplines arose. His recommendation, therefore, was to encourage the JCEE to push for state mandates requiring both a separate economics course and infusion of economics in other classes. Buckles' contentions were supported by Symmes (1991), who advocated, among other things, establishment of a "National Task Force on Economic Education" to address the challenges facing economic education. The place and scope of economics in the curriculum would be a question that decision makers would contend with through the remainder of the 20th century and continue to attempt to answer today.

By 1981, for example, a total of 23 states had mandated economics instruction, with eight requiring a separate economics course and the remainder requiring economics infusion into other disciplines (Walstad & Watts, 1985). A decade later five more states required some form of economic education in the public schools (Marlin, 1991). By 1998 thirty-eight states had standards, guidelines or proficiencies for teaching economics at various grade levels. In that same year 13 states required a separate economics course, down from a previous high of 15 after Arizona and Oregon dropped their economics requirement.

The most recent figures available on economics standards coincident with writing this paper come from a Council for Economic Education (CEE) publication entitled, *Survey of the states: Economic, personal finance and entrepreneurship education in our nation's schools in 2009 – A report card*. This survey noted that 49

states plus the District of Columbia had social studies standards that included economics. Forty of these states require implementation of the economics standards, twenty-one require a separate economics course, nineteen require testing in economics, and nine require testing of personal finance concepts. Entrepreneurship, which was not a component of economics when I began writing this paper, is now in the curriculum of nineteen states and a requirement for graduation in four (CEE, 2009). Economics is a graduation requirement in California, but neither finance nor entrepreneurship is mandated in the curriculum. The chart of the Council for Economic Education's "Survey of the States" listing the extent of economics mandates is attached as Appendix A.

The Standards Movement and Economic Education

A prominent impetus for economic education in the schools arose in 1983 with the publication of *A Nation at Risk*. The release of this document by the National Commission on Excellence in Education sparked the standards movement, as noted previously, not only in economics, but in a multitude of other disciplines as well. Notably, one of the accelerants for the national standards movement in the United States in the mid 1980s was, VanFossen (1999) indicated, "the need to prepare students to compete in the global economy of the twenty-first century."

Although there was a perception that the United States was falling behind other countries economically because of its lax educational standards, economics was not among the first disciplines to be included in the list of subjects students needed to learn. Work on developing economics standards continued nonetheless, especially

after the discipline was included in the Goals 2000: Educate America Act in 1994 (Walstad, 2001). In 1995 a coalition of 26 economists and educators was organized to develop the *Voluntary National Content Standards in Economics*. Siegfried and Meszaros (1998), both of whom were on the economics standards writing committee, described the group as follows: “The coalition included representatives from the NCEE and its network of affiliated councils and centers, the National Association of Economic Educators, the Foundation for Teaching Economics, and the American Economic Association’s Committee on Economic Education” (p. 139).

As a result of the U.S. Department of Education’s defaulting on its pledge to fully fund the national economics standards in 1995, however, the NCEE was compelled to seek private contributions to complete the work it had begun. The Calvin K. Kazanjian Economics Foundation and the AT&T Foundation, both based in New York, ultimately provided financing for the completion of the standards (DiegmueLLer, 1996). The national standards were ultimately released in 1997 and, according to Meszaros (1997), could be tailored to accommodate state and regional economic education priorities and differences.

The writing committee settled on twenty standards (See Appendix B) with 211 benchmarks that described what students should understand at grades four, eight and twelve. Unlike the JCEE developed *Framework*, which emphasized economic concepts, the *Voluntary National Content Standards in Economics* dealt with principles of economics. For example, scarcity is the first of twenty-two economic concepts mentioned in the *Framework* and is described as “the condition that results

from the imbalance between relatively unlimited wants and the relatively limited resources available for satisfying those wants” (p. 10). In the content standards, scarcity is listed as a benchmark, along with opportunity costs and tradeoffs, under Standard #1 that states: “Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others” (p. 1). The benchmarks listed in the standards then describe what students should know at each grade level and how that knowledge should be applied.

As was the case with the previously released social science standards, criticism of the national economics standards came from many parties. Among others, Hansen (1998) believed the “concept-based” approach of the *Framework* was better than the “principles-based” content standards. He contended that the economics standards were too different in scope from other previously issued social science standards. The latter problem, he believed, made it especially difficult for teachers to teach the skills and knowledge necessary to understand economics because other disciplines were so fact-based in their content standards. Walstad (2001) contended that teachers would also have a problem teaching all the economic content listed in the standards given the other curricular demands on their time.

Differences over Effective Economics Instruction

One of the principal concerns of economic educators after the development of the *Voluntary National Content Standards in Economics* was how the states would integrate the standards into their curriculum. In particular, concerns were raised as to

whether economics would be taught at all or perhaps be de-emphasized by being linked with other subjects (Siegfried & Meszaros, 1997). The sentiment expressed by Siegfried and Meszaros (1997), who were two of the eleven writers of the *Voluntary National Content Standards in Economics*, was that development of the economics standards “increased the probability that economics would be included in the school curricula” (p.247). But the two had concerns that if economics were taught, its linkage with other subjects, such as personal finance or business, could marginalize it.

Whether economics had been adequately addressed in other social science standards was another concern. In their 1997 study comparing the treatment of economics principles (as outlined in the Voluntary National Economics Content Standards) with those found in the national history, social studies, civics and geography standards, Buckles and Watts (1997) lent additional support for Buckles’ earlier (1992) contention concerning the other national social science standards, finding in them, “surprisingly few errors of commission, but major omissions.” They noted, for example, that “the uncritical acceptance in the documents of an important role for wide-ranging government intervention and planning, ... and a general failure to recognize the range and efficiency of market functions, ...demonstrate the need for a separate economics course” (p. 254). In addition, the authors asserted that the standards set forth in the other social science disciplines called for economic knowledge that was beyond the grasp of most high school students to learn and the ability of the average high-school teacher to capably instruct. In the national geography standards, for instance, the writers provided multiple examples explaining

their view of the concept of *comparative* advantage as it applies to trading between countries, but the examples given dealt not with comparative, but rather *absolute* advantage.

Gordon and Wade (1991) earlier had taken a different perspective on economics' integration into the curriculum by providing historical insight on several states' mandates on economic education. They pointed out that in 1974, because councils and centers of economic education were limited in their capabilities to train instructors in economics, largely because of resistance from local boards of education to curricular mandates, the Joint Council on Economic Education had initially established a policy opposed to state mandates on economics in the curriculum. Twelve years later, however, the Council revised its position on mandates because by then, among other things, a sufficient number of teachers had been trained to teach economics, more school boards were receptive to infusing economics in the curriculum and other disciplines were lobbying for increased shares of the curriculum. Drawing on their personal experiences with economic education in New York, an analysis of the economic education experiences of the states of California and Florida and their reading of the research of the time, Gordon and Wade (1991) concluded that "the most effective way to teach economics is not by infusing basic concepts into the general curriculum, but by having a one-semester course devoted completely to economics. However, the best programs include both approaches" (p.181).

Walstad (1992), in his *Journal of Economic Literature* review article on high school economics instruction, noted that those states that had not required a separate high school course were opting to infuse economic principles into the schools' social studies curricula. But, he added, in citing the survey Walstad and Watts (1985) had conducted of economics instruction in the schools, where infusion had been used in lieu of teaching a separate economics course, it had been counterproductive. What continued to arise instead had been, among other things, "deficiencies in the economics preparation of teachers and limited classroom time for economics instruction" (pp. 2029-30).

Dalgaard (1993), however, in his review of the arguments for economics' place in the social studies, contended economic literacy was possible only if economics was infused in social studies curricula. He charged that economists who advocated separating economics from the other social studies disciplines were playing "the role of academic imperialists." Economics would be vital only if it met the goals of the social studies – "critical thinking, reflection, problem solving, and participation" (p. 36). He submitted that when that course of action had been undertaken in the elementary and middle schools it had attained resounding success.

The next year, Lynch (1994), by looking at high school students' scores on the Test of Economic Literacy (TEL), also examined the question of whether using the infusion approach to teaching economics was more or less effective than teaching a separate economics course in the high schools. The TEL, research had shown, yielded results that differentiated students with higher and lower levels of economics

comprehension. Lynch concentrated on high school students' results because economics is rarely taught as a separate course for students in grades K-8. His findings revealed that the gain in scores for economics students from the pre-test to the post-test was not only statistically significant but substantially greater than the scores of students who had been exposed to economics in a consumer economics or a social studies course.

Schug and Cross (1998) in turn asserted that in order for the integrated approach to be successful, social studies teachers had to be well trained. According to their findings, high levels of expertise in economics, geography, history and government tended to be in relatively short supply among educators. Furthermore, they added, the claim that curriculum integration encouraged higher levels of thinking, as evidenced in National Assessment of Educational Progress (NAEP) scores in social studies, was also suspect. Specialized knowledge of economics concepts, such as shifts in the supply and demand curves, for example, necessitated a separate part of the curriculum to facilitate student understanding.

Partially echoing Schug and Cross' sentiments, Walstad (2001) began his article, "Economic Education in U.S. High Schools" by stating: "The best and perhaps only opportunity for improving the economic understanding of all youth occurs in high school" (p. 195). He reiterated that his own findings as well as Lynch's (1994) indicated that, as reflected in scores on the Test of Economic Literacy, high school students attain higher levels of economic understanding by taking a separate course in economics. But, he added, if economics continued to be a

subject that would just be infused in the social sciences it was important that “substantive economic content” be included in history, government and civics textbooks (p. 205).

Yamane (1996), who compared the state of economic education in the U.S to Japan’s, cast doubt on the entire spectrum of student comprehension of economics as taught in the United States. Predicated on her belief that the American economic education movement was dominated by economists or economic educators in the universities, she stated “Economic educators in the USA and the JCEE and NCEE have never made a Social Studies curriculum that is best suited for teaching economics and the economy” (p. 195).

The quality and nature of economics instruction in the classroom is ultimately dependent, however, upon a number of factors and individuals. As Buckles, Schug and Watts (2001) noted:

Today, nearly every state has adopted its own social studies standards, proficiencies, or guidelines, attempting to incorporate and blend the national standards documents according to their own curriculum requirements, other educational objectives, and their particular set of constraints. Not surprisingly, those modifications, when compared to the content included in all of the national standards in the individual subject areas, entail extensive compromise and a considerable amount of pruning (p. 142).

California Economics Requirements and Standards

The state of California began to align subject area content to standards well before the advent of either America 2000 or Goals 2000. As early as 1967, a study was undertaken by the California State Department of Education to determine the extent of economic education in California public schools and the amount of economics instruction teachers of economics had undertaken. At that time about a third of the high schools offered a separate economics course, but less than 10 percent of twelfth graders took the course. But those numbers were an improvement from the results of a 1961 study that indicated less than two percent of high school students were enrolled in economics classes. With respect to those teachers who taught economics, only about 30 percent had taken at least nine semester units in economics (Baum, 1967).

As O'Day (1995) noted, however, it was the passage of state Senate Bill 813 in 1983 that signaled the start of a major educational reform effort in California. Curricular frameworks, including one in economics, were developed, assessment was expanded and the School Improvement Program was created. The California curricular frameworks were especially important, she noted, because they were discipline oriented, rather than interdisciplinary in large part due to the contributions of university professors, teachers, professional organizations, and other subject matter specialists.

Symcox (1992) focused on the particularly critical role played by the California History-Social Science Framework in influencing both state and national

standards. The framework, benchmarks and references in this 1987 document, she noted, under the guidance of California Superintendent of Public Instruction Bill Honig, shaped his state's and ultimately the nation's "classroom instruction, ...content of textbooks, professional development, and statewide performance tests" (p. 70). The economic literacy strand in the California History-Social Science Framework fell within the goal of Knowledge and cultural understanding. Like the other social sciences, the economics component of the *Framework* had fundamental concepts to be taught such as scarcity, command economies and the balance of trade (California State B.O.E., 1988).

