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Development of Economic Principles for the Secondary Schools: A Review of the Literature

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DEVELOPMENT OF ECONOMIC PRINCIPLES FOR THE
SECONDARY SCHOOLS: A REVIEW OF THE LITERATURE

A Research Paper
Presented to
the Graduate Faculty
Central Washington College of Education

In Partial Fulfillment
of the Requirements for the Degree
Master of Education

by
Charles John Guntley, Jr.
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THIS PAPER IS APPROVED AS MEETING
THE PLAN 2 REQUIREMENT FOR THE
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CHAPTER I

THE PROBLEM AND DEFINITIONS OF TERMS USED

There is growing concern within the public school system in the United States regarding the idea, generally held by all educators, that the chief purpose of education is to turn out a politically literate citizenry. By politically literate means a socially-conscious and aware voting body. Because of the underlying importance of economics in virtually every issue with which government is concerned, citizens cannot be politically literate without a corresponding economic literacy. With the latter in mind, economists and educators are insistent upon including economic training in the curriculum of the public schools.

G. L. Bach stated it this way:

The basic case for economics in the high schools is the case for democracy itself. Democracy means government by the people. Government affairs, in very substantial part, are economic affairs. High school students of today, as citizens of tomorrow, will work and live as part of an economic system which they must understand at least reasonably well to function as effective citizens. For democracy to work on economic issues, the people must understand; it is not enough that the leaders alone do so (2:581).

A democratic system can no longer afford the luxury of an uninformed or ill-informed populace. Decisions vital to this country are based on poorly-reasoned, emotional responses to mass propaganda techniques aided and abetted

by superior communication. If this is to be corrected, the public schools must provide the means. That is, the ability to reason logically must be taught students prior to graduation. In order to enable the future citizen to reason logically, it is necessary that correct information be provided in the classrooms.

It must be assumed, in teaching economic issues, that ethics are subordinate to accurate information. that would allow the student to form his own ideas. In other words, to teach values instead of subject matter is tantamount to indoctrination, and this is antithetical to what a democratic method seeks to develop.

If well-rounded, informed citizens are to be developed, economic education must be offered. Because of the great number of people who do not go beyond high school but whose collective voice bears equal weight with those who do, it is evident that economic education at the high school level must be made mandatory. How this is to be accomplished and what it is to include are questions that prompted this research.

I. THE PROBLEM

Statement of the problem. It was the purpose of this study to (1) ascertain how and what was currently being studied in the area of economics in the public schools, (2) survey some of the methods suggested as fulfilling the need

for economic education, and (3) attempt to compare the efficacy of teaching economics as a separate discipline and as an integral part of other social studies courses.

Importance of the study. This is a closely inter-related world wherein the economic policies of various governments help to determine, in large part, the continued survival of this country. Despite this, the study of economic problems has been either fragmentary or non-existent. It follows, logically, that continued ignorance of this area might well bear on our very existence. In order that present ignorance be replaced by understanding, an attempt was made to determine whether there was a consensus of opinion regarding the methodology of teaching economics in a manner meaningful to the student.

Unless the subject matter can be so taught that the student can eventually distinguish between personal and social problems and evaluate alternative governmental policies, little would be accomplished by adding to an already overcrowded curriculum.

II. DEFINITIONS OF TERMS USED

Social economics. This area of economics study, interpreted as the essential element of economic education that would allow future citizens to determine the probable consequences of alternative policy proposals, differs from

personal and community economics. The teaching of social economics allows the student to establish a framework within which he can identify and understand current as well as future problems of society. It focuses attention upon the central problem of every nation (a scarcity of resources relative to wants) and the policies by which we attempt to solve the problem in this country.

Consumer economics. The definition of this phase of economic education, taken from Troelstrup (28:101), means simply that area dealing with students and their responsibility to become more effective citizens through buying wisely, planning carefully, and becoming acquainted with economic principles. This is the type of economics study most evident in the primary grades.

Community economics. This was interpreted as meaning the area of economics study in which the student was encouraged to become closely acquainted with his city, its industries, businesses, and cultural and recreational opportunities.

CHAPTER II

REVIEW OF THE LITERATURE

A disproportionate amount of literature on the teaching of high school economics has been amassed by groups with a special message to put across. Such pressure groups as the National Association of Manufacturers and various banking groups have contributed, through provision of free or inexpensive materials, that which purports to be an unbiased picture of specified problems.

