

Toward ECONOMIC COMPETENCE

Education toward economic competence can no longer be left in the realm of guesswork and treated merely through incidental instruction. Skilfully presented, it can serve as a means toward greater everyday competence, better personal and family life, and more effective citizenship.

Curriculum, we commonly say, must be drawn from two sources: the needs of the individual and the needs of his society.

Economic education is an illustration of an area that meets both personal and social needs. For the individual, it is part of growing up. He has to move toward economic independence and be able to handle it. He has to learn to manage his practical affairs—to get his money's worth; to shake down his value system so that he uses his income to further his goals; to plan ahead and to save toward his plans. As he progresses through adolescence he feels these needs intensely.

His economic society also has great needs. It is by all odds the most successful economic system yet invented. Its productivity is fantastic. Its possible future defies description. Yet it is definitely more vulnerable than a simple economy. It is interdependent upon all its parts. It is complex, demanding wisdom in its managers. And its managers are all of the people. For the fabulous American economy is less a matter of technology—revolutionary as

that is—than it is the product of a great, liberal society and the polity of a stable republic.

Problems in Credit and Selling

How can schools best help to meet both sets of needs? How can they produce economic citizens with broad intelligence and deep insight, men and women able to look ahead to the consequences of their actions and govern themselves by loyalty to the long-term general welfare, citizens with a scientific, problem-solving approach, able to see the remaining flaws in their system and zealous to keep on improving it? Can the schools do this, and in the same motion help to produce individuals competent in running their own affairs?

The answer is that the two halves fit together beautifully, each reinforcing the other. The frontier of economic education today lies in the developing

Fred T. Wilhelms is chairman, Division of Education and Psychology, San Francisco State College, San Francisco, California.

art of interweaving the two. And from that process there are side effects no less important than the economic goals.

Let's look at a few examples: Shuffling almost at random through a stack of units, I come to one on the use of consumer credit. It calls to mind a brilliant teacher in an eastern city who did not really believe that credit was a matter of concern to young people—until she began probing into the subject. Then she found many of them acutely, even exaggeratedly, uneasy over their families' debt problems. She found the question of buying on the installment plan a hot issue.

As she and her class dug into the problem of credit, they found the pawnbroker still a very common source of loans, and the sinister figure of the loan shark not far in the background. They studied and visited other places where credit can be had, such as banks, small loan companies, and credit unions. They studied installment contracts from their own circles, calculated the cost of credit. They talked about when and for what to use credit, how to shop for it, how to make it a useful tool rather than a dangerous weapon.

Along the way, with skillful encouragement, the inquiry broadened and deepened. Where do banks get the money they lend? What are the basic functions of banks? They began to see the pivotal role credit plays in an industrial economy. They could talk a little about capital formation and risk-bearing. A little history came in handy: the history of money and banking in our country, the reasons for the protections of F.D.I.C., etc. The story of the

small loan laws was an intriguing look into the way new social-economic problems arise, are defined, and slowly met. It was a good spot to think about what government ought to do or not do about people's problems.

Or take another example: Here is a class studying buymanship. As individuals or by groups they make close studies of how to buy whatever is dearest to their hearts. Bicycles, rifles, second-hand cars, dresses, record-players—the list piles up. They find that good buying takes careful thinking about what one wants. A portable typewriter has some advantages, the heavier standard machine has others—almost any choice one makes means taking some gains, some losses. The teacher encourages such thinking a bit. Budgeting, whether formal or not, is a matter of choice-making, sacrificing the lesser to gain the greater.

The class soon finds that shopping is primarily a matter of gathering data, data that form a solid foundation for comparisons of characteristics and price and quality. But the data are not always easy to get in sufficient clarity. One has to depend somewhat upon sales clerks. How expert are they? How dependable? Above all, how can one deal with them to get the best of service? Labels are sometimes very helpful. How does one learn precisely what the trade terms mean? (A little dictionary starts its cooperative development.) Advertising is a necessary channel of information. But can one depend on it? How can you tell whether you can depend on it or not? To make advertising serve you, what skills do you need?

Being young and idealistic, the students let off a good bit of steam about

some advertising they believe to be unethical. They are indignant about this. The teacher now faces a choice. Following out this concern is not essential to the production of skill in shopping. But he chooses to lend it his aid for larger reasons. So the class finds itself studying advertising as an institution. They learn of its tremendous, rapid growth; what forces brought it up from so small a base so suddenly? Why is it so peculiarly necessary in our day? They find that its abuse has been a matter of grave concern for many years. They study the work of the Better Business Bureaus—the efforts of business to “clean its own house.” They visit a bureau and learn how to use its services. They find out about the laws. Their state has good ones, but they do not seem to be used. Why? They look at the history and operation of the Federal Trade Commission and the progressive development of food and drug legislation. At the post office they learn about postal fraud laws and their enforcement. They debate among themselves: Where there is a problem like people’s being led to waste their money—or even to endanger themselves—by unethical selling, how shall the remedies be developed? Has government anything to do with this? Is self-regulation the answer? Or education?

Examples could be multiplied at will. Instead, let’s draw a few generalizations from these two.