Finn and Kanstoroom (2001) also applauded both the strength of California's standards and its assessments as measured by the privately financed Thomas B. Fordham Foundation. The Fordham reviewers evaluated such things as the quality, clarity and specificity of state standards and in 2000 gave California's History-Social Studies standards one of the two A's it awarded nationally to state history standards.

In California, as Betts and Costrell (2001) noted, as of spring 1999 the assessment measure used for monitoring student progress in meeting the state standards was the Stanford 9 (SAT-9) test which measured student mastery of subject matter at different K-12 grade levels. The tests included questions that were more closely aligned to the standards than the original incarnations had featured. A high school exit exam, called the California High School Exit Exam (CAHSEE), also aligned to the content standards and which all students had to take, was to begin in school year 2003-2004. The class of 2006, however, was the first senior class to face

the repercussions of not passing the first two components of CAHSEE tested, math and language arts, as these students were either unable to receive their diploma or, in some school districts, disqualified from participating in graduation ceremonies. This type of testing, as well as strengthened content standards, Betts and Costrell hypothesized, may have been a byproduct of data generated from NAEP testing that showed how the state compared with other states. These indicators generated political pressure to provide a measurement that would indicate how state schools were faring. Paying for the testing, they added, would have been easier for a state like California because its size meant the cost could be more widely spread among taxpayers (p. 27). A major reason why the CAHSEE testing was delayed, however, was due to the shortfall of revenue the state incurred during the transition period from the administration of Governor Davis to Governor Schwarzenegger.

While much has been written about the national standards movement and more recently about the national standards in economics, comparatively little has been devoted to a discussion of how state economics standards have been affected as a result. Buckles, Schug and Watts (2001) were an exception as they discussed the modifications that states could be called on to make in the wake of the national content standards and noted that revision and pruning would be necessary. As regards California, the state established economics frameworks a decade prior to the release of the national economics content standards. My study attempted both to delve into the topic of how the national standards have influenced the state standards or frameworks in the state, and analyze other factors including assessments that

played a role in the process of developing or refining the economics mandates and standards in California.

CHAPTER III

RESEARCH METHODS

The research was conducted as a case study examining the major influences on economics requirements, standards, assessments and course mandates in the state of California. The specific areas of inquiry that guided this study were: What is the process by which economics has evolved as a required and assessed subject of study in California for grade levels kindergarten through twelve and how have the *Voluntary National Content Standards in Economics* and its predecessor national and state-level documents influenced the evolution of economics requirements in the state.

I conducted the case study in the state of California primarily because the state had the reputation of having developed exemplary frameworks in economics for grades K-12 prior to the development of national or state economics content standards. Because of its size and stature in both education and the economy, what happens in California often has national implications as well. Finally, I chose the state because I taught economics classes there and had multiple contacts in the state that facilitated research.

I described the scope and prevalence of economic education in California in a within-case analysis (Cresswell, 1998, Merriam, 2001). In order to develop a clear understanding of the process of the development of state economics standards and mandates, the case study approach, involving in-depth interviews with key

individuals and analysis of relevant documents, was the most appropriate methodology (Cresswell, 1998).

Data Collection

My principal data sources consisted of interviews of individual economic education stakeholders and analysis of official documents including state and national standards and frameworks, legislative records, district and state graduation requirements and minutes of state and local Board of Education meetings where accessible. In the documents I reviewed, I looked for information conveying the process and means by which economics was introduced and maintained in the state's curricular framework.

Interviews

My use of purposeful sampling in the case study included a series of interviews in order to gather data to facilitate answering the research questions (Creswell, 1998). To attain the same objective, document analysis followed. Two broad groups of individuals were interviewed. First, I spoke with stakeholders, those concerned with the content of state curricula in general or, in particular, economics content. These interviewees consisted of a state department of education official, state and local curriculum experts, a state legislator, and personnel from university Centers for Economic Education and the State Council on Economic Education, who tend to be advocates of economics placement in their state's K-12 curriculum (Guba & Lincoln, 1989).

Secondly, I interviewed others who have been affected by the economics standards, including teachers, administrators, a social studies coordinator, and an instructor of pre-service social studies teachers. The respondents were asked questions from a prepared list refined from an earlier pilot-tested version. All interviewees except former California state Senator Gary Hart and a California economics teacher responded to questions from the revised version. The list of interview questions is included in Appendix C.

Interviews were semi-structured. I made a determination at the time of the interview whether questions beyond those planned would lead to greater clarity of the responses or offer expanded detail. In other cases, if it seemed as if the interviewee could not offer additional insights, I chose not to ask all questions. I sought access to my interviewees either from my professional or personal connections with them or from individuals familiar with them or, in some cases, from cold calls to the potential interviewees. I e-mailed or called the prospective interviewee to seek their consent to be interviewed and to schedule a time. The list of those interviewed is found in Table 3.1.

Table 3.1 *Interview Table*

<i>Stakeholders</i>
Center for Economic Education Directors (4)
County Social Studies Coordinator
Council on Economic Education Director
Former California Secretary of Education/ State Legislator

<i>Others</i>
High School Economics Teachers (5)
K-8 Social Studies Teachers (2)
Foundation for Teaching Economics President
National/State Economics Content Standards Writers (3)
University Instructor of Pre-service social studies teachers

My goal in this study was to get a diverse selection of individuals who represented different constituencies within the state and had varying degrees of knowledge and involvement in economic education. I also sought people to interview who could share some historical perspective on how economics came to occupy the place it holds in the state educational system or school district with which they are familiar and who may have been able to comment on the future of economic education. In return for access to the interviewee, I shared the findings of my studies with those who expressed an interest in my project.

Document Analysis

I conducted research on economics standards and mandates in California in the state's archives and other publications. I carried out this research in the library of the state capital and in other depositories at state university libraries, county and district offices. I also analyzed minutes of State Board of Education and legislative hearings. In the case of California, much of the information coming out of public hearings was accessible on-line. But in California, obtaining minutes from meetings

conducted prior to the advent of the Internet was a challenge, although in some locales that information had been preserved in written records. Tracking down the written minutes from school boards entailed calling individual schools in the district to determine whether copies of the minutes had been stored. In a few districts, those documents had been archived, but in those locales too, the records were incomplete.

I also examined the content and development process for three other documents that helped solidify a place for economics in the California state curriculum. For those documents that were developed subsequent to the 1996 publication of the *Voluntary National Content Standards in Economics*, I was able to discuss the influence of this latter document on them:

1. Requirements for successful completion of an economics course for either high school graduation and/or admission to a state university (1983-2007);
2. Development and subsequent revision of state economics standards (1998-2007); and
3. Development or change in state assessments in economics or social studies (1985-2007).

I expected that these three elements would be indicative of the influence of the National Standards because they provided a foundation to weigh the relative importance of economics instruction in the curriculum prior to and after adoption and implementation of the standards.

I pursued a comparable line of inquiry to ascertain whether the first NAEP (National Assessment of Educational Progress) test in economics, scheduled for

administration in 2006, may have had any influence on the amount of economics content in the schools' curriculum.

Analysis of the Data

Once the data were collected, I analyzed them in the context of *if* and *how* the original goals of the *Voluntary National Content Standards in Economics*, “to guide economics instruction in America” and to maintain economics’ place in the elementary and secondary curriculums were being met in California. An additional area of inquiry was to determine if the establishment of economics mandates in California, prior to the release of the national economics content standards, may have mitigated their effect.

To analyze the principal data of my research, the interviews, I used what Maxwell (1996) referred to as a “contextualizing strategy.” That is, I tried to understand the data in context, ascertaining the familiarity, connection and bias interviewees had with the topics and how that may have influenced their perspectives. Furthermore, I made comparisons among interviewees from each part of the state to determine if recurring themes or contradictions in comments arose. When I needed further elucidation on points raised by interviewees I called or e-mailed them to request additional feedback. To further ensure accuracy, I let each interviewee read his or her transcript, allowing each person to clarify or approve what they had said.

Analysis of standards or frameworks in the state consisted of determining when the standards were initially developed, when they were revised and the timing and nature of those revisions with respect to the release of the national economic

standards. I also sought to determine whether other external forces, such as the National Social Studies Standards (National Council for the Social Studies, 2004) or the state's own previous economics framework, influenced state economics standards and requirements. This was ascertained both from review of the pertinent documents and from answers on these issues given by the individuals whom I interviewed.

Document analysis was conducted to yield additional insights into the process involved in development and implementation of the state standards. The information I collected from these sources either substantiated, contradicted, or clarified the interview data. The language used in the state economics standards documents over time also proved to be a credible indicator of the influence of the national economics content standards and other external or internal forces.

In an attempt to provide further triangulation, I read local newspaper accounts, the minutes of state and local board of education or related committee meetings and public hearings concerning economics standards, as well as state and district responses to the implementation of state economics standards. These documents provided insight into whether there were other factors involved in delaying or fostering the implementation of state economics standards apart from being influenced by the national economics content standards. For example, I looked for evidence that potential variables such as curricular mandates in other subjects, a shortage of qualified economics instructors, university requirements, or fiscal woes may have affected transmission of the economics standards.

To augment analysis of the experiences of California in implementing economic education, I made every effort to ensure my collection of data was an accurate representation of the issues being addressed. This entailed among other things, keeping careful records, taking field notes during interviews, and engaging in reflections on and about answers to the research questions.

Validity of the Data

In order to ascertain the reliability, credibility and consistency of the data generated during interviews, I sought validation of the data by reviewing transcripts from previous interviews and research I conducted (Stake, 1994, Sewell, 2004). That is, quality control was maintained by determining whether the remarks made in an interview were corroborated in other interviews or research; whether the remarks of the interviewee were reputable and credible by triangulating with primary and secondary documents; and whether the questions posed in an interview were applicable in other contexts.

Of these three quality control aspects, the credibility of the persons whom I chose to interview was the most critical. It was possible that what they shared with me may have been influenced by the position they currently hold or previously held. They may have wished to convey an impression that matters involving standards implementation are better or worse off than they appeared. In the scope of my research, however, it was possible to detect potential biases of my subjects either from their own admissions or by checking external sources. If their comments were not credible, that became evident both in interviews with others who were familiar

with their work, or, in some cases, published works concerning the issues addressed in the interviews. The primary documents I reviewed were especially useful in validating interview remarks. In other words, evidence for a particular view was generally substantiated through corroboration of multiple sources of data. Had any discrepant data been uncovered during the collection or analysis stages, however, those findings would have been duly noted in the paper.

The internal validity of interview data was ensured by sending a transcript to each interviewee for a clarification or correction, what Maxwell (1996) referred to as a “member check.” Recording and transcribing interviews, for the most part, confirmed what was said. My physical presence, in most cases, in a room with the interviewee when the recording was made, also allowed me to note the emotional nuances of the speaker which were then corroborated or disavowed by the speaker. Lastly, by listening to the interviews at a later time, I had an indication as to whether the questions were reliably and validly constructed. Previous analysis of the interviews, however, did give an indication whether a question’s content validity was an issue.

My analysis of the efficacy of economics in the K-12 curriculum in California necessarily encompassed interviewing a number of individuals with different levels of involvement in economic education. To avoid the perception that I chose people most directly linked to the success of the national economic content standards, I contacted individuals who were involved at each stage of the standards implementation process. This included teachers, principals, university professors,

and state and local public officials familiar with economic education. In following this line of research, I sought to maintain a balance between people who previously worked on standards implementation and those who were knowledgeable about the process, but indirectly involved. In the end, my focus on seeking diversity both in the people selected to be interviewed and their geographic locale provided balanced perspectives on the research questions I posed.

