



# The 3<sup>rd</sup> National Summit on Economic and Financial Literacy: An Overview

The headlines of today shout economic and financial issues.

The National Council on Economic Education (NCEE) has a vision for improving economic and financial literacy, particularly by reaching and teaching young people the basics of practical and applied economics and personal financial decision-making skills while they are in school, before they begin life's journey in the real world.

The NCEE's distinctive mission – which has been advanced for sixty years – is advocacy for this issue and delivery of programs to address the issue. In its advocacy role, the NCEE has contributed significantly to raising awareness of the need for more – and more effective – economic and financial education in our K-12 schools. And in its program delivery role, the NCEE has a growing and timely opportunity to be a key part of the solution through dissemination and distribution of its highly acclaimed and proven K-12 education program. We invite you to review, in the pages that follow, the summary of the key Summit discussions and conclusions. We have taken excerpts from the presentations made in order to convey the highlights of the event.

This is an opportune time for our cause. On January 22, 2008, in the Oval Office, President Bush called a group of 16 individuals together to serve on the newly formed President's Advisory Council on Financial Literacy. NCEE's President & CEO, Robert Duvall was named a member of that outstanding group, which is chaired by Charles Schwab. The Council has been charged by the President with helping to keep America competitive and assisting the American people in understanding and addressing financial matters. Therefore, it is now the policy of the federal government, the President said, to encourage financial literacy among the American people.

With the stage set, the NCEE convened and conducted the 3<sup>rd</sup> National Summit on Economic and Financial Literacy on February 27, 2008, in Washington, DC, under the banner of "Getting It Done." The theme of the Summit was to go beyond acknowledgement of the need for economic and financial literacy, and to move toward implementing positive and constructive responses.

## About The National Council on Economic Education (NCEE)

NCEE is a leading not-for-profit advocate and service provider for K-12 economic, personal finance, and entrepreneurship education in our nation's schools.

The NCEE empowers young people to make the very most of their lives and their human capital. Both directly and through its unique nationwide network of affiliated state Councils and more than 200 university-based Centers for Economic Education, NCEE's programs reach more than 150,000 K-12 teachers and over 15 million students each year. In addition, the NCEE's international programs are active in more than 30 nations across the globe.

## About Bank of America and Bank of America Charitable Foundation

Building on a long-standing tradition of investing in the communities it serves, Bank of America is in its fourth year of achieving an unprecedented 10-year goal to donate \$1.5 billion to nonprofit organizations engaged in improving the health and vitality of their neighborhoods. Funded by Bank of America, the Bank of America Charitable Foundation will give more than \$225 million in 2008, making the bank the most generous financial institution in the world and the second largest donor of all U.S. corporations in cash contributions. Bank of America approaches giving through a national strategy called "neighborhood excellence" under which it works with local leaders to identify and meet the most pressing needs of individual communities. Through Team Bank of America, bank associate volunteers contributed more than 650,000 hours in 2007 to enhance the quality of life in their communities nationwide. For more information about Bank of America Corporate Philanthropy, visit [www.bankofamerica.com/foundation](http://www.bankofamerica.com/foundation).

## Getting it Done: Defining the Issues and Framing the Questions

What is economic and financial literacy? Why is it important? Why should we teach it?



**Douglas J. Holtz-Eakin**

*Economist; and Former Director, Congressional Budget Office*

What I have done for most of my career is teach Economics. My job will always be easier if the foundation is a bit stronger and a bit deeper because, as time goes on, the people who make the decisions have very little time to be educated. And if they do not have a good foundation, I believe we will all suffer over the long term.

Building a foundation of economic and financial literacy is imperative for the long-term success of the United States.

The paramount pressing issue that is visible is the broad failure of too many of our schools to educate young Americans. We are leaving behind a tremendous segment of the U.S. population in a world where everyone knows that the standards of skill that are necessary to compete, succeed, and pursue the American dream will be higher in the future, not lower.

It is important for education to have some standards and some accountability for meeting those standards. What is it we are trying to teach children? How well have we reached those standards? And what are the measures of accountability? Can we give parents greater involvement and choice when the standards are not being met? What will be the route forward for moving children from underperforming schools to places where they can get a solid education?