- *The starting point is a problem of immediate interest and concern to the youngsters, and one which will remain important in their personal lives as adults.*

I like to call this the “consumer ap-

proach” rather than “consumer education,” because the latter is likely to remain too narrow. Nevertheless, the pure, narrowly defined “consumer education” (i.e., the development of skill and judgment as a consumer) is worth while in its own right, and should be fully developed. That is to say, we do not simply take a passing swipe at the immediate “practical” concerns and then rush on to “higher” things. On the contrary, the very genius of modern economic education lies in giving real service on practical problems. If we start with a unit on “The Use of Bank Services,” we really dig into how to use a bank. We aim to produce people who all their lives will use banks intelligently and without inhibiting awe and fear. If we are not competent to do this, we may as well go back to the old theoretical economics courses which failed so miserably because they were remote from life (and, often, remote from economic reality or truth as well).

To tell the truth, a certain portion of the students, with minds better attuned to the concrete than to the abstract, may never go much beyond this immediately practical, earthy material. So be it! In their limited way, under skillful guidance, they will have had a comfortable experience of success, they will have made an authentic contribution to the work of the class, and they will have acquired learnings of value for all their lives.

- *From this home base of the immediate and the concrete, the group can reach out, with help, in several directions. One of these directions is toward general economic understanding.*

The advantages of approaching gen-

eral economics from this direction are not merely those of motivation, though these are great in themselves. A great part of what has got taught in the sweeping generalizations of classical economics just isn't so. It never had much contact with the real world of business and work. It operated in an elaborate fairyland of theoretical constructs. The consumer approach lends itself to analyzing an economic institution or phenomenon at a time when it is needed. It puts each piece in a context of meaning. It involves the real choices real people face, and the forces that operate upon them. It gets at *economics in action*.

Precisely because it moves to the real and contemporary, such economic study almost inevitably brings the student face to face with the agenda of problems that will face him as a citizen.

● *Another direction in which the group may reach is a study of government, as it relates to personal and economic affairs.*

Again, a tremendous advantage in such an approach is that it leads to study of *government in action* on real concerns of real people, instead of the all-too-common, sterile analysis of form and structure. Take, for instance, the story of the Food and Drug Act of 1906 and its later revisions. Here is the perfect laboratory case of how human needs change and new problems accompany new opportunities. It illustrates the slow upwelling of concerted public opinion, and the currents and cross-currents of powerful forces. It opens wide the whole question of what a government is for.

The last question is one of the crucial issues of our day. In significant

measure it represents the issue between us and Communist governments. It is probably the chief dividing line between our major parties. Youth need many opportunities to reflect upon the basic question of what they wish their government to do and not do. They need chances to reason through this issue in many concrete cases, not solely in the abstractions and propagandistic pressures of sweeping terms like "welfare state."

Given such opportunities, young citizens can learn how their governmental units—which nowadays busy themselves with economic matters far more than with simple law and order—actually operate. They can learn it more meaningfully than from the typical civics approach. And they will be learning it in terms that will translate directly into their everyday lives as voting citizens.

● *Still another direction in which a group can reach is toward the hammering out of a personal sense of values to live by.*

It is by no means easy to teach "philosophy" to hot-blooded adolescents, many of them with little grasp of abstract subtleties. But I have often noticed an almost-natural drift, which needs only a little encouragement, for consumer-oriented classes to move into the area of life values. You are discussing budgeting and choice-making, let us say, or some aspect of buymanship or money management. Suddenly the problem has sublimated to, "What's worth buying anyway? A guy works hard for a dollar. He ought to think what he wants for it."

Consumer education can enormously widen the horizons, especially for

children from limited homes, as to what is a good life. It may start from a purely economic base, to be sure. "What standards of living do you wish to work toward? What 'things' will you try to have?" But the exploration need not stay at the economic level. "What place in your budget—and in your life—for music, and art and true recreation?" Adolescents looking ahead anxiously, yet eagerly, to their own homes and families, love to probe such problems.

Such a discussion moves easily into ethics. When buying automobile insurance, do you think only of protection for yourself? Or is the ethical man's concern at least as much to be able to pay as well as possible for damage he may cause others? If sportsmanship is valid on the football field, doesn't it apply equally well at the grocery counter? Character development in such gritty terms looks more hopeful to me than the same thing attempted in isolation.

Where Are the Teachers Coming From?

Inevitably—and fortunately—the discussion moves into the area of family relations. Especially for adolescents, the money problem is an intense one. They crave economic independence; they simply have to move toward it to grow up. They see more clearly than many of their elders on such matters as personal allowances. They sense the importance of thoughtful, democratic family cooperation in money matters. And, as always, the discussion can easily move out beyond money and economics to the whole, vital matter of wholesome family life.