CHAPTER IV

RESEARCH FINDINGS

This study was undertaken to determine how economics has evolved as a required and assessed subject of study in kindergarten through twelfth grade in the state of California and to determine the factors behind the development of the state's economics requirements. It was hypothesized that influencing factors at the state level may have included, but not have been limited to, various national-level events, such as the publication in 1983 of "A Nation at Risk," the publications of the *Master Curriculum Guide in Economics: A Framework for Teaching the Basic Concepts* in 1977, the related *Economics: What and When: Scope & Sequence Guidelines K-12* in 1988, and the *Voluntary National Content Standards in Economics* in 1996 and other state-level factors that shaped policy. The state-level factors might have included the structure and autonomy of the state's education system, political party in power, influence of special interest groups, including those advocating for standards adoption and assessment, as well as those seeking promotion of a particular perspective, and funding available to enact and implement economic and social science standards reform.

To develop the case study, I interviewed fifteen individuals, representing a cross-section of people involved in economic education in California. The audio files for three of the interviews, however, were corrupted by poor audio quality, but my written notes on those interviews indicated most of what was said was corroborated in other interviews. The twelve remaining participants cited in this study were

interviewed in person, usually in their workplace. Their responses to the questions I posed to them are integrated throughout the case study and analyzed within the framework of findings derived from primary and secondary documents, and from follow-up interviews. The findings are presented as a case study in Chapter 4 and its implications outlined in Chapter 5.

Developments in California Economic Education

Securing a place for economics in the 1980s as a required course in California's K-12 curriculum occurred within a shifting educational and political landscape in the state and nation. Explanations for the dynamics that stimulated the educational reform movement in California, of which economics requirements were a part, varied widely. Existing literature indicated that some education opinion leaders, such as former California State Board of Education president Michael W. Kirst, maintained that measures such as the modification of graduation requirements in California to include more college preparatory classes could be attributed more to a nationwide "grass-roots movement" for reform than to state legislative action (Endicott, 1985). Others, however, such as Hawkins and Symcox, asserted that reform efforts in California that began in the 1970s were impacted by a combination of internal forces, especially those dealing with funding, the results of which would confer greater leverage upon state policy makers (Hawkins, 1984, Symcox, 2002). The major policy actions impacting economic education in the state of California in the 1970s and 1980s are listed in Table 4.1.

Table 4.1 – California economic education milestones

Date	Government measure	Bearing on economic education
1972	Serrano v. Priest	Education funding shifts from local to state control. State legislature, governor and State Board of Education exercise more control over education reform.
1978	Proposition 13	Greater concentration of power over education decisions at state level due to shortfall of revenues at the local level because of property tax caps.
1983	Senate Bill 813	Students must complete a one-year economics, civics and government course in order to graduate from high school. Superintendent of Public Instruction to coordinate development of model curriculum standards in specific courses, including economics.
1985	Senate Bill 1213	Students required to pass a one semester Economics course that includes a focus on American economic system in order to graduate from high school

State climate for curricular reform

A principal impetus for an increase in state control of education, Hawkins and Symcox noted, came from changes in school funding protocol. More centralized control of curriculum decisions at the state level was important because it created a more favorable environment for economics instruction to assume a larger role in K-12 schools (Hawkins, 1984, Symcox, 2002).

As a result of the passage and signing of California Senate Bill 1 in 1968, control over curriculum decisions and funding resided primarily with local school districts (Mitchell, 1986). In the 1972 case *Serrano v. Priest*, however, the California

Supreme Court ruled that wealthier school districts had a disproportionate advantage in providing educational services over poorer ones because school districts received the bulk of their financing from property tax proceeds. To remedy the inequity, the court ordered the state to develop a plan to equalize spending. The state legislature responded over the next decade by increasing funding for poorer school districts, decreasing funding for wealthier school districts, and allocating more power to the state to administer spending on K-12 schools which resulted in less local control over education spending (Hawkins, 1984).

In 1978, the passage of Proposition 13 by California voters further restricted the availability of property tax revenue for local school districts.¹ By passing the proposition California voters successfully limited their property tax rates, but because of the paucity of local tax revenues, funding for educational programs necessarily became a state obligation. As a result, by 1982, state legislators and executive branch officials, as well as the California Teachers Association and the California Federation of Teachers, acutely aware of the new locus of power, shifted their efforts for educational change from the local level to the state capitol (Hawkins, 1984).

On a related political front in 1982, heading the effort to implement educational reform in Sacramento was the newly elected State Superintendent of Public Instruction Bill Honig, a former social studies instructor (Symcox, 2002).

Honig had been voted into the state's highest elected education office by campaigning

¹ Proposition 13 was an initiative passed by the voters of California that became part of the state Constitution. Its popularity stemmed from the limitations placed on taxes assessed against rapidly escalating property values. Taxes have been apportioned at 1% of a property's assessed valuation since that time and can rise by no more than 2% a year.

on a pledge to reform schools by raising standards and centralizing curricular decision-making (Sleeter, 2002).

State legislative actions

By early 1983, as the federal government detailed the worsening condition of public education with the publication of *A Nation at Risk*, the state of California was in full educational reform mode. After a lengthy debate, the newly elected Republican governor George Deukmejian and the Democratic controlled Assembly and Senate approved a measure in which high school graduation requirements in the state would include a greater emphasis on academic core subjects and less on vocational subjects and other electives. The general sentiment among Republicans and Democrats in the state of California was that if schools were to be held more accountable for higher test scores and fewer dropouts, then teachers had to be both better compensated and better prepared to teach (Hawkins, 1984). The signing of the Hughes-Hart Education Reform Act (S.B. 813) in 1983 addressed each of these issues and more. It proved to be the capstone of more than a decade of educational reform and transformation in California that both centralized education decision-making at the state level and would shortly thereafter have a marked effect upon economic education.

A number of contributing forces from 1982 and 1983 can be credited with shaping the reform aspects of S.B. 813. Bill Honig's predecessor as Superintendent of Public Instruction, Wilson Riles, had previously enlisted the services of the California Business Roundtable, a group of prominent chief executive officers in the

state, to make recommendations on educational reform (Hawkins, 1983, Timar, 2002). Honig himself had taken an interest in the bill because he had stated during his campaign for office that his rationale for pushing reform was twofold; to educate more students to be able to compete in the global economy and to prepare them to become active citizens in a democracy (Honig, 1988).

The Democratic majority in the legislature, meanwhile, in order to achieve their goal of procuring one billion dollars more for education, was compelled to commit to some of Governor Deukmejian's reform measures such as testing for teachers (Mastain & Brott, 1992). There was another provision in Chapter 498 of the bill; one that established assessments to be based on the California State Frameworks for students in grades seven through twelve. The Golden State Examination (GSE) established tests in each of the major subject areas, including history-social science together with economics, all of which students had the option of taking. Another provision of the bill stated, "the Superintendent of Public Instruction shall coordinate the development of model curriculum standards against which local school districts must periodically compare their curricula" (California State Department of Education [CSDE], "Summary of SB 813," 1983).

From an economic education standpoint the most significant provision in S.B. 813 was that students in grades 9-12, beginning with the 1986/87 school year, had to complete three years of social studies including one year devoted to civics/government and economics in order to graduate (Claugus, 1984). The bill, however, did not specify the amount of time that should be devoted to economics (Sirard,

1985). It was also left to individual school districts to decide whether courses in consumer economics, business economics or other variations of economics instruction were suitable to meet the economics requirement. Perhaps of more importance, Mitchell (1986) noted, passage of Senate Bill 813 discontinued “14 years of local district control over high school graduation standards and requirements” (p. 94).

The co-author of S.B. 813, Senate Education Chairman Gary Hart, wrote legislation two years later that had an even greater impact on economic education in the state. That legislation, (S.B. 1213), mandated that all high school students, beginning in the 1987/88 school year, take a one-semester course in economics in grade 12 as a requirement for graduation and also provided funding for university centers for economic education to assist K-12 teachers in economics instruction. The economics course, as formalized in state education code 51220(b), had to include a focus on the development of the American economic system, including the role of the entrepreneur and labor (Highsmith, 1989).

In my interview with him, Mr. Hart noted there were two major interest groups working with him to write and pass S.B. 1213: business and labor (G. Hart, personal communication, December 17, 2004). He pointed out that the business group, which he didn’t name, but was identified by Sirard (1985) as the Economic Literacy Council of California, was especially interested in seeing that the promotion of free enterprise would be a guiding principle of the economics curriculum. The Council, later known as the California Council on Economic Education (CCEE), was,

according to its 2007 website, founded in 1963 as part of the California State University Foundation (CCEE, 2007). By 1985 it comprised 22 Centers for Economic Education throughout the state that provided economics materials and in-service programs to teachers statewide (“Business Briefs,” 1985). Later that same year the CCEE received its first funding from the state of \$150,000 through a provision in S.B. 1213. This supplemented the \$300,000 in operating funds the Centers were already receiving from 100 California companies (Sirard, 1985).

The chief advocate for including the contribution of organized labor in the economics curriculum, Hart added, was Teamsters’ representative Hugo Morris. Hart stated, “Morris worked hard in committee hearings both during and following the passage of S.B. 1213 to include the contributions of labor unions in the economy in school districts’ economics and social studies curriculum” (G. Hart, personal communication, December 17, 2004). Additionally, San Bernardino County Superintendent of Schools History/ Social Science Coordinator Peg Hill noted in an interview that California legislators were especially keen at the time to ensure that “Cesar Chavez and his contributions to the farm labor movement also received coverage in the state’s history/social science curriculum” (P. Hill, personal communication, February 15, 2005).

Other parties contributed to S.B. 1213 as well. California State Polytechnic University, Pomona Center for Economic Education Director Bob Bray stated in an interview that he and his staff had worked long hours with Senator Hart’s staff on language in the bill. Bray’s primary focus was to get sufficient funding in the bill to

fund the training of economics teachers, which he and his staff accomplished (B. Bray, personal communication, December 12, 2005).

Another economic education organization based in California, the nonprofit organization Foundation for Teaching Economics (FTE), was involved in contributing to the bill as well. Jaquelin (Jack) Hume, cofounder of the Basic Companies (now Basic American Foods), the world's largest processor of dehydrated onions and garlic (Bacon & Berkowitz, 1999), established the FTE in 1975, according to current FTE President Gary Walton. The Foundation, at that time, was primarily focused on teaching economics principles through a textbook entitled *Our Economy* that dealt with the chain of production for Levi's jeans (G. Walton, personal communication, August 13, 2004). Hume, a major financial backer of Governor Ronald Reagan and his policies in the 1960s, had established the FTE "in response to his concern that many young people were not being taught the basic concepts of market economics" (Bacon & Berkowitz, 1999). According to Glendale California Community College economics teacher Mark Maier, however, economics students and teachers involved in FTE programs "receive a one-sided, pro-market message that does little to encourage a critical analysis of today's important economic policy issues" (Maier, 2002).

In terms of legislative activism in Sacramento, FTE President Walton remarked, "Endeavors the organization made to secure passage of the bill (S.B. 1213) marked the last time the FTE actively worked on economic education legislation in the state." In keeping with FTE's free market philosophy, Walton continued,

following the enactment of S.B. 1213, the Foundation, since it was reconstituted under his leadership in 1990, maintained “a policy not to take government dollars for its programs.” The Foundation by then also had changed its mission on the advice of economists Milton and Rose Friedman to reach out directly to students and teachers through workshops and leadership programs. When money was made available for an economic and financial literacy program in 2004 (the Excellence in Economic Education Act) by the U.S. Department of Education, which FTE was well suited to implement, but for which the NCEE had done much of the groundwork, Walton continued, the organization, in keeping with its philosophy, did not submit a funding proposal (G. Walton, personal communication, February 14, 2005).

Economics in the California History-Social Science Framework

While state legislators in the 1980s considered how prominent economics would be in school district curricula, the content of economics instruction, as noted earlier, had been an evolving work in the state for decades (Baum, 1967). In California, economics, like other subjects, is subject to adoption within state curricular frameworks or standards. Curriculum frameworks provide concepts that teachers can use in the classroom and upon which students may be tested. California’s state standards include both content, such as economics principles, and critical thinking skills upon which students and increasingly, teachers, can be assessed. Adoption of frameworks and standards has been and remains the domain of the state government in California (California Department of Education [CDE], “Instructional Materials,” 2010).