Let us have some reward for innovation. There are great teachers in America and they should be recognized and rewarded. Their innovations need to be diffused through the education system – as innovations in business are elsewhere in the economy.



**Frederic S. Mishkin**

*Member, Board of Governors of the Federal Reserve*

There can hardly be a better time to make the case for economic and financial literacy than now. We face a downturn in our housing industry fueled at least in part by unwise mortgage borrowing and at times abusive lending practices. Our national economy has been strained by this housing slowdown and other forces causing policymakers and others to debate what response is necessary. Also during this election season, we are reminded of the importance of economic issues.

A better-educated citizenry can not only contribute to a better-functioning economy, but also to a more effective government. On the first point, many lessons can be drawn from the downward swing in the housing industry, ranging from those that individual consumers can learn at the micro level to those that financial companies can learn about investment and oversight.

One of the most effective ways to help citizens is to empower them with knowledge. Improving citizens' economic decision making skills through economic and financial education will have a positive impact on the broader economy.

Another case for economic and financial literacy is the role of citizens as voters. As we are so often told, people vote with their pocketbooks. They also make a lot of pocketbook decisions every day that have an impact on the health of the economy, such as whether to take on a particular mortgage, how to save and invest, whether to lease or buy a car, and how to manage credit cards. That brings us back to the importance of financial literacy. The choices we make as individuals – as consumers, investors, and even voters – are linked to the broader economy in ways that we do not always appreciate.

One thing is certain – we make better decisions if we are better informed, and the whole economy benefits. That is the promise of economic education – it not only improves the lives of individual consumers, but it also makes for more-effective policymaking and a better economy. The task of education is not easy, but the returns – and the stakes – are indeed high.

## Panel Discussion:

### Education and the Public Sector – Getting It Done: Economic and Financial Education in the Schools

Charting a course for getting economics and personal finance programs into the schools is critical – requiring creativity, flexibility and recognition of differences in each state. Panelists discussed the challenges on the ground; important advancements in the cause of economic and financial literacy; and innovative programs and initiatives at the federal level (including the “Excellence in Economic Education” program), and in the states, that are designed to provide students a solid foundation for a lifetime of success in the “real world.”



**Morgan Brown** – Moderator

*Assistant Deputy Secretary for Innovation and Improvement, Department of Education*

In recent years, economic and financial education has deservedly gained attention as both the business community and educators have recognized the connection between financial literacy and young people’s future quality of life, and, equally important, the value of related skills such as entrepreneurship for young people to successfully enter a wide variety of careers. The U.S. Department of Education’s Office of Innovation and Improvement administers the “Excellence in Economic Education” program (EEE), which supports efforts to increase the economic and financial literacy of elementary and secondary students. The objectives of the program are:

- Increase students’ knowledge of and achievements in economics.
- Strengthen teachers’ understanding of and competence in economics.
- Encourage economic education research and development.
- Assist states in measuring the impact of education in economics.
- Leverage and expand increased public and private support for economic education partnerships at the national, state, and local levels.

Since 2004, the NCEE has been The U.S. Department of Education’s sole grantee under the EEE program. Each year, the EEE program distributes about \$1.5 million in support of those objectives at the K-12 grade levels, and over the four-year life of the program, the department has awarded a total of \$6 million. To date, NCEE has either distributed or committed to distribute nearly \$4.4 million of that funding through sub-grant awards to state or local education agencies and state or local economic personal finance, or entrepreneurship education organizations. In total, over 400 sub-grants have been awarded since the program’s inception to meet all of the key objectives of the EEE program – with far-reaching impact upon millions of students, teachers, school administrators, parents, and community leaders in nearly every state in the country.



**Tom Horne**

*Arizona Superintendent of Public Instruction*

Our students must make economic choices every day, manage their personal finances, be economically and financially literate in the workplace, and as citizens be competitive in the global job market with students from other countries.

There are two separate and distinct topics. One is financial education – personal finances. And the other is economics education – preparing students to be citizens and leaders with a knowledge of the economy. With financial education, kids learn not to cash checks at the corner check cashing place, not to borrow unwisely on their credit cards, and so on.

I am also extremely concerned about the fact that our citizenry is under-educated about basic economics, and this lack of understanding could destroy our economy. Economic education is a necessary precondition to the very success and future of the United States.