The N.A.M., for instance, provided, at a nominal fee, a pamphlet entitled Unemployment: Causes and Cures. The specified problem was current unemployment. As part of the cure for this ill, the pamphlet advocated reduction in the power and privileges of labor unions, a reduction of tax rates for individuals and corporations, and dependence on local initiative for solution of local problems (29:9).

On the other hand, the Industrial Union Department of the A.F.L.-C.I.O. distributed free of charge a pamphlet entitled, "Don't Buy," which argued that the public should refrain from purchasing from organizations that failed to negotiate contracts (13:3). Although a patent effort to discount industry, it gained wide circulation as a remedy for another specific problem.

While each of the above examples may have provided a

solution, they hardly satisfied the purpose of education, which is to present an objective view of a problem without a predetermined solution. The easy access to materials of the type described too easily leads to a dependence upon them incompatible with correct information.

Such groups as the Committee for Economic Development and the Joint Council on Economic Education, on the other hand, presented detailed analyses of problems of national scope with accompanying alternate solutions. Findings and recommendations on such typical problems as distressed areas in a growing economy were the result of much exploration and discussion (7:Chs. 1-3).

Far more useful than the above examples were the papers and proceedings compiled in the American Economic Review. Dr. Paul Olson, Head of the Department of Economics in the College of Commerce at the State University of Iowa, presented with clarity the striking lack of balance in economics texts, social problems texts, and American History texts (18:564-570). He maintained that too much descriptive cataloging and not enough effort to lend understanding to persistent and recurrent economic problems did a disservice to students (18:567). Olson, who has experimented with economics courses on the high school level and was one of the original organizers of the Iowa Council on Economic Education, believes that the professional economist must

become a leader in providing the tools whereby the secondary school teachers might present economic problems successfully.

Particularly useful was the special edition of the Iowa Business Digest, published in March, 1957. Contributors to the special edition (which treated exclusively the economic education in the schools) included Olson, Bond, Senesh, Lovenstein, Reese, Miller, and Wagner.

Dr. Floyd Bond discussed the relationship of the economist to the public (3:7-9), drawing on his long experience as a director of high school economic education workshops throughout the country and as head of the special committee of the Western Economic Association which devoted itself to preparing social studies guides for California high schools.

Lawrence Senesh was valuable for his discussion of the merging of history and economics in the public school. He noted generally that the economic forces underlying historical situations are often forgotten. Mr. Senesh, economist for the Joint Council on Economic Education, has been actively engaged in working with secondary teachers in conjunction with their classroom problems in economics (21:28).

Meno Lovenstein, associate professor of Economics at Ohio State University, found that students' potential for grasping such principles as scarcity, comparative economic systems, and money flow was underestimated (14:29-32). Lovenstein determined that high school students could compre-

hended economic thought.

Mr. Jim Reese, Chairman of the Department of Economics at the University of Oklahoma, discovered that treatment of economic problems in American History textbooks was either very light or non-existent (20:33-37). Reese felt that expansion of economic principles from history texts would be difficult (20:36).

Dr. Elwyn Miller of Northern Illinois State College surveyed the backgrounds of teachers in several Iowa counties and found that many were teaching without enough basic economic understanding. He discovered that 7 per cent of those teaching economics courses had no college preparation in economics (16:38-43).

Dr. Lewis Wagner, editor of the Iowa Digest, felt that his publication should attempt to further understanding between economists and teachers of high school economics courses (30:4-5).

Marion Daugherty's Economics in the School Curriculum showed how teaching units of economics could be fitted into the school curriculum. Daugherty's work, emphasizing the key areas around which an understanding of economics could be established, had much in common with Edwin G. Nourse's Persistent Problems of the American Economy. Both authors dealt with the big idea concept. Whereas Daugherty focused her attention on such "big" issues as money, labor unions, ups and downs of business activity, and so on (6), Nourse

specifically pinpointed five "big" persistent issues by means of which students might confront economic problems. The issues Nourse used were (1) Natural resources, (2) Labor force, (3) Need for capital and means of supplying it, (4) Forms of business organization and management, and (5) Government and economic life.

The above representative literature was chosen so that the diverse methods and justification for such methods in teaching economics on the high school level could be reviewed. It attempted to see what had been done and is being done to help high schools present economics courses in an understandable manner.

CHAPTER III

OBJECTIVES IN ECONOMIC EDUCATION

I. THE PROPER CONTENT OF ECONOMICS

In order to produce a minimum understanding of the complexities of economics during the time allotted, even in the larger high schools, judicious employment of approaches was the prime requisite.