The State Board of Education (SBE) is the principal governing and policymaking body for education and consists of eleven members appointed by the governor and subject to Senate confirmation. The Superintendent of Public Instruction, who is the state's highest elected educational office holder, both heads the Department of Education and carries out policies set by the SBE² which counts among its duties: the adoption of state content standards, the establishment of curricular frameworks, and the provision of state assessments (Brewer & Smith, 2006). Starting from the election of 1982 until 1998 Californians elected two Republicans to the governor's office, George Deukmejian and Pete Wilson whose duties included making appointments to the eleven- member SBE. During that same time period, voters elected two superintendents of public instruction (SPI), Bill Honig and Delaine Eastin, both of whom although nominally non-partisan, were more identified with Democratic policies and ideologies. According to Timar (2002), however, following Honig's tenure, the SPI increasingly was at odds with the SBE and due to the governor's political power, became less important in state education politics and policy making (p.50). Within the Department of Education, the Curriculum Commission, whose members are appointed by the State Board of Education, the governor, and the Assembly Speaker, has the responsibility of advising the SBE on curriculum frameworks and standards (CDE, "What is," 2010). During this time frame as well, California voters passed Proposition 140 in 1990 that established 6-year term limits on the 80-member Assembly and 40-member state

² The SBE has eleven members including, since 1982, one student member. The ten non-student members have four-year staggered terms, subject to confirmation by a two-thirds vote of the Senate.

Senate. According to Brewer and Smith (2006), although this created a more diverse legislature, “term limits tend to induce a shorter time horizon, and dilute knowledge of the ways a complex system like education has developed over time” (p.35). This assortment of political and bureaucratic perspectives, as will be detailed below, produced results that would shape education in the state and nation for the remainder of the century.

The first version of a state framework in history and the social sciences was published in 1975 under the title of *Social Sciences Education Framework* (“History,” 1981). Its successor, the 1981 *History-Social Science Framework for Public Schools Kindergarten through Grade Twelve* was more detailed than the 1975 framework but economics content comprised only three pages of the sixty-two page document (CSDE, “History-Social Science,” 1981). It included more questions (See Table 4.2) that economics systems had to answer (7) in lieu of the standard three (it reverts to 3 later in the document as one of the basic concepts), but had fewer total economics concepts (13) students would be asked to learn compared to the twenty-one concepts in the 1987 version (See Appendix E). The 1981 *Framework* featured narratives concerning the concepts together with occasional bullet points whereas the 1987 version contained concepts along with benchmarks. According to Peg Hill, these early versions of the *Framework* “were part of the textbook development but not necessarily the classroom implementation of curriculum” (P. Hill, personal communication, February 15, 2005). One significant concept contained in the 1981 *Framework*, but missing from the 1987 *Framework* as well as the state economics

standards in 1998, was the proviso that students needed to learn to use charts, graphs and tables as part of understanding economics. Table 4.2 includes a list of other economic concepts found in the 1981 Framework, but omitted from later versions.

Table 4.2 - Economics Questions and Concepts Comparison

<p><u>1981 California Framework Fundamental Economics Questions</u></p> <ol style="list-style-type: none"> 1. Which products and services should be produced? 2. How should the production processes be organized? 3. How much should be produced? 4. How should goods and services be distributed? 5. How should ownership of productive resources be organized? 6. What are the economic and social consequences of different types of economic organization? 7. How rapidly could and should an economy grow? <p><u>Standard Textbook Fundamental Economics Questions</u></p> <ol style="list-style-type: none"> 1. What goods and services shall be produced? 2. How shall they be produced? 3. For whom shall they be produced? <p><u>Economics Concepts omitted from 1987 Framework</u></p> <ol style="list-style-type: none"> 1. Effects of time and space on the productivity of resources 2. Specific mention of role of dollar as a medium of exchange 3. Need for students to acquire skills to understand graphs, charts, and tables used in economic measuring 4. Listing of examples of problems faced by a mixed economy

Robert Highsmith, who served as the director of the Economic Literacy Council of California in the early 1980s, noted that there were other areas of the *Framework*, aside from the effective conveyance of economics principles, that the twenty-three state Centers for Economic Education then under his direction could help teachers implement. These included using economics instruction to help students think critically, examine values in decision-making, and become informed

citizens (Highsmith, 1981). At the beginning of my own economics teaching experience in the mid 1980s in Chino, California, I, like other teachers whom I interviewed in southern California, took part in in-service training and received teaching materials offered through the Center for Economic Education at California State Polytechnic University, Pomona directed by Bob Bray.³ In an interview conducted in 2005, Dr. Bray noted that the aim of the Center was to provide substantive economic education to educators regardless of the linkages to state frameworks (B. Bray, personal communication, December 12, 2005). My recollection is that teachers attending sessions received lessons based on NCEE materials such as those found in John Morton's *Master Curriculum Guide: High School Economics* ("The Silver Bullet"). I also won a door prize, the *Kingdom of Mocha*, an animated video produced by Amoco, which like many materials being provided to economics teachers then featured corporate perspectives on market economics.

1987 California History-Social Science Framework

The next version of the *History-Social Science Framework for California Public Schools Kindergarten Through Grade Twelve* was adopted in July of 1987. Charlotte Crabtree, an education professor from UCLA and Diane Ravitch, then a history professor at Teachers College, Columbia University were the principal writers of the revised *Framework*, with assistance from subject content experts appointed by Superintendent of Public Instruction Bill Honig (Cornbleth & Waugh, 1993, Symcox,

³ State funding for these materials had been made possible through a provision in S.B. 1213.

2002). In her book, *The Language Police*, Ravitch noted that she was invited by Honig to join a group of educators to make revisions to the Framework. After much discussion, however, she and the other committee members wrote a new framework centered on history “in the hope that it would generate better textbooks and a coherent history curriculum” (Ravitch, 2003, p.99). Crabtree, who specialized in geography education, had been invited to give a presentation to the Framework committee by its chair Jean Claugus. She so impressed the committee that she was invited to join it. As a result geography played a more central role in the History-Social Science Framework than had been anticipated (Symcox, 2002).

Of greater significance, this document, according to the California Department of Education website, firmly established the foundations upon which the 1997 *California History/Social Science Content Standards*, to be addressed later in this chapter, were anchored (CDE, “Introduction-History-Social Science,” 2007). The *Framework* consisted of three goals and twelve curricular strands that the study of the history-social science disciplines were designed to meet (CDE, “History-Social Science,” 2005, p.11). Economic literacy was one of the strands and was to be achieved in grades K-12. Although economics was infused in grades K-11, it was required for grade 12 in most school districts and as a result the *Framework* included a more detailed description of what constituted economics instruction and learning for twelfth grade students. The focus for students in the younger grades was progressively more centered on decision-making and “their roles as consumers,

producers, savers, investors and citizens” (California State Board of Education [SBE], “History,” 1988, p. 23).

Twelfth graders were charged with learning fundamental economic concepts such as scarcity, the factors of production, and the profit motive. According to the *Framework*, competency in economics in grade twelve also included knowing the various types of economic systems, microeconomics concepts such as supply and demand, types of business organizations and the role of government in a market economy as well as learning macroeconomic principles such as gross national product and monetary policy and describing international economics concepts such as the balance of trade (California State Board of Education [SBE], “History,” 1988).

The 1987 California *Framework*, in its organization and content, is a condensed version of the 1977 Joint Council on Economic Education (JCEE) publication *A Framework for Teaching the Basic Concepts*. The JCEE document offers much greater detail than the California edition in the concept areas stated in the paragraph above. For example, the California *Framework* mentions the macroeconomic concept of unemployment but does not include descriptions of frictional, structural, or cyclical unemployment, which the JCEE publication does contain (p.36). The California *Framework* also omits altogether the broad social goals in an economy to which the JCEE *Framework* devotes an entire chapter (SBE, “History,” 1988, Saunders et al., 1984).

With respect to that omission, Professor of Multicultural Studies Christine Sleeter, at California State University, Monterey Bay, was critical both of the

Framework's treatment of capitalism and its failure to address the role of transnational corporations in the history and economics sections (Sleeter, 2002). She contended that the document ignored capitalism's historical and contemporary deficiencies in the U.S., such as "plundering the Americas." She also noted that, "The International Monetary Fund, World Bank, the General Agreement on Trade and Tariff, and the World Trade Organization are not mentioned in the *Framework* ..." (p. 22). Imports, exports, tariffs, quotas and international trade are addressed in the Framework, however, and it is difficult to envision teaching those concepts in an economics class in California without addressing at least some of the major international organizations and trade agreements, even in 1988.

Teachers and center directors whom I interviewed in California spoke about how the economics component of their state *Framework* was addressed differently in the K-12 levels. In the elementary and middle school/junior high levels in particular, adherence to either the national or state frameworks was limited unless the economics material was tested. In interviews with teachers in both northern and southern California at the elementary and middle school level, they noted that "since economics wasn't tested as much in the social studies assessments, it wasn't given as high a priority as other social studies components" (Personal interviews with Teachers A, B, C, and D February 14, December 12, 2005).

Center directors I interviewed indicated that teachers' approach to the instruction of economics at the high school level depended on their facility with the subject as well as whether their school districts required strict observance of the

precepts laid out in the *Framework*. When asked whether teachers attending workshops at their institutions cited concerns about implementation of the *Framework* as a rationale for their attendance, however, Center directors indicated that was not the case. The more pressing concerns for those teachers, they maintained, were fulfilling unit requirements for teaching, learning more about economics, or obtaining pertinent lessons for economics instruction. During his twenty-year tenure at the California State Polytechnic University, Pomona Center, Director Bob Bray added, “only two or three teachers had asked about aligning content from the state *Framework* with their course content” (B. Bray, personal communication, December 12, 2005).

The California History-Social Science Content Standards

The *History-Social Science Framework for California Public Schools Kindergarten Through Grade Twelve*, like other subject matter frameworks in California compliant with state education code is subject to revision every seven years (CDE, “Instructional Materials,” 2010). It was during an interim period between framework revisions in 1998 that a more detailed document, the *California History/Social Science Content Standards*, was conceived and ultimately adopted by the California State Board of Education (SBE, “Meet the standards,” 1998). The introduction to the *California History/Social Science Content Standards* states, “The standards serve as the basis for statewide assessments, curriculum frameworks, and instructional materials, but methods of institutional delivery remain the responsibility of local educators” (p. 1). The standards themselves have served as a complement to

the curriculum frameworks. In the California economics standards, for example, as with the other content standards, the specifics of what should be taught in economics are delineated whereas the economics framework serves as a “blueprint” for how the economics standards should be implemented (CDE, “Curriculum framework,” 2007).

On balance, the economic concepts enumerated in the *California History-Social Science Framework* and those detailed in every version since 1980 of the *California History/Social Science Content Standards* are parallel. Of the 56 economic concepts listed for Grade 12 in the California Council for the Social Studies document, *California Concepts Collection II* (p. 20) that contains the *Framework*, all but three: opportunity cost, marginal benefit and marginal cost are found in the California economics content standards. This is consistent with the California State Board of Education’s acknowledgement that the standards build on the work of such “exemplary documents as the *Framework* (SBE, “Meet the standards,” 1998).