Arizona does have an emphasis on math and science, and we passed our economics course requirement at the same time we passed our requirements for four years of math and three years of science. We believe that economics education supports and reinforces mathematics education – personal finance, data analysis, probability, and discrete mathematics, patterns, algebra, and functions, applying math to everyday life. We illustrate problems ranging from the changing value of money, to the correlation between mathematics and economics standards, through the application of cost-benefit analysis, use of charts and graphs, supply and demand, credit interest savings and taxes, exchange rates, balance of payments, inflation, and unemployment.



**Michele Pearson**

*Director of Community Education in the Ohio Treasurer's Office*

In December of 2006, the Ohio legislature for the first time required personal finance education for all our high schools. We then formed teacher academies and trained 300 teachers on how to teach personal finance through a methods class. We had a very successful first season and were able to impact seven cities in Ohio. And, in 2008, we will expand our efforts with a goal of reaching over a thousand teachers.

In addition to having personal finance education in schools, our mission is to have personal finance education available to all citizens of Ohio. The Treasurer's office has many programs, such as our *Women and Money* program – to date we have reached over 19,000 women; the *Seniors and Money* program; *Financial Freedom* – for victims of domestic violence; and *Bridges* – a project that brings together the faith-based community and independent colleges to deliver personal finance education to that sector. These are examples of what can be done in other states and places.



**Regina Scotchie**

*Social Studies Coordinator, Office of Instruction, West Virginia Department of Education*

Economic and personal finance education is a great fit within the social studies curriculum, because everything in the Constitution speaks of citizens' rights – we have an economic right to sell and buy property; we have a right to know what the fiscal policies are, and where our tax money is being spent; we have responsibilities to take care of our families. Because of this, in 2003, West Virginia began to require a civics course, and the personal finance requirement component, as a requirement, will go into effect the summer of 2008.

After writing the civics curriculum with a standard component dedicated to personal finance, West Virginia became a member of the Partnership for 21st Century Skills, which focuses on four key core areas – global awareness, economic literacy, civic literacy, and health and wellness – and three out of four of those core areas are under social studies.

The West Virginia Department of Education revisited the vocabulary of Economics – which is the biggest problem with teachers, because they do not know how to teach the basics of the subject. It is important to make teachers feel comfortable with economics, and professional development is how that goal can be achieved. West Virginia is also integrating technology to provide for that professional development. We are building online standards-based units for all of our teachers to have access to. The entire civics course is being built so that if a teacher goes into the classroom next year to teach civics for the first time, he/she could pull down every unit for the entire year, including the personal finance unit; the connections between the Constitution and Economics; and the connections between Geography and Economics. This is powerful.



**Karabelle A.L. Pizzigati**

*President, National Association of State Boards of Education (NASBE) Board of Directors*

The National Association of State Boards of Education (NASBE) identified the pressing need for economic and financial education several years ago; and in 2006, NASBE convened a commission on financial and investor literacy to assess the current state of financial and investor education in public schools and to provide education policymakers with recommendations for specific actions to help strengthen students' financial literacy.

The recommendations of this commission speak to what other State Boards might well want to do and should do:

1. State Boards of Education must be fully informed about the status of economic and financial literacy in their states.
2. States should consider this literacy as a basic component of K-12 education, by imbedding it in standards and curriculum, to ensure that programs are related to one another, that there are some measures of how well programs work, and that it is taught well throughout the K-12 curriculum.
3. States should ensure that teachers and staff members teaching economics concepts are adequately trained.
4. States should fully utilize public-private partnerships.
5. States should improve their capacity to evaluate and assess financial literacy programs.

NASBE believes that working together and adopting some of the above recommendations can ensure that we create a system that will help our young people, as well as adult learners, become better prepared to make sound financial decisions and to participate more fully and responsibly in our national democratic life and civic life.

## Panel Discussion:

### Business and the Private Sector – Getting It Done: Supporting Economic and Financial Literacy

The increasingly important contribution of the business and private sector as engines of support is significant to increasing economic and financial education in our schools. Many in the private sector recognize that they must take the initiative. Bringing vision and a wealth of experience, a panel of top-level individuals exchanged knowledge and ideas about how the private sector can both participate in and benefit from an increasingly economically and financially literate society.