The approaches, identified as consumer, community, or social economics, offered economics study on a personal, local, and societal level. No matter which approach was taken, professional economists were inclined to agree that the content of economics was too complex for the high school student (2:580). Faulty reasoning appeared evident in this regard when consideration was given to the ability of students to absorb physics, foreign languages, and related subjects quite as complex as economics.

More danger lay, as Bond asserted (3:7), in being too ambitious in terms of range and variety of subject matter covered. He felt that a more realistic approach to economics study would embrace only the elementary principles the student could understand.

Daugherty suggested (6:1) that no water-tight compartments of study be set up, but, rather, that an integrated subject matter be offered, a broad presentation instead of

a narrow concentration. Daugherty felt that too much detail, better left to study on the college level, definitely handicapped the student in his understanding (6:2).

Because of the plethora of contradictory opinion regarding what should and what should not be taught, the 1950 Supplement to the Economic Review confined its entire edition to the teaching of undergraduate economics. Granted that the issue was concerned with college level work, the twenty-four page statement by the subcommittee illustrated confusion about what should be taught and how.

The social studies committee of the United Business Education Association stated that a true integrated course of social studies should include sociology, history, political science, anthropology, some economics, and social psychology. The single reference to the manner of presentation added merely that the areas should be integrated, never covered separately. With so little to go on, it is no wonder that agreement on content is not forthcoming (23:51).

The Council for the Advancement of Secondary Education helped clarify the study of economics in high school in a study made in 1956. The Council surveyed 2,000 business, labor, and education leaders to determine what they wanted taught in the field of economics. The five most-wanted subject areas included (1) U. S. economic characteristics, (2) Contrasting economic systems, (3) The price system, (4) Production

and marketing, and (5) Labor relations (31). There was concerted thinking on the value of teaching economics from a social economics approach.

One of the most plausible attempts at determining the content of an economics course was made by Nourse. He suggested that in classifying economic problems the high school teacher search for current problems as a nucleus for study of economic complexities. He mentioned, as an example, the "farm problem," really a cluster of problems (technological, managerial, commercial, financial, political, and social) rather than a single problem (17:311). Such a problem is not designed to produce simplified answers but gives a picture of the economy from the aggregate approach, dependent upon the interrelationships of people.

Despite any and all efforts to place economics courses in the high school curriculum; in spite of attempts made by Nourse, Daugherty, and Bond to decide on content, the principle resting place of economics in today's schools, according to Reese, is in conjunction with American History courses (20:33-35) As Reese pointed out, three widely-used history texts attempted to include economics with but negligible results.

Reese cited the treatment afforded the transportation system during an era of national growth; railroads, then being established, were dismissed with the following statement:

"During the 1830's the first railroads were built, which made

possible the growth of large cities. Railroad expansion was rapid during the 1840's and 1850's" (20:34). Reese correctly interpreted such statements as merely descriptive and unanalytical. The average high school teacher would tend to use the statement literally, with no attempt to enlarge upon the consequences of the all-important growth of the transportation system of that era.

As a help to teachers, the Minneapolis Public Schools offered a three-week unit on "How and When to Buy Insurance" (22). As an example of the consumer economics approach, it gained wide acceptance. Although an apparent weakness in this approach failed to give children the elementary economic principles, it did explain to them what to look for when buying insurance. And, as Swanson stated, this approach pointed up the position the child plays in business (23:51-52). According to Elliott, his economic competence test showed that children lacked understanding of the necessities for which they should budget money. In view of the latter two statements, the consumer economics approach merits consideration as one method of instilling understanding of economics.

If the above examples typify the approaches to economics in schools, one may conclude that the content in use is either slighted or too narrowly conceived to be useful in understanding the principles of economics, per se.

II. METHODOLOGY

An introductory course in economics presents problems whose comprehension hinges on the intellectual capacities of those doing the learning. The subject area of economics has never been simple, and for this reason, there has been considerable objection to the typical teaching units dealing with economics (3:9). The objection comes from the oversimplification or over-specialization of specific examples from which students are asked to draw conclusions. If future citizens are to think their way through complex economic problems, they need more than a handful of helpful hints of the type obtained through a trip to the local bank or dairy (21:25). They need more, too, than they can gain from practicing buying and saving. The aforementioned are not useless as far as learning is concerned. They are simply not enough.

Conversely, the economists who are so fond of relegating the problem of economics education in the secondary school to someone else because it is below their dignity must work, and work hard, at eliminating difficult material without distorting the value of economic education. To further the clarification of issues, better knowledge of the intellectual capacity of students is needed.