Comparison of the California History/Social Science Standards and the Voluntary National Content Standards in Economics

When the California economics content standards were released in 1998, the *Voluntary National Content Standards in Economics* had been in effect for a year. Four of the eleven members of the national economics content standards writing committee, James Charkins, Robert Highsmith, Donna McCreadie, and Gary Walton were or had been involved in economic education in the state of California. One of the four, California State University, San Bernardino economics professor and current CCEE executive director Jim Charkins, served as an economics reviewer for the

California Academic Standards Commission that developed the *California History/Social Science Content Standards*. Robert Highsmith had headed the California Council for Economic Education (CCEE) in the 1980s and was later Vice President for Research of the National Council on Economic Education in New York City. University of California, Davis economics professor Walton served at the time the standards were written as the head of the Foundation for Teaching Economics (FTE) based in Davis. Temple City High School economics teacher Donna McCreddie was the co-founder of the California Association of School Economics Teachers (CASET). It was evident from my interviews with three of the four that their active participation in helping formulate the national economics content standards carried over in their work in state economic education organizations to foster awareness of the newly devised California economics content standards. Jim Charkins, for one, when asked whether any improvements needed to be made to the California or national economics contents standards replied with a laugh that since he was involved in the writing of both that they were perfect (J. Charkins, personal communication, February 15, 2005). When asked the same question, however, San Bernardino County Superintendent of Schools History/ Social Science Coordinator Peg Hill responded, “This may be heretical, but I honestly feel like they are written from the perspective that the laws of capitalism are natural laws” (P. Hill, personal communication, February 15, 2005).

An examination of the national and California economics content standards reveals several almost identical passages and a few notable differences. While

determining the amount of influence any one individual may have had on the content of each document is a difficult proposition, similarities and differences between the two standards documents and the California *Framework* reveal insights about whether the *Voluntary National Content Standards in Economics* was an influential guide for economics education in the state. It is noteworthy that, according to Jim Charkins, other states' economics standards were not considered when California's were written. He said, "It was almost a mandate [to the content standards writers] from the State Board of Education not to look at other states' standards... They were to develop California standards based upon the national standards" (J. Charkins, personal communication, February 15, 2005). Perhaps coincidentally, William J. (Jerry) Hume, who had taken over as chairman of the board of trustees for the Foundation for Teaching Economics upon his father's illness in the 1980s, served as vice president of the California State Board of Education when the first state content standards in reading and math were approved and the *History-Social Science Framework for California Public Schools Kindergarten Through Grade Twelve* was updated (Anderluh, 1997).

Although the sequence of economics principles enumerated in the state and national standards documents differs, the content is generally comparable. In the *California History/Social Science Content Standards* at grade 12, economics principles are grouped in six thematic concept areas, each of which is followed by three to ten content standards/benchmarks. The total of thirty-two California economics content standards/benchmarks focus more on higher order thinking skills

exceeds the twenty national content standards that emphasize terminology. Accordingly, the benchmarks accompanying the national economics content standards far surpass the number in the California document. For example, the first national economics standard deals with limited productive resources and has twenty-one benchmarks alone that high school seniors must know while California's twelfth grade economics standards have four citations referencing scarcity. California's economics standards do cite scarcity's role in choices, resources, supply and demand, and prices in Sections 12.1 and Section 12.2 but have no attendant benchmarks (See Table, 4.3, Appendices B & D).

Table 4.3 – Standards Coverage Comparison

California Economics Standards	National Economics Standards
<p>Scarcity – Standard 12.1 Students understand common economic terms and concepts and economic reasoning.</p> <p>12.1.1- Examine the causal relationship between scarcity and the need for choices.</p> <p>12.1.4 - Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.</p> <p>Standard 12.2 Students analyze the elements of America's market economy in a global setting.</p> <p>12.2.2 - Discuss the effects of changes in supply and/or demand on the relative scarcity, price, and quantity of particular products.</p> <p>12.2.4 - Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.</p>	<p>Scarcity - Standard 1 Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.</p> <p>Related concepts: Capital Resources, Choice, Consumer Economics, Consumers, Goods, Human Resources, Natural Resources, Opportunity Cost, Producers, Production, Productive Resources, Scarcity, Services, Wants, Entrepreneurship, Inventors, Entrepreneur, Factors of Production</p>

<p>Inflation – Standard 12.5 Students analyze the aggregate economic behavior of the U.S. economy.</p> <p>12.5.2 - Define, calculate, and explain the significance of an unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and a rate of economic growth.</p>	<p>Inflation – Standard 12 Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarce resources between present and future uses.</p> <p>Related concepts: Interest Rate, Monetary Policy, Real vs. Nominal, Risk, Investing, Savers, Savings</p> <p>Standard 19 Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits some others because it arbitrarily redistributes purchasing power. Inflation can reduce the rate of growth of national living standards because individuals and organizations use resources to protect themselves against the uncertainty of future prices.</p> <p>Related concepts: Types of Unemployment, Causes of inflation, Consumer Price Index (CPI), Deflation, Labor Force, Unemployment Rate, Inflation</p>
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In terms of what is emphasized in the economic concepts, the national economics standards have a stronger emphasis on monetary and inflation principles (Content standards 11 & 12) than do the California economics standards. Indeed, the concept of inflation appears in both national economics content standards 12 and 19, but only in the second benchmark of 12.5 in the California version. To reiterate, however, the California standards on balance reflect the national standards.

California Council of Economic Education Executive Director Jim Charkins stated, “The high school component of the California economics standards is based primarily on the national economics content standards” (J. Charkins, personal communication,

February 15, 2005). To cite one example, Section 12.3 of the California economics standards addresses the issue of the influence of the federal government on the U.S. economy and is almost identical in phrasing to national economic standard 16: Role of Government.

On the other hand, the *California History/Social Science Content Standards* contain economic principles not found in the *Voluntary National Content Standards in Economics*. Topics that have more extensive coverage in the California Standards are listed in Table 4.4. For example, the tenth item in Section 12.2 of the California document refers to “the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities” (See Table 4.4 and Appendix D). There is nothing comparable to this in the national economics standards.

Table 4.4 – California economics standards coverage

Areas receiving more coverage in California History/Social Science Content Standards vs. Voluntary National Content Standards in Economics
1. Agricultural production and industry
2. Impact of labor markets
3. Great Depression’s link to trade restrictions
4. Factors affecting the global economy

The role of labor unions in the global economy (Section 12.4) is also much more defined in the California economics content standards. In total there are four benchmarks in California’s standards devoted to the analysis of the impact of the

labor market compared with two attributions for labor (Content standards 10 and 13) in the national economics standards. (See Table 4.5) As noted previously, both former California Senator Gary Hart and California social science review panelist Peg Hill, in their respective interviews with me, noted that the prominence of labor unions in the California standards could largely be attributed to the efforts of Teamsters representative Hugo Morris to push for labor’s contribution to the U.S. economy and a recognition of Cesar Chavez’ historical contributions to the state’s labor union movement (G. Hart, personal communication, December 17, 2004, P. Hill, personal communication, February 15, 2005).

Table 4.5 – Attributions for labor in economics content standards

Labor references in California standards	Labor references in national standards
<p>12.4 Students analyze the elements of the U.S. labor market in a global setting</p> <p>1. Understand the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.</p>	<p>10. 8th Grade - Benchmark 3</p> <p>Labor unions have influenced laws created in market economies and, through the process of collective bargaining with employers; labor unions represent some workers in negotiations involving wages, fringe benefits, and work rules.</p>
<p>2. Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition</p>	<p>13. 12th Grade – Benchmark 2</p> <p>In a labor market, in the absence of other changes, a higher wage increases the reward for work and reduces the willingness of employers to hire workers.</p> <p>Additional benchmarks in grades 4 and 8 for this standard</p>
<p>3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.</p>	

4. Explain the effects of international mobility of capital and labor on the U.S. economy.	
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The final thematic concept area in the California economics standards addresses international economics principles and substantially mirrors the content of Standard 5 of the *Voluntary National Content Standards in Economics*. California, however, in keeping with the state's historical prominence in international trade and immigration, includes benchmarks on the relationship between the Great Depression and trade restrictions and "the changing role of international political borders and territorial sovereignty in a global economy" that are absent from the national document. In her interview with me, Peg Hill noted that California's strong economic ties with other countries and its prominence in international trade has been noted in the History/Social Science standards since at least the Deukmejian administration in the 1980s (P. Hill, personal communication, February 15, 2005). During my twenty years living in California in the last part of the 20th century, a constant in economic news reports in the state was that if the state were a country, its GDP would be the 6th largest in the world. That outlook about the importance of California's international economic prowess was reflected in its placement in the standards.

In evaluating the overall influences on the economics strand in the *California History/Social Science Content Standards* some, such as California Association of School Economics Teachers' President Joanne Benjamin, contended that the economics strand was merely a reflection of the national economics content standards

(Benjamin, 2003). Others, however, such as history-social science committee member Raymund Paredes of the California Academics Standards Commission, said of the standards during their development that they “will be consistent with the state frameworks” (Bell, 1998). His viewpoint was corroborated by Peg Hill, History/Social Science Coordinator for the San Bernardino County Superintendent of Schools, who served on a review panel of the economics standards prior to their release. In an interview with me, she stated, “The principal influence on the California state economics standards was the state framework” (P. Hill, personal communication, February 15, 2005).

A revised version of the *Framework* appeared in 1997 and its similarity to the 1998 *California History/Social Science Content Standards* is an indicator of the validity of Vice Chancellor Paredes and Dr. Hill’s viewpoints concerning the influence of the *Framework*. Significant omissions in the *Framework*, however, were addressed in the *California History/Social Science Content Standards*. Benefit/cost analysis, for example, is now included in all grades in the 1998 state economics content standards (Charkins, 2003). The national economic content standards, as the *JCEE Framework* had done for the *California Framework*, also served as a model that writers of the California economics standards could employ.

Other Effects of Economics Requirements in California

Part of the significance of the evolution of California economics standards is the coverage they received in economics textbooks that are used nationwide. California, Texas, and Florida together account for about one-third of the K-12

market (Finn and Ravitch, 2004) and their curricula have a strong influence on textbook content. Indeed, when the *California History/Social Science Content Standards* were issued, Harcourt Publishing, according to California Council of Economic Education director Jim Charkins, put out a special California economics textbook (J. Charkins, personal communication, February 15, 2005). Significantly, the state frameworks, and by extension content standards, provide guidance to publishers on what instructional materials to develop in order to have them adopted by the State Board of Education (CDE, “Instructional Materials,” 2010).

Adoption of textbooks in California proceeds after two panels and a curriculum commission make recommendations to the State Board of Education following a determination as to how the textbook content reflects the standards. California school districts must then select instructional materials primarily from the Board’s prescribed state list in grades K-8, although for grades 9-12 no such restrictions apply (Clawson, 1999).

Teachers and others in K-12 school districts often are given preview copies of the textbooks or they may consult websites such as the Schools of California Online Resources for Education, History/Social Science (SCORE) in order to check the alignment of the California content standards with chapters in the text from publishers such as Holt, Rinehart and Winston and Glencoe/McGraw-Hill. Following the preview, teachers or administrators make a text selection for district schools. Among those I interviewed in California, all were in accord about the enormous impact economics textbooks had in reinforcing teaching of the state economics content

standards. Assistant Professor of Education Jared Stallones at California State Polytechnic University, Pomona, for one, noted that most social science student teachers he supervises “teach straight from the textbook” These teachers’ relative unfamiliarity with the subject matter, he added, lead them to follow “prescribed curriculum materials” (J. Stallones, personal communication, December 11, 2005).

A second major source of curricular materials facilitating economics understanding, in addition to the inclusion of economics standards in the textbooks, derived from another provision within the Hughes-Hart Education Reform Act (S.B. 813). That portion of the bill provided for Curriculum Centers in the social sciences, out of which arose Centers for Economic Education in California’s state and private colleges (Mitchell, 1986). These Centers, like others throughout the country, were to provide educators with training and materials designed to help them convey economic literacy to their students. Most often, teachers in California, particularly those who taught 12th grade, since economics was a required subject at that level, availed themselves of the Centers’ assistance by participating in workshops, in-services, summer institutes or on-line classes in economics content and pedagogy.