**Patrick R. Gaston – Moderator**

*President, Verizon Foundation*

We have all come to the sobering realization that a huge and growing portion of the population is untrained and uneducated in practical and applied Economics. And that is not good for business. Economic and financial literacy is fundamental not only to success, but to survival in the 21st century.

The trends over the past 20 years show a steady decrease in personal savings and a steady increase in debt. The headlines remind us all that a large part of the population is highly over-leveraged. And that puts tremendous pressures on families and communities.

A lack of financial literacy is not exclusive to the underserved population. Whether they are low-income adults, young people or recent immigrants, the need for economic and financial education cuts across all states and all stratas of the population. American high school seniors only got 52 percent of the answers right on the last national financial survey conducted by the Jump\$tart Coalition for Personal Finance in 2006. That is all American high school seniors, not just those in low-income areas.

Now, in other words, without some radical changes to increase effective economic and financial education, we will have generations of people growing up without the ability to manage their current lifestyles, future earnings, or retirement.

Verizon has been especially committed to improving educational attainment for all and improving economic and financial literacy for young people, particularly in traditional classrooms and non-traditional learning environments through a web-based program called Thinkfinity.org. This is a very important educational resource. Through our partner, NCEE, we have very robust content focused on financial and economic literacy, presented in a way that is innovative, interactive, and interesting to students so that they can actually get it.



**Steve Bartlett**

*CEO, The Financial Services Roundtable*

The Financial Services Roundtable is composed of one hundred of the largest financial services companies in the United States. Our companies provide about 65 percent of the financing of the U.S. economy, and the lack of financial literacy in the United States is a major problem for our businesses.

It is important to us, first, because of employees. It is difficult to get employees that understand the system, so we go through an extensive retraining program when employees come in. Secondly, and probably most important, because of our customers. If customers do not understand the proper use of credit, then they get in trouble. And then third is the overall economy. If customers do not know how to use debt, credit or finance, it quickly becomes an issue for the well-being of society, and the economy, as a whole.

To solve the problem, every single one of our hundred companies is actively engaged in financial education. We have proposed some national legislation, both in the areas of literacy and curriculum, that can be implemented by the states. Also, in dispute resolution and consumer complaints, we can help to educate the customer with a direct interaction. We do not have all the answers but we can help fight the battles.



**Thomas J. Donohue**

*President and CEO, U.S. Chamber of Commerce*

The U.S. Chamber of Commerce has been conducting focus group work with adults regarding their views on the economy, the environment, and about trade. And my conclusion is that we have been involved in a long-term process of “dumbing down” our citizens.

The Chamber is working on a five-year competitiveness plan to look at the U.S. school systems in a fundamental way. When 30 percent of the kids do not graduate from high school in four years, when 50 to 60 percent of the minorities are not graduating – this is not only about economic literacy or financial literacy – this is about literacy altogether.

We must know of all the programs available, and the programs must be conducted locally in the schools, in the homes, in after school programs and community centers.

Having said that, the fact is that our society does need to have some fundamental understanding of economics: About the economics of how jobs are created, how wealth is created, how investment creates jobs and wealth, and how profits go back into pension funds and into investment in companies and into the creation of jobs.

It is important to have governments, schools, and parents teach the basics: How do we look at the basics of economics and personal finance in our own lives? And how do we, as citizens, understand the economics of our country? These are big questions for today and for the future.



**Andrew D. Plepler**

*President, Bank of America Charitable Foundation*

The common theme expressed from both the public and private sector is the issue of economic and financial literacy and the fact that it is far more relevant today than ever before. There are very real business consequences and community-social consequences that derive from the lack of economic and financial education. The fundamental point is that too many people are not in an informed position to make sound financial decisions and we need to address that in a very serious way.

We see more and more that Bank of America employees want us and expect us to address serious social issues in society today. This is a moment in time where the companies who address serious social issues, who do it well, who do it seriously, who do it authentically, are going to have an advantage in their ability to attract the best people and retain the best people. I think that is a good evolution today in our workplace.

An issue is how we measure progress? In corporations we grapple with this question. The NCEE has conducted analysis and assessment studies for its excellent *Financial Fitness for Life*® Program, which Bank of America Charitable Foundation sponsored, and what they are finding is that those who have this kind of financial literacy education are testing measurably better.

