

National Economic Standards

The National Council on Economic Education (in partnership with the National Association of Economic Educators and the Foundation for Teaching Economics) has produced a set of curriculum standards based on the essential principles of economics, titled Voluntary National Content Standards in Economics. Each of the 20 content standards, developed by a panel of economists and economic educators, includes a rationale for its inclusion; benchmarks indicating attainment levels for students in grades 4, 8, and 12; samples of what students can do to enhance or demonstrate their understanding of economics; and correlation of existing EconomicsAmerica publications to the standards.

Who is it for?

The inclusion of economics as a core subject in the goals 2000 Educate America Act recognizes the value of economic understanding in helping people comprehend the modern world, make decisions that shape their futures, and strengthen major institutions. The principles of economics bear directly on the ordinary business of life, affecting people in their roles as consumers and producers. Economics also plays an important role in local, state, national, and international public policy. Economic issues frequently influence voters in national, state, and local elections. A better understanding of economics enables people to understand the forces that affect them every day, and helps them identify and evaluate the consequences of private decision and public policies. Many institutions of a democratic market economy function more effectively when its citizens are articulate and well informed about economics.

Learning how to reason about economic issues is important also because the analytic approach of economics differs in key respects from approaches appropriate for other related subjects such as history and civics. Yet valid economic analysis helps us to master such subjects as well, providing effective ways to examine many of the "why" questions in history, politics, business, and international relations.

Skills, as well as content, play an important part in economic reasoning. The key skills students must develop in economics include an ability to: (a) identify economic problems, alternatives, benefits, and costs; (b) analyze the incentives at work in an economic situation; (c) examine the consequences of changes in economic conditions and public policies; (d) collect and organize economic evidence; and (e) compare benefits with costs.

Students should have gained several kinds of economic knowledge by the time they have finished the twelfth grade. First, they should understand basic economic concepts, and be able to reason logically about key economic issues that affect their lives as workers, consumers, and citizens, so they can avoid errors that are common among persons who do not understand economics. Second, they should know some pertinent facts about the American economy, including its size and the current rates of unemployment, inflation, and interest. Third, they should understand that economists hold differing views on some economic issues. This is especially true for topics such as the appropriate size of government in a market economy, how and when the federal government should try to fight unemployment and inflation, and how and when the federal government should try to promote economic growth. Nevertheless, there is widespread agreement among economists on many issues and in their basic methods of analysis.

The essential propositions of economics are identified in the 20 content standards that follow. Each standard is followed by a rationale for its inclusion. The benchmarks for the teaching of each of the content standards are provided indicating recommended levels of attainment for students in grades 4, 8, and 12. Finally samples of what students can do to enhance or demonstrate their understanding of the benchmarks are provided.