In 1985 provisions in the Gary Hart authored S.B. 1213 legislation called for additional funding of \$150,000 for 21 of these Centers on California State University campuses (Sirard, 1985). The funding was not completely unprecedented. In the 1960s, “The first two centers for economic education established in California at California State Fullerton and Chico were,’ according to Bob Bray, ‘the only ones to receive funding from the state. They were actually line items in the budget.” In

1985, by Bray's account, these monies were not delivered, however, because the state didn't allocate the funds due to budgetary constraints (B. Bray, personal communication, December 12, 2005). Nonetheless, the centers continued to pursue their mission of educating economics teachers, in part because of a grant from the California Council on Economic Education, and in part by providing NCEE materials linked to the *Master Curriculum Guide in Economics: A Framework for Teaching the Basic Concepts* and the related *Economics: What and When: Scope & Sequence Guidelines K-12*. Demand for the NCEE documents in the late 1980s was especially heavy because of the increased number of California teachers who were teaching economics due to S.B. 1213.

A decade later Center personnel could deliver lessons and in-service opportunities for K-12 economics and social studies teachers based upon lessons linked to the *Voluntary National Content Standards in Economics* and the *California History/Social Science Content Standards*. For those economics teachers who availed themselves of utilizing the resources provided by the Centers, classroom curriculum could now be more focused than ever on standards because of the abundance of new standards based materials. According to Bob Bray, however, when state funding for the Centers ran out in 1991, their effectiveness, with the exception of the Center at California State University, San Bernardino, diminished substantially (B. Bray, personal communication, December 12, 2005).

Assessments and the California History/Social Science Standards

During the past two decades, several assessment instruments have been developed to gauge comprehension of the *California History/Social Science Content Standards*. Another major focus in this study was to analyze the extent to which economics content in the curriculum was being addressed in state assessments in kindergarten through twelfth grade. Table 4.6 contains a summary of state assessments from 1972 to the present.

Table 4.6 - Assessments on the California History/Social Science Standards

Dates of Test	Name of Test	Subjects Tested
1972-1991	California Assessment Program (CAP)	All core, but history/social science not tested until 1985-86 in select grades
1991-1998	California Learning Assessment System (CLAS) and other commercial tests	All core, but history/social science not tested until 1994 and initially only in 5 th grade
1989-2003	Golden State Examinations	Economics tested in this time frame and like other subject tests, was taken voluntarily in grades 9-12
1998- Present	California Standards Tests (CST) part of STAR program	All core areas tested in grades 2-11
2006- Present	California High School Exit Exam (CAHSEE)	Math and Science in grade 12
1969 – Present	National Assessment of Educational Progress (NAEP)	Most subjects, but economics since 2006 and test is taken voluntarily in grades 4, 8, 12

Prior to 1998, all California students took the CAP (California Assessment Program) test and its replacement the CLAS (California Learning Assessment

System) test. The CAP tests had been given in select grades since 1972 but it wasn't until 1985-86 that history/social science content was included in the test. CLAS tests replaced CAP tests in 1991, but history/social science wasn't tested until 1994 and initially only in the fifth grade ("Historic," 2004). CLAS tests were later extended to higher grades, but were discontinued in 1995 because of controversy over portions of the test ("Understanding," 2004). The students also took national tests, but those exams did not include social science components.

Chronologically, a 1999 state law, the Public Schools Accountability Act, provided for the first California assessment measure following the introduction of the national voluntary economic content standards. It did so by establishing an Academic performance index for schools statewide. To conform to the law, both of the statewide student tests in California, the Standardized Testing and Reporting (STAR) and later the California High School Exit Exam (CAHSEE), were aligned to content standards. Of the two, however, only the STAR program includes testing in history-social science. It occurs in grades 8, 10, and 11 under a part of the STAR program known as the California Standards Tests (CSTs). The STAR Program also included a grade 2-11 nationally normed (NRT) test called the Stanford Achievement Test 9 (SAT-9), of which economics testing was a component, initially administered in 1998, but replaced in 2003 ("Understanding," 2004).

The CSTs portion of the STAR program was first administered in 1998. Since the tests are only given in grades 2 through 11, however, and economics is a 12th grade requirement, the impact of both the state and national economics standards,

based upon my review of SAT-9 and CST test content, has been limited. At the younger grades where economics is infused, standards have a more visible presence. In grades 8 through 11 where the History-Social Science segment of the CST's is tested, the infusion of economics content into the state's world and U.S. history standards is most apparent in the test content (CDE, "Introduction-Grade 10," 2007, CDE, "Introduction-Grade 11," 2007). The test is administered to eighth graders on their comprehension of economics content from grades 6, 7, and 8 (CDE, "Introduction-Grade 6-8," 2007).

Interviews and published reports indicate that because the STAR tests are the benchmark for the Annual Yearly Progress reports for the schools mandated by the No Child Left Behind Act, teachers sometimes feel pressured to teach to the standards (Personal interview with Teachers A and B, February 14, December 12, 2005). That could be considered as a positive for the infusion of economics principles, but teaching of those principles and others in social studies courses is increasingly being crowded out by math and language arts lessons (McPheron, 2004). Another problematic aspect of the tests, according to Gagnon (2003), is that even though the *California History/Social Science Content Standards* receive high marks nationally for their content, their "overloaded" nature has led some to question how they can be the foundation for "fair statewide assessments."

Golden State and NAEP Examinations in Economics

Unquestionably, the larger contributor among assessments to gauging mastery of the content of the California state economics standards was the Golden

State examination (GSE) in economics. The Golden State exam in economics, which was also given in other subjects, including math, science, government/civics, history and language arts, was introduced in 1989, a year after the publication of the *California History/Social Science Content Standards*, but five years after other subject content tests. The GSE had been established in 1983 through a provision in Senate Bill 813 and were designed to be “analogous to the New York State Regents’ Exams” (Levering, 1985).

The Golden State economics test consisted of multiple choice and essay questions based on the economics portion of the *California History/Social Science Content Standards*. They were aligned to sections 12.1-12.6 of the state standards throughout the life cycle of the Golden State exams in economics and could be taken in the winter or spring semester in grade 12 (CDE, “Golden state,” 2003). When the California Standards Tests were created in 1998, and economics was not a part of them, the Golden State economics exam continued to be administered separately.

After the Golden State exam in economics was initiated, the general sentiment among economics teachers in the state was that it would serve as a prototype for a high school exit exam in economics (Personal interview with Teachers A, B, and C August 15, 2004, February 14, December 12, 2005). As History Professor David Levering of California State Polytechnic University, Pomona (1985) wrote, “Despite the specific denial in SB 813 that the model curriculum standards impose a uniform, state-mandated course of study, many teachers and others have come to the conclusion that if schools are to be issued “report cards” based on their

students' performance on the achievement tests, and if the tests are to be developed from the standards, then these model curriculum standards may be more than "advisory" (p. 378).

Throughout their existence, nevertheless, the Golden State examinations were voluntary both for students to take and teachers to administer. As Professor Charkins noted about the economics exam, "There wasn't any direct incentive for teachers to use it" (J. Charkins, personal communication, February 15, 2005). Beginning in 1996, students who scored highly on six of the exams, however, did obtain recognition for their efforts by receiving the Golden State Merit Diploma upon graduating from high school ("Historic overview," 2004).

According to Charkins, the loss of the Golden State exam in economics in 2003 was a "crippling blow" to the teaching of economics in California schools (J. Charkins, personal communication, August 15, 2004). Both he and Donna McCreadie, in their interviews with me shortly after the discontinuance of the exam, spoke about how increasing numbers of students had been taking the exam through the years and how it had served as a strong indicator for economics teachers about their pupils' mastery of the subject. Given that a cadre of teachers would be retiring, both interviewees expressed concerns about whether new economics teachers could carry on as successfully as their predecessors because of the absence of the test (J. Charkins, D. McCreadie, personal communication, August 15, 2004).

Furthermore, former California state Senator and social science teacher Gary Hart commented that, as a general rule, if economics was not tested, it would be

marginalized (G. Hart, personal communication, December 17, 2004.) San Bernardino County History/ Social Science Coordinator Peg Hill, in a similar vein, also contended that if something were not measured, it wouldn't be taught (P. Hill, personal communication, February 15, 2005). For social studies classes as a whole, that viewpoint was validated by a survey by the Center on Education Policy. The 2006 survey found that since the passage of NCLB, "71 percent of the nations 15,000 school districts had reduced the hours of instructional time spent on history, music and other subjects to open up more time for reading and math.' In one school in California, 'Martin Luther King Jr. Junior High School in Sacramento, about 150 of the school's 885 students spend five of their six class periods on math, reading and gym, leaving only one 55-minute period for all other subjects" (Dillon, 2006).

Gary Walton, President of the Foundation for Teaching Economics, expressed his hope that the National Assessment of Educational Progress (NAEP) economics test, still under development when he was interviewed, would be a means of strengthening economics' standing in the curriculum (G. Walton, personal communication, August 13, 2004).

Indeed, the singular area currently in which there is a definitive link between the *Voluntary National Content Standards in Economics* and assessments, regardless of the state in which the assessment is given, is the National Assessment of Educational Progress (NAEP) test in Economics. The NAEP, also known as "The Nation's Report Card," has been administered in other subject areas since 1969, but only since 2006, according to the original testing schedule, in economics. Prior to the

writing of the economics test, the Planning Committee for the NAEP opted to base the exam entirely on the twenty academic standards listed in the *Voluntary National Content Standards in Economics*. In contrast to other NAEP subject area assessments that are given to 4th and 8th grade students, the economics test was only to be given to 12th grade students. Questions concerning the market and national economies comprised 85 percent of the test while the remaining 15 percent pertained to international economics issues (Leet, 2003).

The NAEP test in economics was first administered in 2006 and is currently the sole remaining assessment of strictly economics content in California. Whether it might change state standards to be even more closely aligned with the national economics standards, however, is uncertain. Since scores are reported on a national and not a state-by-state basis, however, it is difficult to envision states altering their standards because of this national assessment. When I interviewed Professor Walton at a later date and asked again about the efficacy of the NAEP test in economics, he stated he had rethought his original position because “the means by which sampling was done for the NAEP test is really not going to hold any teacher or school district accountable” (G. Walton, personal communication, February 14, 2005).

Summary

This case study of the evolution of K-12 economic education in California indicates that, while much of what shaped economic education in California can be attributed to developments outside the state, internal political, business and societal developments had a profound effect on economics instruction in the state.

Four Californians, two of them elected officials, Superintendent of Public Instruction Bill Honig and state Senator Gary Hart and two university educators, Charlotte Crabtree and Jim Charkins, and one non-California university educator, Diane Ravitch, played pivotal roles in what economics content would be taught in the state. Responding to the call for educational reform, all of them through either their advocacy and/or writing roles helped secure a place for economics in the state curriculum from the mid 1980s until the present.

These individuals, however, built upon the work of others, especially in the state of California. California's Supreme Court justices, legislature, governors, and voters have consented to allocating more authority, especially financial control, over education issues to the state's elected and appointed government officials during the past 25 years. The decision in the case of *Serrano v. Priest*, the implementation of Proposition 13 and the passage of S.B. 813 and S.B. 1213 were major contributors to the shift from local to state control of educational funding and in the latter two bills, economics content.

Three provisions arising from the enactment of S.B. 813 in 1983 were especially pertinent to economic education: assessments based on state standards in economics, the establishment of the Golden State Examination in economics, and the requirement that twelfth graders had to take economics along with civics/government in their senior year. Each of those areas of economic education was impacted by the state framework and content standards that were developed or revised beginning in 1987. Assessments and economics classes were increasingly driven by the content

found within these two seminal history/social science documents from 1987 until the present. Centers for Economic Education throughout the state assisted teachers in learning economics and how to teach it by providing instruction and materials specifically linked to the national economics standards and the California economics standards that followed them. Economics textbooks based upon both the national and state standards helped strengthen the visibility and the efficacy of economics teaching and assessment. The continued requirement from S. B. 1213 in 1985 that a one-semester economics course be mandatory for graduation from a California high school helps ensure that economics content standards will remain viable. The Council on Economic Education, according to Jim Charkins at the time I interviewed him in 2005, also had won a grant to develop materials that would provide lessons and PowerPoints based on the state standards to high school teachers.