I am a big believer that we in corporate philanthropy have to find the NCEE's of the world, invest in them, know that they are going to build their leadership, and build their capacity to have greater capability to address these issues. There has to be more trust and a little bit more of a leap of faith involved in these partnerships between business and the non-profit sector so that we spend less time tracking every dollar that is invested in these issues, and more time expanding, going to scale, investing in capacity and innovation, in order to have a greater impact.



## Panel Discussion: Measuring Progress – Getting it Done: What is Next

This past year, *The Nation's Report Card: Economics 2006*, the first-ever National Assessment of Educational Progress (NAEP) test in economics, was released. *The Nation's Report Card: Economics 2006* will serve as our roadmap as we discuss what the findings tell us.

An expert panel addressed the NAEP findings as the work-in-progress of the federal Financial Literacy and Education Commission (FLEC) and the agenda of the newly formed President's Advisory Council on Financial Literacy. We also learned of one state's exemplary evaluation of its economic education requirements.



**Richard MacDonald** – Moderator

*Professor of Economics, St. Cloud State University, Minnesota; and Senior Advisor for Program Development, NCEE*

How do we measure our progress in this effort to provide effective education in basic economics and in personal financial decision-making skills? Each day, millions of citizens must make economic and financial decisions, take actions, and consider issues that influence not only their own well being, but that of communities. Are we preparing our students and our citizens to make these important decisions?

This past year, *The Nation's Report Card, Economics 2006*, the first ever National Assessment of Educational Progress in Economics was released. The report includes never before compiled data on Economics course taking and provides examples of what students do, and equally important, do not know about national and international economic concepts and personal finance topics. With the NAEP report, Economics joins the list of subjects at the pre-college level to have national assessment results to report, research, and otherwise analyze.

The next National Assessment in Economics is scheduled for 2012. Going forward, this will give us invaluable data for tracking our progress and ascertaining how and where we are making a real difference in effective economic education.



**Kathy Cox**

*State Superintendent of Schools for Georgia*

Georgia is one of 17 states that require high school students to pass an Economics class before graduation. But there is a difference between requiring a class, and making sure the class is good.

Georgia had all the economic and financial education requirements, but the question was – was it of quality? Was it consistent? Could you guarantee that a student sitting in a high school Economics class in one part of the state was getting the same information and standards as someone else? And the answer was no.

We planned a three-fold strategy. First, we rewrote our social studies curriculum. We realized that it is important for the future of financial literacy in Georgia to have high levels of numeracy, because economics can not be separated from the logic of mathematics. A large component of what we have to do is not just to have standards embedded into social studies; we have got to make sure we are taking our kids to higher levels of mathematics literacy so that they can understand what is happening economically and financially to them and can figure things out and make life decisions and calculations.

It is also important to have a series of end-of-course tests. In Georgia, we test students on both financial literacy and Economics. And the only test results that have significantly gone up over the past five years is the Economics test.

Georgia requires teachers to be certified and well trained to teach Economics. Teachers know a lot more economics than they realize; they just do not always understand and utilize the vocabulary of Economics, and that is what we did with our social studies curriculum K-12. We embedded Economics into it, and we asked teachers to start using the terminology of basic Economics. It has been a real success as you watch the rollout and implementation of the new standards in those younger grades. For example, a kindergartner understands ten kids and five cookies – that is “scarcity.” That is what we have done K-12. Five years later we have made great strides in all three of those areas: revision of the curriculum, making sure that our test scores are going upward, and also on the training of our teachers.

We can not just arm kids with theories about economics. We also have to make it relevant for students, such as what is happening with your paycheck at that part-time job? And what happens when you start getting the credit card applications?



**Charles E. Smith**

*Executive Director, National Assessment Governing Board*

In August of 2007, our governing board released the first ever National Assessment of Educational Progress in Economics. We now have for the first time a good, solid picture of what 12th graders know and can do in Economics.

The framework incorporates standards and benchmarks taken from the *Voluntary National Content Standards in Economics* created by the NCEE.

In many ways, the results were encouraging. The percentage of students performing at both the basic and proficient levels exceeded that of any other subjects included in the series of national assessments over the years. Specifically, more than four in 10 students performed at or above the proficient level, and nearly eight in 10 performed at or about the basic level. These are encouraging findings, yet they do not measure up to the high standards that NCEE has set. Also achievement gaps between racial and ethnic groups were evident and troubling.