In support of this thesis, Meno Lovenstein recognized the capacities of average students in his teaching of the

Worthington High School students (14:29-32). Lovenstein played up to them, rather than talking or writing down to them. The first consideration, in other words, is in knowing what can be done at various levels. By awareness of their capacities, Lovenstein had his students absorbing economic principles and handling economics problems that had been considered impossible before.

Once the capacities of the students are realized, the economist must take a good look at the teacher's knowledge of subject matter. Too often, a hard core of knowledge is utterly lacking. On the basis of the results from the Professional Information Test of the National Teacher Examinations, Miller Found that his forty Iowa teachers had not had economic training for an average of 14.2 years (16:43). He also found that 7 per cent of his interviewees had no formal college preparation for teaching economics in high school (16:43).

When a teacher proposes to teach a course in economics and is poorly informed as to subject matter, his efforts may well intensify economic illiteracy.

Another barrier to sound teaching is inadequate textual material. The examples previously mentioned are mute evidence of the lack in this area. Too often, the answer to methodology or teaching technique lies in the unequivocal statement, ". . . the teacher would help the pupil understand."

Unfortunately, this is impossible if the teacher possesses no understanding of his own to begin with. As Miller discovered (16:42), more than specified spelling out of methods and materials, the teachers needed assistance in acquiring knowledge of basic economic content.

The strongest barriers, then, to teaching economics on the secondary level lie in elemental failings: (1) the intellectual capacity of the student is sadly underrated, (2) textual material comes in abundance from the wrong sources and is unavailable from the right sources, the economists, themselves, (3) teachers lack basic knowledge of subject matter, and (4) there is too much controversy over emphasis on facts or theory, or both.

Regarding the argument over fact or theory, if a teacher provides the student with the knowledge of fact and tools of analysis, the student will be able to distinguish between policies or courses of action according to his own set of values. The elimination of this barrier, therefore, lies in carefully distinguishing between fact and theory. Theory too often becomes "fact" if a teacher believes personally in the advantage of one theory over another.

III. ECONOMICS AS A SEPARATE DISCIPLINE

The attempt to develop a series of disciplines into one integrated discipline has engendered serious discussion

in the secondary schools. That it has had its influence upon colleges may be determined by examining the remarkable number of courses offered in the social sciences. The feeling is that traditional delineation of course lines fails to enlighten the pupil as to the relationships between the several disciplines that make up the social sciences. The tendency is to merge the lines, to blur them to the point where there no longer exists any such separate discipline as economics or sociology or anthropology or anything. The attempt is to merge the whole into something that turns out to be something else altogether. As Kenneth Boulding remarks:

. . . the products of integration cannot be better than what is integrated. "Institutionalism" in economics may be regarded as a premature attempt at synthesis of the social sciences, an attempt to synthesize bad economics, bad sociology, and bad anthropology in a medium of subconscious social bias (4:5).

The defenders of the value of synthesis reply that otherwise the student tends to become compartmentalized in his thinking, blind to the relationships between one discipline and another. The danger, of course, in joining the separate disciplines is that the concepts of any one discipline tend to become drastically reduced. As the number of concepts introduced in an integrated course increases, the actual treatment given them decreases. When the teacher is poorly prepared in a particular subject, the danger of cursory treatment multiplies.

With an increase in disciplines under one roof, there

tends to be discussion about but no real tackling of the problem. There would appear to be enough discussion of, rather than thinking about, economics. In fact, that is the reason for the emphasis on introducing economics into the public schools. More concrete thinking and well informed discussion is needed to help solve the problems of an inter-related and complex world. If economic education is the goal, integration is not the answer.

CHAPTER IV

SUMMARY AND CONCLUSIONS

There are definite attempts to place economic education in the public school curriculum. At present, there is almost a complete absence of the subject matter except as a "throw-in" in American History courses and integrated social studies courses. There has been a lamentable underrating of the intellectual capacity of the high school student and an even more lamentable lack of qualified economics teachers.

The search for economic education's place in the curriculum cannot be solved by avoiding it. It can be solved by recognizing the abilities of secondary students, training otherwise qualified teachers to teach it, and offering it in every curriculum.

Nothing more directly affects the majority of students than economics, even though they are unaware of it by that terminology. Other texts and other offerings do not hold the necessary ingredients for teaching economic understanding to what will one day be the general public. If one thing may be said, it is that economists who are proud of and believe in their profession will come to the assistance of the public school curriculum before economic education goes, by way of free and inexpensive materials, to vested interests.

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