Despite the development of California Standards Tests and the California High School Exit Exam based on the standards, however, overall instructional minutes in the social sciences waned beginning near 2001. Due primarily to the dictates of NCLB, instructional time and attention, especially in the elementary schools, shifted to student performance on math and language arts tests to the detriment of time spent on instruction in the social sciences. Budget woes in the state and a surplus of statewide tests put an end to the Golden State exams in 2003 as well. State assessments in economics have never been part of CAHSEE and while they are part of the CST's in grades 8-11, they are not counted as part of a school's AYP. As of 2007, the NAEP economics test, due to its limited sampling constructs, did not

appear as if it would enhance economics standing in the curriculum either. The relative importance of all these influences on economic education will be discussed in more detail in Chapter 5.

CHAPTER V

CONCLUSIONS, SIGNIFICANCE AND RECOMMENDATIONS FOR FURTHER STUDY

This study was undertaken to determine the process by which economics has evolved as a required and assessed subject of study in kindergarten through twelfth grade in the state of California and to determine the factors behind the development of the state's economics requirements. The *Voluntary National Content Standards in Economics* and its antecedent documents provided the framework for what economics is desirable to be taught in these grades. I attempted to determine how California's requirements paralleled the economic content knowledge set forth in the national-level documents and to establish the reasons for any differences I found. I also considered a wide range of factors that might influence the nature of economics in the K-12 curriculum, including, but not limited to, various national-level events, such as the publication in 1983 of "A Nation at Risk," the publications of the *Master Curriculum Guide in Economics: A Framework for Teaching the Basic Concepts* in 1977, the related *Economics: What and When: Scope & Sequence Guidelines K-12* in 1988, and the *Voluntary National Content Standards in Economics* in 1997 and other state-level factors that shaped policy. The state-level factors might have included the structure and autonomy of the state's education system, political party in power, influence of special interest groups, including those advocating for standards adoption and assessment, as well as those seeking promotion of a particular

perspective, and funding available to enact and implement economic and social science standards reform.

I conducted this case study through the use of interviews, primary and secondary source analysis, and triangulation of the findings. It is my hope that the findings may be useful to those concerned with the process by which K-12 curricular content, particularly the subject of economics, finds its way into the curriculum, then waxes and wanes in importance. By illuminating the conditions and processes by which economics is placed in the curriculum and the nature of subject-specific requirements, I hope to better inform those concerned with the content of children's education. In addition, my study may provide insight into how the national economics standards, to which significant resources have been allocated, have impacted the economic education of students in the most populous state in the union.

On a broad scale, this study offers a history of how economics enters the curriculum in the first instance and how it evolves over time. California's economic education experience indicates that economics was initially included as a curricular requirement in large part because of a strong advocate in the state legislature, Senator Gary Hart. Hart, who had been a teacher prior to and after his legislative and executive branch career, was enormously important in bringing two seminal legislative mandates, S.B. 813 and S.B. 1213, to fruition. He also had the political talent to bring together a coalition of diverse interest groups to support the bills.

In California, where the State Superintendent of Public Instruction is elected, advocates for curricular change in the 1980s in particular, also seemed to benefit from

garnering support from a Superintendent who at the time had a large public platform. Bill Honig, State Superintendent from 1983 to 1993, followed through on his electoral pledge to change the way the social sciences were taught, hired people to carry out his vision, and had an especially significant impact on public education in California.

Conclusions

Entering into this study, my perspective on economics instruction in the curriculum, based upon having taught it in California from 1985 until 2000, was that the state economics standards, while important, were not a crucial pedagogical component. From my vantage point, I also wasn't convinced that assessments such as the Golden State exams or the content in economics textbooks were central to teaching the subject. Furthermore, while I was aware of the contributions of Gary Hart and Bill Honig to economics instruction in the state, my thinking was that what happened in Sacramento rarely had a significant impact upon economics instruction. After conducting this study, however, I came to the following conclusions:

1. Decisions concerning the amount and content of economics instruction in California have been clearly influenced by state and federal legislation and occasionally by judicial fiat. This began well in advance of the publication of the *Voluntary National Content Standards in Economics*. A California Supreme Court case, *Serrano v. Priest* in 1976, a case decided on the basis of remedying financial inequities in school funding, had the reciprocal effect of initiating a shifting of curricular decisions from the local to the state level. Legislatively, California Senate

Bills 813 and 1213, in 1983 and 1985, respectively, established and reinforced a place for economics in the curriculum. In the executive branch, California governors and Superintendents of Public Instruction advocated for and succeeded in enactment of standards reform including the social sciences.

At the federal level, the passage of the No Child Left Behind Act in 2001, with its emphasis upon math and language arts, had the perverse effect of diminishing economics instruction in elementary schools. Since Annual Yearly Performance ratings for schools were based on test scores in math and language arts, teachers and administrators in multiple school districts in California made the decision of allocating less time to social studies instruction including economics.

2. The publication of the *Voluntary National Content Standards in Economics* in 1997 helped solidify the foundation of the economic content standards in California, but did not supplant the influence that economic concepts found in the state's 1987 *History-Social Science Framework for Public Schools Kindergarten through Grade Twelve* had on the California economics standards. California teachers had the advantage of being able to consult two exemplary documents, the California *Framework* and the national economics content standards to help facilitate their instruction prior to the time the state economics standards were published. Although the extent to which teachers have actually referred to these documents in instructional planning is not known, teachers had ready access to textbooks whose content was based upon material found in the two documents.

3. At the beginning of the twenty-first century, when economic turmoil in California and the rest of the nation made economic education, arguably, a most needed subject, the state's reliance on standardized testing to measure student comprehension of other subjects rendered the testing of economics an opportunity cost. Economics assessments based on the standards increasingly became superfluous as a result of the cessation of the Golden State Exam in Economics in 2003, the omission of economics content in the California High School Exit Exam beginning in 2006, and the heightened focus on math and language arts rather than social studies results from California Standards Tests beginning in 2002.

While testing is not the only indicator of the merits of a subject, it has certainly come to drive what is taught. The findings of this study imply, therefore, that those concerned with whether economics is taught in the K-12 curriculum should consider how the subject might retain its importance in the current educational climate. Furthermore, if, as some contend, assessments are key indicators of the viability of a discipline, the dearth of economics testing in California stands as a partial failure of one of the goals of the *Voluntary National Content Standards in Economics*: to maintain economics' place in the elementary and secondary curriculums.

4. The passage of both California S.B. 813 and S.B. 1213 into law in the 1980s continues to keep economics in the curriculum at the 12th grade level and ensures that California high school graduates have been introduced to the subject. The resulting question is whether a single-semester stand-alone course provides

sufficient education in economics at the K-12 levels. More investigation into this question is an important direction for further research.

Significance of the Study

While there is a secure place for many subjects in the curriculum (e.g., math, reading, literature, history), this is not the case for economics. It has taken efforts of over 60 years to get economics established in the curriculum in forty-nine states and the District of Columbia. As of 2009, only twenty-one states require the subject and nineteen, six fewer than when the national standards were published in 1997, assess it regularly. The case study has shown that, in California, economics, while remaining as a required course in high school, is neither tested as much in state assessments nor taught as much in grades K-11. Overall, there has been movement toward a universal acceptance of economics as a regular, identified subject, but its place is not unquestionable like history, mathematics or language arts. Stakeholders in education should be asking why this is the case and what remains to be done to assure that what is important for children to know and understand is an integral part of the K-12 curriculum.

As the educational climate cycles and, if economics standards, frameworks, or tests are to be reconsidered and revised, it would be educationally sound to include multiple perspectives on what content and skills should be taught. It would be politically sound to consider the forces at work supporting or opposing economic education initiatives, whether they are directly related, such as content standards, or partially related, such as financial literacy legislation. The process for development

and passage of S.B. 1213 took into account the diverse interests of labor, business, and education. The input of these groups was also reflected in the equitable balance of perspectives later found in the frameworks and standards. Only through inclusion of multiple perspectives can a subject like economics be taught in a complete and balanced manner.

Recommendations for Further Study

Throughout the course of my research, two beliefs seemed common among my interviewees: economic education is vital and it should be taught at all grade levels. Most of these interviewees were committed to economic education, believing in its importance as a subject of study in grades K-12. A future study could analyze how the study of economics, which seems so critical to student comprehension of their world, did not attain a place in the curricular hierarchy comparable to other subjects in the United States. That same line of inquiry could include identification of and motivation for the forces that resulted in movement of economics to a less prominent importance in the curriculum.

An additional line of inquiry would be to compare the state of California's approach to economic education mandates with another state's approach. Of particular interest might be a comparison with a state that had no framework or standards prior to the implementation of the national economics content standards. This would allow for a cross-case analysis of the political, educational and economic cross currents at work in the development of state economics content standards. Along those same lines, comparing the development and state of U.S. economic

education with what has occurred and currently exists in other countries might also prove insightful.

Summary

Buckles, Schug and Watts (2001) described the process that a sample of states embarked upon in incorporating the national standards documents into their own standards as requiring “extensive compromise and a considerable amount of pruning.” California, in developing its history and non-economics social science standards, experienced a great deal of each. Unlike the other social science standards, however, the economics standards were highlighted neither by extensive compromises nor considerable pruning. Instead, significant content missing from the state economics framework such as opportunity cost, marginal cost and benefits were added to the economics standards. Content that California stakeholders valued from the *Framework*, however, such as the role of labor unions and agriculture, that was not widely addressed in the national economics content standards, was exported from the state *Framework* to the state economics content standards.

Following the passage of S.B. 1213 in 1985, and continuing through the implementation of the state economic standards in 1998, a major concern of university level economic educators was the capability of teachers to teach economics. Now, the general concern, in addition to teachers’ capability, is the continuing opportunity to teach economics content prior to twelfth grade.

In the short term and the long term, policy makers and education stakeholders in California should, I believe, continue to weigh whether their state

standards in economics are both sufficiently rigorous to meet the demands of an internationally competitive workplace and sufficiently flexible to respond to the civic and economic challenges of living in the state. Answering these questions is vital to future generations of students.

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Appendix A

Survey of the States

ECONOMICS 1998 - 2009						
TOPICS	1998 SURVEY FINDINGS	2000 SURVEY FINDINGS	2002 SURVEY FINDINGS	2004 SURVEY FINDINGS	2007 SURVEY FINDINGS	2009 SURVEY FINDINGS
Include economics in their standards	38 states	48 states, plus the District of Columbia	48 states, plus the District of Columbia	48 states, plus the District of Columbia	48 states, plus the District of Columbia	49 states, plus the District of Columbia
Standards required to be implemented	28 states	36 states	33 states	38 states	40 states, plus the District of Columbia	40 states
High School course required to be offered	16 states	16 states	17 states	16 states	17 states	21 states
High School course required to be taken	13 states	13 states	14 states	14 states	17 states	21 states
Student testing of economic concepts required	25 states	22 states	27 states	25 states	23 states	19 states

Appendix B

Voluntary National Content Standards in Economics

[Standard 1: Scarcity](#)

Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

Related concepts: Capital Resources, Choice, Consumer Economics, Consumers, Goods, Human Resources, Natural Resources, Opportunity Cost, Producers, Production, Productive Resources, Scarcity, Services, Wants, Entrepreneurship, Inventors, Entrepreneur, Factors of Production

[Standard 2: Marginal Cost/Benefit](#)

Effective decision-making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something: few choices are "all or nothing" decisions.

Related concepts: Decision Making, Profit Motive, Benefit, Costs, Marginal Analysis, Profit, Profit Maximization, Cost/Benefit Analysis

[Standard 3: Allocation of Goods and Services](#)

Different methods can be used to allocate goods and services. People acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

Related concepts: Economic Systems, Market Structure, Supply, Command Economy, Market Economy, Traditional Economy

[Standard 4: Role of Incentives](#)

People respond predictably to positive and negative incentives.