Obviously, this whole business of constantly building bridges back and forth between the concrete and the abstract, between personal economic problems and the principles of economics, between practical affairs and philosophical generalizations, between individual needs and a philosophy of government, calls for high artistry in teaching. It calls, too, for extensive knowledge, organized in an unusual way. Speaking very generally, in terms of their typical patterns of training, home economics teachers have an important part of the training needed; one may say they are conditioned to look at the matter "from the bottom up"—i.e., emphasizing individual needs and competencies, perhaps seeing less clearly the generalizations. Social studies teachers, conversely, tend to look "from the top down," being interested in the generalizations but laying little concrete foundation for them in personal terms. Some teachers of arithmetic and general mathematics have excellent background for handling personal-social content. Some business teachers are interesting themselves primarily in the personal and social uses of business information. Many elementary teachers are superbly equipped to help students gather firsthand economic data; fewer of them can use these data in making effective generalizations.

It seems that a new kind of synthesis, not typical of any one college major, is needed. This synthesis is being attempted particularly by two nationwide projects in in-service teacher education: the Joint Council on Economic Education and the Committee on Education in Family Finance.

The Committee on Family Finance is a group of educators fervently interested in economic education. It has operated for a number of years under the chairmanship of Herold Hunt. Since Dr. Hunt's appointment as Undersecretary of Health, Education and Welfare, the chairmanship is in the hands of Superintendent Willis of Chicago. With financial aid from the Institute for Life Insurance, the Committee provides financial support and leadership each summer for about a dozen workshops managed autonomously by selected universities and colleges, each offering scholarships to some thirty or forty teachers and administrators. In some cases it provides year-round follow-up work.

Workshop members are given intensive help in the financial-management side of family life. They are encouraged to do detailed, practical work in the everyday financial problems of children, teen-agers, and adult family members. They are helped in this, for example, by skilled home economists, credit managers, and insurance men. At the same time they are taught the related general-economics side, typically by highly selected faculty members from schools of business. With this dual training, they work out a variety of units and teaching guides. Each year some three or four of the best of these materials are selected by the national committee, given intensive editing and enrichment by experts, and published for general use.

Headquarters of the Committee for Education in Family Finance are at 488 Madison Avenue, New York City. The Executive Secretary is Mr. R. Wilfred Kelsey. Inquiry addressed to

him will bring you an excellent list of tried teaching aids. You can also receive, free of charge, the periodical leaflet, *Topics for Teachers*, which serves as a clearinghouse for good practices and publications.

The Joint Council on Economic Education received its initial support from the Committee on Economic Development. It has since had foundation support. Its program has grown phenomenally, until it now sponsors annually some three dozen summer workshops, each of which is supported financially by local business groups.

In contrast to the approach of the Family Finance group—which tends to attack problems “from the bottom up”—the Joint Council is especially interested in general economic intelligence. Its workshop members receive intensive training from a brilliant array of economists on large national and international economic concerns. It is, then, up to the workshopppers, with the help of faculty members from schools of education, to translate the big generalizations into teaching treatments. Annually the Joint Council edits and publishes some of the best of these materials.

The Council has also maintained a commission on teacher education in the economic area, working closely with the American Economic Society and other educational groups. Council headquarters are at 2 West 46th Street, New York. The Executive Secretary is Moe Frankel. Inquiry addressed to that office will bring you a wealth of help.

ASCD'ers should know that they have a professional Commission on Economic Education, under the chair-

manship of Francis A. Whittle working closely with such organizations as the above. This commission hopes to bring out a major, overarching treatment of the field in a few years.

Working in a considerably different fashion is the Council on Consumer Information, a group of educators which has had financial assistance from Consumers Union. This organization has pledged itself to publish annually a few problem-centered monographs on personal and national problems. In every case it religiously considers all "sides" of the question, taking great pains to be objective. It also publishes a *Newsletter*, which is especially rich in best-practice news and in reference to new literature. Membership is open, at annual dues of \$2.00, which includes all pamphlets and the *Newsletter*. Address Professor Warren Nelson, Executive Secretary, Miami University, Oxford, Ohio.

For the teacher or administrator wanting guidance in what to teach and how to teach it, there is probably still no better source than the Consumer Education Series of teaching-learning units, published by the Consumer Education Study and available from the National Association of Secondary-School Principals, 1201 Sixteenth Street, N.W., Washington 6, D. C. The units are several years old now, and they have not all been revised to incorporate new material. But they give

the most comprehensive view of the field yet available. See especially *Consumer Education in Your School*, a handbook for teachers and others.

Finally, attention should be called to a monumental study being carried on by the recently formed Commission for the Advancement of Secondary Education, sponsored by the National Association of Secondary-School Principals, financed by the National Better Business Bureau, and operating at NEA headquarters, with Galen Jones as Executive Secretary. The commission has allotted itself three years for an exhaustive study of what constitutes economic competence and what economic concepts must essentially be taught. It hopes later to give guidance toward a coherent year-by-year program of economic education. Its work is not generally available as yet, but should be watched for eagerly.

Plain common sense tells us it is high time to take education toward economic competence—both personal-practical and general—out of the realm of guesswork and merely incidental instruction. Economic education is not an esoteric specialty, good for only the few. We can learn to make it a vital part in the liberal education of every young person. When we do, we shall find it a fine vehicle toward greater everyday competence, better personal and family life, and more effective citizenship.

Copyright © 1956 by the Association for Supervision and Curriculum Development. All rights reserved.