A great many students simply have not learned that Congress and the President determine federal spending and taxes, and they apparently do not know how the Federal Reserve works. Knowing the considerable effort that NCEE has made over the years to increase the inclusion of Economics in the curriculum of our nation’s schools, there were findings in the assessment that should be of special interest, and in some cases, concern – which is, I believe, essentially what this Summit is all about.

### WHAT STUDENTS KNOW ABOUT ECONOMICS – EXCERPTS FROM NAEP ECONOMICS (2006)

MARKET ECONOMY	NATIONAL ECONOMY	INTERNATIONAL ECONOMY
72% described a benefit and a risk of leaving a full-time job to further one’s education	60% identified factors that lead to an increase in the national debt	63% determined the impact of a decrease in oil-importing countries
52% identified how commercial banks use money deposited into customers’ checking accounts	36% identified the federal government’s primary source of revenue	51% determined a result of removing trade barriers between two countries
46% interpreted a supply and demand graph to determine the effect of establishing a price control	33% explained the effect of an increase in real interest rates on consumers’ borrowing	40% determined why industries can successfully lobby for tariff protection
36% used marginal analysis to determine how a business could maximize its profits	11% analyzed how a change in the unemployment rate affects income, spending, and production	32% identified how investment in education can impact economic growth



**William Walstad**

*John T. and Mable M. Hay Professor of Economics, University of Nebraska-Lincoln; and Director, National Center for Research in Economic Education*

What has been done that has worked, and what more needs to be done? I believe there are five factors that advance effective K-12 economic education:

1. Economics content needs to be specified – What is going to be taught in the classroom? What are teachers going to teach? What is going to be in the textbooks?
2. Curriculum and instructional materials must be innovative and relevant – This is particularly important in economic and financial education because economics is not a mainstream part of the curriculum, and we have to push for instructional time in the classroom.
3. Teachers must be trained well – This is the mission of the NCEE. Do we have teachers that are prepared to deliver economics in an exciting, engaging way? Have they had the education they need to best teach their students?
4. We must make the case for economic and financial literacy – Getting other organizations involved, such as the Federal Reserve System, has been critically important to advancing the cause. And we need to look to other organizations as we go forward and bring in more business sector and foundation support to help us make the case.
5. Measurement and Assessment – Teachers want tests that can be used to measure students’ achievement. The NCEE has provided nationally-normed, rigorous instruments – the *Test of Economic Literacy* (high school) the *Test of Economic Knowledge* (middle school), and the *Basic Economics Test* (elementary grades).



**Dan Iannicola, Jr.**

*Deputy Assistant Secretary for Financial Education, U.S. Department of the Treasury*

A few years ago, the Federal Government launched [mymoney.gov](http://mymoney.gov), which is a central website that provides financial education resources to all Americans. It is available in English and Spanish and to date has had 1.5 million visits. And we have had 2.1 million different pieces of financial education information sent out to individuals.

Also, two years ago, a twenty-agency group called the Financial Literacy and Education Commission (FLEC) released the first ever *National Strategy for Financial Literacy*. It is a substantive document, with thirteen different chapters covering a host of issues, everything from the un-banked to retirement to consumer protection to youth education, with specific calls to action. We have been executing on that strategy over the last few years, and we will continue to do so with initiatives that we think will broaden the scope and depth of financial literacy.

Recently there was a very high profile event with the launch of the President’s Advisory Council on Financial Literacy. The Council is composed of private-sector individuals (including the NCEE’s President & CEO, Bob Duvall) and we trust this will help marry well with our efforts in the public sector.

Just as a democracy requires educated voters, a free market economy requires educated consumers. That need will always be there. The need is systemic: As long as we have people who are free to make choices in the economy, they will have the opportunity to make a bad choice or a good choice. You can not separate the two.

We all know that we can not legislate, regulate, or take all the risk out of a free market economy. Everyone with a checkbook has the ability to bounce a check. Each person with a mortgage has the possibility of missing a payment. Each person with a retirement portfolio with stocks, bonds, and mutual funds faces the possibility of it losing value. But none of us would tell people to avoid getting a checking account or aspiring to purchase a home or investing in a 401(k). We would tell people that education is the answer. They need to learn all they can and then they can utilize those great opportunities and take the opportunity to make a good choice and avoid a bad choice. Education makes that difference – and the difference is urgent, the difference is profound.