Related concepts: Choice, Incentive

[Standard 5: Gain from Trade](#)

Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and among individuals or organizations in different nations.

Related concepts: Barriers to Trade, Barter, Exports, Imports, Voluntary Exchange, Exchange, Exchange Rate

[Standard 6: Specialization and Trade](#)

When individuals, regions, and nations specialize in what they can produce at the lowest cost and then trade with others, both production and consumption increase.

Related concepts: Division of Labor, Production, Productive Resources, Specialization, Factor Endowments, Gains from Trade, Relative Price, Transaction Costs, Factors of Production, Full Employment

[Standard 7: Markets - Price and Quantity Determination](#)

Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.

Related concepts: Market Structure, Markets, Price Floor, Price Stability, Quantity Demanded, Quantity Supplied, Relative Price, Exchange Rate

[Standard 8: Role of Price in Market System](#)

Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

Related concepts: Non-price Determinants, Price Floor, Price Stability, Supply, Determinants of Demand, Determinants of Supply, Law of Demand, Law of Supply, Price Ceiling, Substitute Good, Price

Standard 9: Role of Competition

Competition among sellers lowers costs and prices, and encourages producers to produce more of what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.

Related concepts: Market Structure, Non-price Competition, Levels of Competition

Standard 10: Role of Economic Institutions

Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.

Related concepts: Legal and Social Framework, Mortgage, Borrower, Interest, Labor Union, Legal Forms of Business, Legal Foundations of a Market Economy, Nonprofit Organization, Property Rights, Banking

Standard 11: Role of Money

Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

Related concepts: Exchange, Money Management, Money Supply, Currency, Definition of Money, Money, Characteristics of Money, Functions of Money

Standard 12: Role of Interest Rates

Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarce resources between present and future uses.

Related concepts: Interest Rate, Monetary Policy, Real vs. Nominal, Risk, Investing, Savers, Savings

Standard 13: Role of Resources in Determining Income

Income for most people is determined by the market value of the productive resources they sell. What workers

earn depends, primarily, on the market value of what they produce and how productive they are.

Related concepts: Human Resources, Derived Demand, Functional Distribution of Income, Labor, Labor Market, Marginal Resource Product, Personal Distribution of Income, Wage, Aggregate Demand (AD), Aggregate Supply (AS), Demand, Prices of Inputs, Functional Distribution

Standard 14: Profit and the Entrepreneur

Entrepreneurs are people who take the risks of organizing productive resources to make goods and services. Profit is an important incentive that leads entrepreneurs to accept the risks of business failure.

Related concepts: Taxation, Costs, Costs of Production, Entrepreneur, Risk, Taxes, Cost/Benefit Analysis, Innovation, Entrepreneurship, Inventors

Standard 15: Growth

Investment in factories, machinery, new technology, and in the health, education, and training of people can raise future standards of living.

Related concepts: Incentive, Interest Rate, Opportunity Cost, Production, Technological Changes, Trade-off, Trade-offs among goals, Human Capital, Intensive Growth, Investment, Physical Capital, Productivity, Risk, Standard of Living, Economic Efficiency, Economic Equity, Economic Freedom, Economic Growth, Economic Security, Investing, Business, Businesses and Households, Factors of Production, Health and Nutrition, Savers, Savings, Stock Market

Standard 16: Role of Government

There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also redistribute income.

Related concepts: Externalities, Income, Natural Monopoly, Redistribution of Income, Role of Government, Taxation, Transfer Payments, Bonds, Distribution of Income, Income Tax, Maintaining Competition, Monopolies, Negative Externality, Non-clearing Markets, Positive Externality, Property Rights, Public Goods, Maintaining Regulation, Taxes, Regulation, Government Expenditures, Government Revenues

Standard 17: Using Cost/Benefit Analysis to Evaluate Government Programs

Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other than economic efficiency are being pursued.

Related concepts: Cost/Benefit Analysis, Benefit, Costs, Special Interest Group, Barriers to Trade

Standard 18: Macroeconomy-Income/Employment, Prices

A nation's overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy.

Related concepts: Gross Domestic Product (GDP), Macroeconomic Indicators, Nominal Gross Domestic Product (GDP), Per Capita Gross Domestic Product (GDP), Potential Gross Domestic Product (GDP), Real Gross Domestic Product (GDP), Circular Flow

Standard 19: Unemployment and Inflation



Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits some others because it arbitrarily redistributes purchasing power. Inflation can reduce the rate of growth of national living standards because individuals and organizations use resources to protect themselves against the uncertainty of future prices.

Related concepts: Types of Unemployment, Causes of inflation, Consumer Price Index (CPI), Deflation, Labor Force, Unemployment, Unemployment Rate, Inflation

[Standard 20: Monetary and Fiscal Policy](#)

Federal government budgetary policy and the Federal Reserve System's monetary policy influence the overall levels of employment, output, and prices.

Related concepts: Inflation, National Debt, Tools of the Federal Reserve, Discount Rate, Federal Budget, Fiscal Policy, Monetary Policy, Open Market Operations, Reserve Requirements, Budget, Budget Deficit, Central Banking System, Budget Surplus, Causes of inflation



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Appendix C

Interview Questions:

Prior to recording the interview:

Hello, my name is F. Patrick Egan and I am conducting research for my dissertation topic entitled, Efficacy of Economics in the K-12 Curriculum in California. I will be asking you questions regarding your role and your perspective on the national, state and/or district economics content standards with which you are most familiar. Should you wish that your name not be associated with this study, I will use initials or a pseudonym instead of your name.

If at any time, you are uncomfortable with the questions that you are asked, you may decline to answer them. You may withdraw your consent to participate in this interview at any time.

Your comments will be recorded, digitized and then transcribed. If you wish to have a written copy of the transcription, one will be provided. The transcription of your comments will be sent to you for your review before I use your interview in my dissertation.

By responding to my questions, you are agreeing to take part in this study as a research participant. Do you have any questions of me before we begin?

Today is [date] and I am visiting [name and position of interviewee] in [location]

1. First, some questions about you. What is (are) your job title(s) ? How many years have you been in your current position(s)?
2. Can you give me a short history of how and the extent to which your state's economics content standards have been required of students in [state]?
 - How have you been involved in the development of and/or addressing your [state's] economics standards/curriculum?
 - In what ways have your state's economics content standards been changed since the publication of the Voluntary National Content Standards in Economics in 1997?
3. What were the principal influences on what was included or excluded from your state's economic content standards?
4. What was the nature and extent of collaboration with writers of other content standards, or borrowing from other content standards, in the writing of your state's economic content standards?
5. To what extent do you believe that the state's economics content standards are addressed from district to district in your state?
6. One of the goals of the standards written in America 2000 was that standards be dynamic not static. Do you believe economics standards at either the national or state level could be characterized as static or dynamic?
7. a. **For center or council representatives, district or state school board officials, or district social studies coordinators:**

* To what extent do you address your state economics content standards or economics requirements?

* How do you collaborate with either your state departments of education or with school districts or both in helping teachers to address these standards?

* What concerns do you see the teachers/administrators having about economics content in their curricula?

7b. **For teachers:** How important is economics in your school curriculum?

8. What do you foresee as the future of economics content standards in your state/district curriculum?

9. What improvements can be made to the national and/or state economics content standards?

Appendix D

Grade Twelve

California History-Social Science Content Standards

Principles of American Democracy and Economics

In addition to studying government in grade twelve, students will also master fundamental economic concepts, applying the tools (graphs, statistics, equations) from other subject areas to the understanding of operations and institutions of economic systems. Studied in a historic context are the basic economic principles of micro- and macroeconomics, international economics, comparative economic systems, measurement, and methods.

Principles of Economics

12.1 Students understand common economic terms and concepts and economic reasoning.

1. Examine the causal relationship between scarcity and the need for choices.
2. Explain opportunity cost and marginal benefit and marginal cost.
3. Identify the difference between monetary and non monetary incentives and how changes in incentives cause changes in behavior.
4. Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.
5. Analyze the role of a market economy in establishing and preserving political and personal liberty (e.g., through the works of Adam Smith).

12.2 Students analyze the elements of America's market economy in a global setting.

1. Understand the relationship of the concept of incentives to the law of supply and the relationship of the concept of incentives and substitutes to the law of demand.

2. Discuss the effects of changes in supply and/ or demand on the relative scarcity, price, and quantity of particular products.
3. Explain the roles of property rights, competition, and profit in a market economy.
4. Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.
5. Understand the process by which competition among buyers and sellers determines a market price.
6. Describe the effect of price controls on buyers and sellers.
7. Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.
8. Explain the role of profit as the incentive to entrepreneurs in a market economy.
9. Describe the functions of the financial markets.
10. Discuss the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.

12.3 Students analyze the influence of the federal government on the American economy.

1. Understand how the role of government in a market economy often includes providing for national defense, addressing environmental concerns, defining and enforcing property rights, attempting to make markets more competitive, and protecting consumers' rights.
2. Identify the factors that may cause the costs of government actions to outweigh the benefits.
3. Describe the aims of government fiscal policies (taxation, borrowing, spending) and their influence on production, employment, and price levels.
4. Understand the aims and tools of monetary policy and their influence on economic activity (e.g., the Federal Reserve).

12.4 Students analyze the elements of the U.S. labor market in a global setting.

1. Understand the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.
2. Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.
3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
4. Explain the effects of international mobility of capital and labor on the U.S. economy.

12.5 Students analyze the aggregate economic behavior of the U.S. economy.

1. Distinguish between nominal and real data.
2. Define, calculate, and explain the significance of an unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and a rate of economic growth.
3. Distinguish between short-term and long-term interest rates and explain their relative significance.

12.6 Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond the United States' borders.

1. Identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth-century trade among countries in the Western Hemisphere.
2. Compare the reasons for and the effects of trade restrictions during the Great Depression compared with present-day arguments among labor, business, and

political leaders over the effects of free trade on the economic and social interests of various groups of Americans.

3. Understand the changing role of international political borders and territorial sovereignty in a global economy.
4. Explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar's gaining (or losing) value relative to other currencies.

Appendix E

California History~Social Science Framework : Economic Literacy

To develop economic literacy, students must:

Understand the basic economic problems confronting all societies. Basic to all economic decision making is the problem of scarcity. Scarcity requires that all individuals and societies make choices about how to use their productive resources. Students need to understand this basic problem confronting all societies and to examine the ways in which economic systems seek to resolve the three basic economic problems of choice (determining what, how, and for whom to produce) created by scarcity.

Understand comparative economic systems. Beginning in the elementary school, students should be introduced to the basic processes through which market economics function and to the growing network of markets and prices that reflect shifting supply and demand conditions in a market economy. In later years students should be able to compare the origins and differentiating characteristics of traditional, command, market, and “mixed” economic systems. Students should understand the mechanisms through which each system functions in regulating the distribution of scarce resources in the production of desired goods and services, and they should analyze their relationships to the social and political systems of the societies in which they function.

Understand the basic economic goals, performance, and problems of our society.

Students need to be able to analyze the basic economic goals of their society; that is, freedom of choice, efficiency, equity, full employment, price stability, growth, and security. They need to develop analytical skills to assess economic issues and proposed governmental policies in light of these goals. They also need to know how to explain or describe the performance of the nation's economy. Finally, students need opportunities to examine some of the local, national, and global problems of the nation's mixed economy, including (1) inflationary and deflationary pressures and their effects on workers' real earnings; (2) underemployment and labor; (3) the persistence of poverty in a generally productive economy; (4) the rate of growth and worker production and hence material output; and (5) the successes and failures of governmental programs.

Understand the international economic system. Students need to understand (1) the organization and importance of the international economic system; (2) the distribution of wealth and resources on a global scale; (3) the struggle of the "developing nations" to attain economic independence and a better standard of living for their citizens; (4) the role of the transnational corporation in changing rules of exchange; and (5) the influence of political events on the international economic order.