**Call to Action**

**Robert F. Duvall**

*President and Chief Executive Officer, National Council on Economic Education (NCEE)*

Economic and financial literacy is imperative to the future of the United States. This is an opportune time to take stock and to think about where we go from here.

First, we have been reminded that the purpose of the Summit was to focus on, and to magnify ways and means of improving economic and financial literacy. The two go together. Financial literacy is a front-page topic these days, but it will always be the case that all our young people, indeed all our citizens, need a grounding in basic economics principles and concepts, in order to make sound and worthwhile choices about managing their resources.

We all need to know about markets and how they work, as responsible, self-reliant citizens, as members of families and communities, and as voters. It is important to know something about concepts like scarcity and opportunity cost and cost-benefit in order to make good decisions. And that is what it is all about – making good decisions, because economics is a critical dimension of everything we do.

Economic and financial literacy, looked at in this way, as we have done at the Summit, comprise a skill set, a framework for making financial and life decisions. So let us re-resolve to work to improve and extend this literacy through our nation’s schools, in the workplace, in the marketplace, in public policy, in advocacy and program delivery, in education, and in action. We are making progress as this Summit has vividly shown and affirmed. We are “getting it done,” but there is much more to do. To continue to get the job done, and done well, we need to focus on both education and communication. How do we effectively get into the schools when there is a crowding for shelf space in the curriculum?

Last year for our part in answering this challenging question, the National Council on Economic Education (NCEE) and our unique network of affiliates, State councils and over 200 university centers across the country, reached well over 150,000

K-12 teachers in providing resources and professional development opportunities – teachers not only in Economics, but in History, Math and Science, Civics and Government, Geography, the Social Studies generally, as well as personal finance and entrepreneurship. Teaching the teachers is the differentiating heart of the NCEE’s mission and method.

In 2007, over 150,000 teachers were engaged in our program, with a powerful “multiplier effect.” We at the NCEE are proud of that record. But, it ought to be a million!

And how do we do better and more effectively reach out to ordinary citizens who are out of school, at home, in the workplace, in organizations and communities? That is a challenge, because the infrastructure of the school system is not there.

The Summit has shown that we are definitely moving from talking about the problem of economic and financial *illiteracy* to executing solutions. Increasing economic and financial literacy, as this Summit has demonstrated, is very much a work in progress. Going forward in this work, what do we know? We know that economic and financial literacy is not something we were born with; it is learned behavior. We know that it is best learned when young, especially in school, from well-prepared and well-equipped teachers, including parents as teachers. We know through increasingly sophisticated tests and instruments and assessments that this literacy can be taught and learned and can change behavior. We know that the consequences and effects of financial and economic *illiteracy* can be harmful to the present and future of individuals, of families, of institutions, and of the nation.

The 3rd National Summit provided multiple facets of evidence of what “making a difference” in this issue is all about. We are taking away profound ideas, compelling inspiration, and excellent and useful information, focus and perspective – to continue to make a difference.

## **Economic and Personal Finance Education In Our Nation’s Schools: A Comparative Look (1998 - 2007)**

### *NCEE’s SURVEY OF THE STATES*

	ECONOMICS			PERSONAL FINANCE		
	1998	2007	Increase	1998	2007	Increase
Number of States with Content Standards	38	49	11	21	40	19
Number of States Requiring Implementation of Content Standards	28	41	13	14	28	14
Number of States Requiring a Course to be Offered	16	17	1	--	9	9
Number of States Requiring a Course to be Taken for Graduation	13	17	4	1	7	6
Number of States Requiring Testing	25	22	-3	1	9	8

**The mission of the National Council on Economic Education (NCEE)  
is to help all students develop the real-life skills they need to succeed:  
to be able to think and choose as knowledgeable consumers, savers and  
investors, responsible citizens, productive members of the workforce  
and effective participants in a global economy.**



**National Council on Economic Education**

1140 Avenue of the Americas, New York, NY 10036

T 212 730 7007    F 212 730 1793  
econed@ncee.net    www.ncee.net